

Risk Factors Comparison 2024-02-28 to 2023-03-30 Form: 10-K

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Investing in our securities involves a high degree of risk. Before you make a decision to buy our securities, in addition to the risks and uncertainties described above under “**Special Cautionary** Note Regarding Forward- Looking Statements,” you should carefully consider the risks and uncertainties described below together with all of the other information contained in this Annual Report. If any of the events or developments described below were to occur, our business, prospects, operating results and financial condition could suffer materially, the trading price of our common stock could decline, and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

Summary Risk Factors Our business is subject to a number of risks of which you should be aware before making a decision to invest in our securities. These risks include, among others, the following:

- We are an early- stage company and have a limited operating history, which makes it difficult to forecast our future results of operations.
- We have a history of operating losses and expect to incur significant expenses and continuing losses for the foreseeable future.
- We may not be able to scale our business quickly enough to meet customer and market demand, which could result in lower profitability or cause us to fail to execute on our business strategies.
- We may not manage our growth effectively.
- Our management has limited experience in operating a public company.
- Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate.
- Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.
- Our operating and financial results forecast relies in large part upon assumptions and analyses we developed. If these assumptions or analyses prove to be incorrect, our actual operating results may be materially different from our forecasted results.
- We may need additional capital to pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances, and we cannot be sure that additional financing will be available.
- We have not produced a scalable quantum computer and face significant barriers in our attempts to produce quantum computers.
- The quantum computing industry is competitive on a global scale and we may not be successful in competing in this industry or establishing and maintaining confidence in our long- term business prospects among current and future partners and customers.
- **We have experienced in the past, and could also suffer disruptions, outages, defects and other performance and quality problems with our quantum computing systems, our private cloud, our research and development activities, our testbeds, our facilities, or with the public cloud, internet, and other infrastructure on which they rely.**

Even if we are successful in developing quantum computing systems and executing our strategy, competitors in the industry may achieve technological breakthroughs that render our quantum computing systems obsolete or inferior to other products.

- **We may be negatively impacted by any early obsolescence of our quantum computing technology.**

We may be unable to reduce the cost per qubit **sufficiently**, which may prevent us from pricing our quantum systems competitively.

- The quantum computing industry is in its early stages and volatile, and if it does not develop, if it develops slower than we expect, if it develops in a manner that does not require use of our quantum computing solutions, if it encounters negative publicity or if our solution does not drive commercial engagement, the growth of our business will be harmed.
- If our computers fail to achieve a broad quantum advantage, our business, financial condition and future prospects may be harmed.
- ~~We could suffer disruptions, outages, defects and other performance and quality problems with our quantum computing systems or with the public cloud and internet infrastructure on which they rely.~~
- We have and may continue to face supply chain issues that could delay the introduction of our product and negatively impact our business and operating results.
- If we cannot successfully execute on our strategy or achieve our objectives in a timely manner, our business, financial condition and results of operations could be harmed.
- Our products may not achieve market success, but will still require significant costs to develop.
- We are highly dependent on our ~~co- founders~~ **key employees who have specialized knowledge**, and our ability to attract and retain senior management and other key employees is critical to our success.
- We may not be able to accurately estimate the future supply and demand for our quantum computers, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue.
- **Much of our revenue is concentrated in a few customers, and if we lose any of these customers through contract terminations, acquisitions, or other means, our revenue may decrease substantially.**

Our systems depend on the use of a particular isotope of an atomic element that provides qubits for our ion trap technology. If we are unable to procure these isotopically enriched atomic samples, or are unable to do so on a timely and cost- effective basis, and in sufficient quantities, we may incur significant costs or delays, which could negatively affect our operations and business.

- If our quantum computing systems are not compatible with some or all industry- standard software and hardware in the future, our business could be harmed.
- If we are unable to maintain our current strategic partnerships or we are unable to develop future collaborative partnerships, our future growth and development could be negatively impacted.

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- Our business depends on our customers’ abilities to implement useful quantum algorithms and sufficient quantum resources for their business.
- Our future growth and success depend in part on our ability to sell effectively to government entities and large enterprises.
- Contracts with government and state agencies are subject to a number of challenges and risks.
- Our future growth and success depend on our ability to sell effectively to large customers.
- ~~Contracts with government and state agencies are subject to a number of challenges and risks.~~
- If our information technology systems, data, or physical facilities ~~where our quantum computers are stored~~, or those of third parties upon which we rely, are or were compromised, we could experience adverse business consequences resulting from such compromise.
- Unfavorable conditions in our industry or the global economy, could limit our ability to grow our business and negatively affect our results of operations.
- Government actions and regulations, such as tariffs and trade protection measures, may ~~limit~~

adversely impact our business, including our ability to obtain products from our suppliers. •Because our success depends, in part, on our ability to expand sales internationally, our business will be susceptible to risks associated with international operations. •Licensing of intellectual property is of critical importance to our business. •If we are unable to obtain and maintain patent protection for our products and technology, or if the scope of the patent protection obtained is not sufficiently broad or robust, our competitors could develop and commercialize products and technology similar or identical to ours, and our ability to successfully commercialize our products and technology may be adversely affected. Moreover, our trade secrets could be compromised, which could cause us to lose the competitive advantage resulting from these trade secrets. •We may face patent infringement and other intellectual property claims that could be costly to defend, result in injunctions and significant damage awards or other costs and limit our ability to use certain key technologies in the future or require development of non- infringing products, services, or technologies. •Some of our in- licensed intellectual property, including the intellectual property licensed from the University of Maryland and Duke University, has been conceived or developed through government- funded research and thus may be subject to federal regulations providing for certain rights for the U. S. government or imposing certain obligations on us and compliance with such regulations may limit our exclusive rights and our ability to contract with non- U. S. manufacturers. **If our operating and financial performance in any given period does not meet the guidance provided to the public or the expectations of investment analysts, the market price of our common stock may decline. Our quarterly operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to several factors, some of which are beyond our control, resulting in a decline in our stock price.** Risks Related to Our Financial Condition and Status as an Early Stage Company ~~We are an early stage company and have a limited operating history, which makes it difficult to forecast our future results of operations.~~ As a result of our limited operating history, our ability to accurately forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. Our ability to generate revenues will largely be dependent on our ability to develop and produce quantum computers with increasing numbers of algorithmic qubits. As a result, our scalable business model has not been formed and **it is possible that neither** our **December 2020 forward- looking** technical roadmap **may not** **nor our latest technical roadmap will** be realized as quickly as expected, or even at all. The development of our scalable business model will likely require the incurrence of a substantially higher level of costs than incurred to date, while our revenues will not substantially increase until more powerful, scalable computers are produced, **that which** requires a number of technological advancements **which that** may not occur on the currently anticipated ~~18~~ timetable or at all. As a result, our historical results should not be considered indicative of our future performance. Further, in future periods, our growth could slow or decline for a number of reasons, including but not limited to slowing demand for our service offerings, increased competition, changes to technology, inability to scale up our technology, a decrease in the growth of the overall market, or our failure, for any reason, to continue to take advantage of growth opportunities. We have also encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If our assumptions regarding these risks and uncertainties and our future growth are incorrect or change, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and our business could suffer. Our success as a business ultimately relies upon fundamental research and development breakthroughs in the coming years and decade. There is no certainty these research and development milestones will be achieved as quickly as expected, or even at all. ~~We have a history of operating losses and expect to incur significant expenses and continuing losses for the foreseeable future. We have~~ historically experienced net losses from operations. For the year ended December 31, ~~2022~~ **2023**, we incurred a loss from operations of \$ ~~48~~ **157.5** million. As of December 31, ~~2022~~ **2023**, we had an accumulated deficit of \$ ~~194~~ **352.3** million. We believe that we will continue to incur losses each year until at least the time we begin significant production and delivery of our quantum computers ~~, which is not expected to occur until 2025, at the earliest, and may occur later, or never.~~ Even with significant production, such production may never become profitable. We expect the rate at which we will incur operating losses to be significantly higher in future periods as we, among other things, continue to incur significant expenses in connection with the design, development and construction of our quantum computers, and as we expand our research and development activities, invest in manufacturing capabilities, build up inventories of components for our quantum computers, increase our sales and marketing activities, develop our distribution infrastructure, and increase our general and administrative functions to support our growing operations and costs of being a public company. We may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses. If we are unable to achieve and / or sustain profitability, or if we are unable to achieve the growth that we expect from these investments, it could have a material **adverse** effect on our business, financial condition or results of operations. Our business model is unproven and may never allow us to cover our costs ~~. We may not be able to scale our business quickly enough to meet customer and market demand, which could result in lower profitability or cause us to fail to execute on our business strategies.~~ In order to grow our business, we will need to continually evolve and scale our business and operations to meet customer and market demand. Quantum computing technology has never been sold at large- scale commercial levels. Evolving and scaling our business and operations places increased demands on our management as well as our financial and operational resources to: •effectively manage organizational change; •design scalable processes; •accelerate and / or refocus research and development activities; •expand manufacturing, supply chain and distribution capacity; •increase sales and marketing efforts; •broaden customer- support and services capabilities; •maintain or increase operational efficiencies; ~~19~~ •scale support operations in a cost- effective manner; •implement appropriate operational and financial systems; and •maintain effective financial disclosure controls and procedures. Commercial production of quantum computers may never occur. We have no experience in producing large quantities of our products and are currently constructing advanced generations of our products. As noted above, there are significant technological and logistical challenges associated with developing, producing, marketing, selling and distributing products in the advanced technology industry, including our products, and we may not be able to resolve all of the difficulties

that may arise in a timely or cost-effective manner, or at all. We may not be able to cost-effectively manage production at a scale or quality consistent with customer demand in a timely or economical manner. Our ability to scale is dependent also upon components we must source from the optical, electronics and semiconductor industries. Shortages or supply interruptions in any of these components will adversely impact our ability to deliver revenues. The stability of ion traps may prove poorer than hoped, or more difficult to manufacture. It may also prove more difficult or even impossible to reliably entangle / connect ion traps together. Both of these factors would adversely impact scalability and costs of the ion trap system. If commercial production of our quantum computers commences, our products may contain defects in design and manufacture that may cause them to not perform as expected or that may require repair, recalls and design changes. Our quantum computers are inherently complex and incorporate technology and components that have not been used for other applications and that may contain defects and errors, particularly when first introduced. We have a limited frame of reference from which to evaluate the long-term performance of our products. There can be no assurance that we will be able to detect and fix any defects in our quantum computers prior to the sale to potential consumers customers. If our products fail to perform as expected, customers may delay deliveries, terminate further orders or initiate product recalls, each of which could adversely affect our sales and brand and could adversely affect our business, prospects and results of operations. If we cannot evolve and scale our business and operations effectively, we may not be able to execute our business strategies in a cost-effective manner and our business, financial condition, profitability and results of operations could be adversely affected. We may not manage growth effectively. If we fail to manage growth effectively, our business, results of operations and financial condition could be harmed. We anticipate that a period of significant expansion will be required to address potential growth. This expansion will place a significant strain on our management, operational and financial resources. Expansion will require significant cash investments and management resources and there is no guarantee that they will generate additional sales of our products or services, or that we will be able to avoid cost overruns or be able to hire additional personnel to support them. In addition, we will also need to ensure our compliance with regulatory requirements in various jurisdictions applicable to the sale, installation and servicing of our products. To manage the growth of our operations and personnel, we must establish appropriate and scalable operational and financial systems, procedures and controls and establish and maintain a qualified finance, administrative and operations staff. We may be unable to acquire the necessary capabilities and personnel required to manage growth or to identify, manage and exploit potential strategic relationships and market opportunities. Our management has limited experience in operating a public company. Our executive officers have limited experience in the management of a publicly traded company. Our management team may not successfully or effectively manage reporting obligations under federal securities laws. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities, which will result in less time being devoted to our management and growth. The development and implementation of the standards and controls necessary for us to achieve the level of accounting standards required of a public company in the United States may require costs greater than expected. We have and it is possible that we will may be required to continue to expand our employee base and hire additional employees to support our operations as a public company, which will continue to increase our operating costs in future periods. Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate. Market opportunity estimates and growth forecasts, including those we have generated, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of companies covered by our market opportunity estimates will purchase our products at all or generate any particular level of revenue for us. In addition, alternatives to quantum computing may present themselves and if they did, which could substantially reduce the market for quantum computing services. Any expansion in our market depends on a number of factors, including the cost, performance, and perceived value associated with quantum computing solutions. The methodology and assumptions used to estimate market opportunities may differ materially from the methodologies and assumptions previously used to estimate the total addressable market. To estimate the size of our market opportunities and our growth rates, we have relied on market reports by leading research and consulting firms. These estimates of the total addressable market and growth forecasts are subject to significant uncertainty, are based on assumptions and estimates that may not prove to be accurate and are based on data published by third parties that we have not independently verified. Advances in classical computing may prove more robust for longer than currently anticipated. This could adversely affect the timing of any quantum advantage being achieved, if at all. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all. Our success will depend upon our ability to expand, scale our operations, and increase our sales capability. Even if the market in which we compete meets the size estimates and growth forecasted, our business could fail to grow at similar rates, if at all. Our growth is dependent upon our ability to successfully scale up manufacturing of our products in sufficient quantity and quality, in a timely or cost-effective manner. Our growth is also dependent upon our ability to successfully market and sell quantum computing technology. We do not have experience with the mass distribution and sale of quantum computing technology. Our growth and long-term success will depend upon the development of our sales and delivery capabilities. Unforeseen issues associated with scaling up and constructing quantum computing technology at commercially viable levels, and selling our technology, could negatively impact our business, financial condition and results of operations. Moreover, because of our unique technology, our customers will require particular support and service functions, some of which are not currently available. If we experience delays in adding such support capacity or servicing our customers efficiently, or experience unforeseen issues with the reliability of our technology, it could overburden our servicing and support capabilities. Similarly, increasing the number of our customers, products or services, for example by entering into government contracts and expanding to new geographies, has required and may continue to require us to rapidly increase the availability of these services. Failure to adequately support and service our customers may inhibit our growth and ability to expand computing targets globally. There

can be no assurance that our projections on which such targets are based will prove accurate or ~~21~~ that the pace of growth or coverage of our customer infrastructure network will meet customer expectations. Failure to grow at rates similar to that of the quantum computing industry may adversely affect our operating results and ability to effectively compete within the industry. Our operating and financial results forecast relies in large part upon assumptions and analyses we have developed. If these assumptions or analyses prove to be incorrect, our actual operating results may be materially different from our forecasted results. Our projected financial and operating information reflect current estimates of future performance, which may never occur. Whether actual operating and financial results and business developments will be consistent with our expectations and assumptions as reflected in our forecasts depends on a number of factors, many of which are outside our control, including, but not limited to: ~~•~~ success and timing of development activity; ~~•~~ customer acceptance of our quantum computing systems; ~~•~~ breakthroughs in classical computing or other computing technologies that could eliminate the advantages of quantum computing systems rendering them less practical to customers; ~~•~~ competition, including from established and future competitors; ~~•~~ whether we can obtain sufficient capital to sustain and grow our business; ~~•~~ our ability to manage our growth; ~~•~~ **our ability to expand our sales into international markets;** our ability to retain existing key management, integrate recent hires and attract, retain and motivate qualified personnel; and ~~•~~ the overall strength and stability of domestic and international economies. Unfavorable changes in any of these or other factors, ~~most~~ **many** of which are beyond our control, could materially and adversely affect our business, financial condition and results of operations ~~. We may need additional capital to pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances, and we cannot be sure that additional financing will be available.~~ Our business and our future plans for expansion are capital- intensive and the specific timing of cash inflows and outflows may fluctuate substantially from period to period. Our operating plan may change because of factors currently unknown, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings or other sources, such as strategic collaborations. Such financings may result in dilution to our stockholders, issuance of securities with priority as to liquidation and dividend and other rights more favorable than common stock, imposition of debt covenants and repayment obligations or other restrictions that may adversely affect our business. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe that we have sufficient funds for current or future operating plans. Weakness and volatility in capital markets and the economy, in general or as a result of bank failures or macroeconomic conditions such as ~~rising~~ **high** inflation and interest rates, could limit our access to capital markets and increase our costs of borrowing. There can be no assurance that financing will be available to us on favorable terms, or at all. The inability to obtain financing when needed may make it more difficult for us to operate our business or implement our growth plans. Our ability to use net operating loss carryforwards and other tax attributes may be limited. We have incurred losses during our history, do not expect to become profitable in the near future and may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry ~~22~~ forward to offset future taxable income, if any, until such unused losses expire, if at all. As of December 31, ~~2022~~ **2023**, we had U. S. federal and state net operating loss carryforwards of approximately \$ ~~96~~ **143.3** million and \$ ~~69~~ **95.5** million, respectively. Our net operating loss carryforwards are subject to review and possible adjustment by the ~~IRS~~ **Internal Revenue Service**, and state tax authorities. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the “ Code ”), our ~~U. S.~~ federal net operating loss carryforwards and other tax attributes may become subject to an annual limitation in the event of certain cumulative changes in the ownership of our stock. An “ ownership change ” pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5 % of a company’ s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three- year period. Our ability to utilize our net operating loss carryforwards and other tax attributes to offset future taxable income or tax liabilities may be limited as a result of ownership changes, including changes in connection with our Business Combination with dMY or other transactions. Similar rules may apply under state tax laws. We have not yet determined the amount of the cumulative change in our ownership resulting from our Business Combination with dMY or other transactions, or any resulting limitations on our ability to utilize our net operating loss carryforwards and other tax attributes. If we earn taxable income, such limitations could result in increased future income tax liability and our future cash flows could be adversely affected. We have recorded a full valuation allowance related to our net operating loss carryforwards and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets. ~~23~~ **Risks Related to Our Business and Industry** We have not produced a scalable quantum computer and face significant barriers in our attempts to produce quantum computers. If we cannot successfully overcome those barriers, our business will be negatively impacted and could fail. Producing quantum computers is a difficult undertaking. There are significant engineering challenges that we must overcome to build our quantum computers. We are still in the development stage and face significant challenges in completing development of our quantum computers and in producing quantum computers in commercial volumes. Some of the development challenges that could prevent the introduction of our quantum computers include, but are not limited to, failure to find scalable ways to flexibly manipulate qubits, failure to transition quantum systems to leverage low- cost, commodity optical technology, and failure to realize multicore quantum computer technology. Additional development challenges we face include: ~~•~~ gate fidelity, error correction and miniaturization may not commercialize from the lab and scale as hoped or at all; ~~•~~ it could prove more challenging and take materially longer than expected to operate ~~parallel~~ gates within a single ion trap ~~and~~ **with higher throughput while maintain maintaining** gate fidelity; ~~•~~ the photonic interconnect between ion traps could prove more challenging and take longer to perfect than currently expected. This would limit our ability to scale to a sufficiently large number of algorithmic qubits in a single system; ~~•~~ it could take longer to tune the qubits in a single ion trap, as well as preserve the stability of the qubits within a trap as we seek to maximize the total number of qubits within one trap; ~~•~~ the gate speed in our technology could prove more difficult to improve than expected; **it could take longer to incorporate modular architectures for additional cross- processor computational strength than currently expected, limiting our ability to realize the benefits of multicore technology;** and ~~•~~ the scaling of

fidelity with qubit number could prove poorer than expected, limiting our ability to achieve larger algorithmic qubits. In addition, we will need to develop the manufacturing process necessary to make these quantum computers in high volume. We have not yet validated a manufacturing process or acquired the tools or processes necessary to produce high volumes of our quantum computers that meet all commercial requirements. If we are not able to overcome these manufacturing hurdles in building our quantum computers, our business is likely to fail. Even if we complete development and achieve volume production of our quantum computers, if the cost, performance characteristics or other specifications of the quantum computer fall short of our projections, our business, financial condition and results of operations would be adversely affected. ~~The quantum computing industry is competitive on a global scale and we may not be successful in competing in this industry or establishing and maintaining confidence in our long-term business prospects among current and future partners and customers.~~ The markets in which we operate are rapidly evolving and highly competitive. As these markets continue to mature and new technologies and competitors enter such markets, we expect competition to intensify. Our current competitors include **(among others)**: ~~•~~ large, well-established tech companies that generally compete in all of our markets, including Google, Microsoft, Amazon, Intel and IBM; ~~•~~ countries such as China, Russia, Canada, Australia and the United Kingdom, and those in the European Union and we believe additional countries in the future; ~~•~~ less-established public and private companies with competing technology, including companies located outside the United States; and ~~24~~ ~~•~~ new or emerging entrants seeking to develop competing technologies. We compete based on various factors, including technology, **price**, performance, multi-cloud availability, brand recognition and reputation, customer support and differentiated capabilities, including ease of administration and use, scalability and reliability, data governance and security. Many of our competitors have substantially greater brand recognition, customer relationships, and financial, technical and other resources, including an experienced sales force and sophisticated supply chain management. They may be able to respond more effectively than us to new or changing opportunities, technologies, standards, customer requirements and buying practices. In addition, many countries are focused on developing quantum computing solutions either in the private or public sector and may subsidize quantum computers, which may make it difficult for us to compete. Many of these competitors do not face the same challenges we do in growing our business. In addition, other competitors might be able to compete with us by bundling their other products in a way that does not allow us to offer a competitive solution. Additionally, we must be able to achieve our objectives in a timely manner or quantum computing may lose ground to competitors, including competing technologies. Because there are a large number of market participants, including certain sovereign nations, focused on developing quantum computing technology, we must dedicate significant resources to achieving any technical objectives on the timelines established by our management team. Any failure to achieve objectives in a timely manner could adversely affect our business, operating results and financial condition. For all of these reasons, competition may negatively impact our ability to maintain and grow consumption of our platform or put downward pressure on our prices and gross margins, any of which could materially harm our reputation, business, results of operations, and financial condition. **We could suffer disruptions, outages, defects and other performance and quality problems with our quantum computing systems or with the public cloud and** ~~internet, and other infrastructure on which they rely.~~ Our business depends on our quantum computing systems to be available. We have experienced, and may in the future further experience, ~~disruptions, outages, defects and other performance and quality problems with our systems.~~ We have also experienced, and may in the future further experience, ~~disruptions, outages, defects and other performance and quality problems with the public cloud, and~~ ~~internet, private data center providers, and other infrastructure like utility power, water supply, air conditioning, air compression, and other inputs~~ ~~on which our systems and their supporting services rely.~~ These problems can be caused by a variety of factors, including ~~software or firmware updates~~ **failed introductions of new functionality**, vulnerabilities and defects in proprietary ~~software~~ and open-source software, hardware components, human error or misconduct, capacity constraints, design limitations, ~~or~~ denial of service attacks or other security-related incidents, ~~foreign objects or debris, weather, construction, supply chain events, or accidents and other force majeure.~~ We do not have a contractual right with our public cloud providers that compensates us for any losses due to availability interruptions in the public cloud. Any ~~disruptions, outages, defects and other performance and quality problems with our quantum computing systems,~~ **system** or with the public cloud, ~~and~~ ~~internet, and other infrastructure on which they rely~~ **it relies**, could result in reduced use of our systems, increased expenses, including service credit obligations, and harm to our brand and reputation, any of which could have a material adverse effect on our business, financial condition and results of ~~operations.~~ **We have and may continue to face supply chain issues that could delay the introduction of our product and negatively impact our business and operating results.** An element of our business is currently dependent upon our relationship with our cloud providers. There are no assurances that we will be able to commercialize quantum computers from our relationships with cloud providers. We currently offer our QCaaS on public clouds provided by AWS' s Amazon Braket, Microsoft' s Azure Quantum, and the Google Cloud Marketplace. The companies that own these public clouds have internal quantum computing efforts that are competitive to our technology. There is risk that one or more of these public cloud providers could use their respective control of their public clouds to embed innovations or privileged interoperating capabilities in competing products, bundle competing products, provide us with unfavorable pricing, leverage their public cloud customer relationships to exclude us from opportunities, and treat us and our ~~customers~~ **end users** differently with respect to terms and conditions or regulatory requirements than they would treat their similarly situated customers. Further, they have the resources to acquire or partner with existing and emerging providers of competing technology and thereby accelerate adoption of those competing technologies. All of the foregoing could make it difficult or impossible for us to provide products and services that compete favorably with those of the public cloud providers. Any material change in our contractual and other business relationships with our public cloud providers could result in harm to our brand and reputation and reduced use of our systems, which could have a material adverse effect on our business, financial condition and results of operations. **Even if we are successful in..... growth of our business will be harmed.** The nascent market for quantum computers is still rapidly evolving, characterized by rapidly changing technologies, competitive

pricing and competitive factors, evolving government regulation and industry standards, and changing customer demands and behaviors. If the market for quantum computers in general does not develop as expected, or develops more slowly than expected, our business, prospects, financial condition and operating results could be harmed. In addition, our growth and future demand for our products is highly dependent upon the adoption by developers and customers of quantum computers, as well as on our ability to demonstrate the value of quantum computing to our customers. Delays in future generations of our quantum computers or technical failures at other quantum computing companies could limit market acceptance of our solution. Negative publicity concerning our solution or the quantum computing industry as a whole could limit market acceptance of our solution. We believe quantum computing will solve many large- scale problems. However, such problems may never be solvable by quantum computing technology. If our clients and partners do not perceive the benefits of our solution, or if our solution does not drive **member customer** engagement, then our market may not develop at all, or it may develop slower than we expect. If any of these events occur, it could have a material adverse effect on our business, financial condition or results of operations. If progress towards quantum advantage ever slows relative to expectations, it could adversely impact revenues and customer confidence to continue to pay for testing, access and “ quantum readiness. ” This would harm or even eliminate revenues in the period before quantum advantage . ~~If our computers fail to achieve a broad quantum advantage, our business, financial condition and future prospects may be harmed.~~ Quantum advantage refers to the moment when a quantum computer can compute faster than traditional computers, while quantum supremacy is achieved once quantum computers are powerful enough to complete calculations that traditional supercomputers cannot perform at all. Broad quantum advantage is when quantum advantage is seen in many applications and developers prefer quantum computers to a traditional computer. No current quantum computers, including our quantum hardware, have reached a broad quantum advantage, and they may never reach such advantage. Achieving a broad quantum advantage will be critical to the success of any quantum computing company, including us. However, achieving quantum advantage would not necessarily lead to commercial viability of the technology that accomplished such advantage, nor would it mean that such system could outperform classical computers in tasks other than the one used to determine a quantum advantage. **26** Quantum computing technology, including broad quantum advantage, may take decades to be realized, if ever. If we cannot develop quantum computers that have quantum advantage, customers may not continue to purchase our products and services. If other companies’ quantum computers reach a broad quantum advantage prior to the time ours reaches such capabilities, it could lead to a loss of customers. If any of these events occur, it could have a material adverse effect on our business, financial condition or results of operations . **We could suffer disruptions, outages..... negatively impact our business and operating results** . We are reliant on third- party suppliers for components necessary to develop and manufacture our quantum computing solutions. As our business grows, we must continue to scale and adapt our supply chain or it could have an adverse impact on our business. Any of the following factors (and others) could have an adverse impact on the availability of these components necessary to our business: **•our inability to enter into agreements with suppliers on commercially reasonable terms, or at all; •difficulties of suppliers ramping up their supply of materials to meet our requirements; •a significant increase in the price of one or more components, including due to industry consolidation occurring within one or more component supplier markets or as a result of decreased production capacity at manufacturers; •any reductions or interruption in supply, including disruptions on our global supply chain as a result of the global chip shortage, or the Russia-**geopolitical tensions in and around** Ukraine war, **Israel and other areas of the world** and any indirect effects thereof; •financial problems of either manufacturers or component suppliers; •**intentional sabotage by a malicious actor or actors**; significantly increased freight charges, or raw material costs and other expenses associated with our business; •other factors beyond our control or that we do not presently anticipate, could also affect our suppliers’ ability to deliver components to us on a timely basis; •a failure to develop our supply chain management capabilities and recruit and retain qualified professionals; •a failure to adequately authorize procurement of inventory by our contract manufacturers; or •a failure to appropriately cancel, reschedule, or adjust our requirements based on our business needs. **27**-We have experienced supply chain issues in the past as a result of COVID- 19. If any of the aforementioned factors were to materialize, it could cause us to delay or halt production of our quantum computing solutions and / or entail higher manufacturing costs, any of which could materially adversely affect our business, operating results, and financial condition and could materially damage customer relationships. If we cannot successfully execute on our strategy, including in response to changing customer needs and new technologies and other market requirements, or achieve our objectives in a timely manner, our business, financial condition and results of operations could be harmed. The quantum computing market is characterized by rapid technological change, changing user requirements, uncertain product lifecycles and evolving industry standards. We believe that the pace of innovation will continue to accelerate as technology changes and different approaches to quantum computing mature on a broad range of factors, including system architecture, error correction, performance and scale, ease of programming, user experience, markets addressed, types of data processed, and data governance and regulatory compliance. Our future success depends on our ability to continue to innovate and increase customer adoption of our quantum computer. If we are unable to enhance our quantum computing system to keep pace with these rapidly evolving customer requirements, or if new technologies emerge that are able to deliver competitive products at lower prices, more efficiently, with better functionality, more conveniently, or more securely than our platform, our business, financial condition and results of operations could be adversely affected. ~~Our products may not achieve market success, but will still require significant costs to develop.~~ We believe that we must continue to dedicate significant resources to our research and development efforts before knowing whether there will be market acceptance of our quantum computing technologies. Furthermore, the technology for our products is new, and the performance of these products is uncertain. Our quantum computing technologies could fail to attain sufficient market acceptance, if at all, for many reasons, including: **•pricing and the perceived value of our systems relative to its cost; •delays in releasing quantum computers with sufficient performance and scale to the market; •failure to produce products of consistent quality that offer functionality comparable or superior to existing or new products; •ability to produce products fit for their intended purpose; •failures to****

accurately predict market or customer demands; ~~•~~defects, errors or failures in the design or performance of our quantum computing systems; ~~•~~negative publicity about the performance or effectiveness of our systems; ~~•~~strategic reaction of companies that market competitive products; and ~~•~~the introduction or anticipated introduction of competing technology. To the extent we are unable to effectively develop and market a quantum computing system to address these challenges and attain market acceptance, our business, operating results and financial condition may be adversely affected. ~~28 We are~~ **In earlier stages of our life cycle, we were** highly dependent on our ~~co-~~**key employees, including our** founders ~~;~~. **As we are evolving from being a science company to and an engineering company,** our ability to attract and retain senior management and other key employees, such as quantum physicists and other key technical employees, is critical to our success. If we fail to retain talented, highly- qualified senior management, engineers and other key employees or attract them when needed, such failure could negatively impact our business. Our future success is highly dependent on our ability to attract and retain our executive officers, key employees and other qualified personnel, including our **employees who have specialized knowledge** ~~co- founders,~~ **Jungsang Kim, our Chief Technology Officer, and Christopher Monroe, our Chief Scientist.** As we build our brand and become more well known, there is increased risk that competitors or other companies may seek to hire our personnel. The loss of the services provided by these individuals ~~will~~ **could** adversely impact the achievement of our business strategy. These individuals could leave our employment at any time, as they are “ at will ” employees. A loss of one of our ~~co- founders,~~ **a member of senior management, or an engineer or other key employee employees,** particularly to a competitor, could also place us at a competitive disadvantage. Effective succession planning is ~~also~~ important to our long- term success ~~;~~, **and Failure failure** to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. Our future success also depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. The market for highly skilled workers and leaders in the quantum computing industry is extremely competitive. In particular, hiring qualified personnel specializing in engineering, software development and sales, as well as other technical staff and research and development personnel is critical to our business and the development of our quantum computing systems. Some of these professionals are hard to find and we may encounter significant competition in our efforts to hire them. Many of the other companies with which we compete for qualified personnel have greater financial and other resources than we do. The effective operation of our supply chain, including the acquisition of critical components and materials, the development of our quantum computing technologies, the commercialization of our quantum computing technologies and the effective operation of our managerial and operating systems all depend upon our ability to attract, train and retain qualified personnel in the aforementioned specialties. Additionally, changes in immigration and work permit laws and regulations or the administration or interpretation of such laws or regulations could impair our ability to attract and retain highly qualified employees. If we cannot attract, train and retain qualified personnel, ~~including our co- founders,~~ in this competitive environment, we may experience delays in the development of our quantum computing technologies and be otherwise unable to develop and grow our business as projected, or even at all. We may not be able to accurately estimate the future supply and demand for our quantum computers, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays. It is difficult to predict our future revenues and appropriately budget for our expenses, and we may have limited insight into trends that may emerge and affect our business. We anticipate being required to provide forecasts of our demand to our current and future suppliers prior to the scheduled delivery of products to potential customers. Currently, there is very little historical basis for making judgments on the demand for our quantum computers or our ability to develop, manufacture, and deliver quantum computers, or our profitability, if any, in the future. If we overestimate our requirements, our suppliers may have excess inventory, which indirectly would increase our costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our products and result in delays in shipments and revenues. In addition, lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If we fail to order sufficient quantities of product components in a timely manner, the delivery of quantum computers and related compute time to our potential customers could be delayed **!** **Additionally** ~~which would harm if we fail to accurately forecast customer demand, we may experience an excess~~ ~~our-~~ **or business, obsolescence of materials and supplies. Excess or obsolete materials and supplies may result in write- downs or write- offs. Our inability to effectively manage our forecasted supply and demand and on hand materials and supplies could adversely impact our results of operations and** financial condition **,** ~~and operating could results-~~ **result in loss** ~~;~~ **29** Our systems depend on the use of a particular isotope of an atomic element ~~revenue, increased costs, or delays~~ that provides qubits for our ion trap technology. If we are unable to procure these isotopically enriched atomic samples, or are unable to do so on a timely and cost- effective basis, and in sufficient quantities, we may incur significant costs or delays, which could **adversely impact customer success** negatively affect our operations and business. There are limited suppliers to sources of isotopically enriched materials that may be necessary for the production of our ion trap technology. We currently purchase such materials through the National Isotope Development Center managed by the U. S. Department of Energy Isotope Program. We do not have any supplier agreements with the U. S. Department of Energy, and purchase the materials through a standard ordering process. While we are currently looking to engage additional suppliers, there is no guarantee we will be able to establish or maintain relationships with such additional suppliers on terms satisfactory to us. Reliance on any single supplier increases the risks associated with being unable to obtain the necessary atomic samples because the supplier may have laboratory constraints, can be subject to unanticipated shutdowns and / or may be affected by natural disasters and other catastrophic events. Some of these factors may be completely out of our and our suppliers’ control. Failure to acquire sufficient quantities of the necessary isotopically enriched atomic samples in a timely or cost- effective manner could materially harm our business. **If our quantum computing systems are not compatible with some or all industry- standard software and hardware in the future, our business could be harmed.** Programming for quantum computing requires unique tools, software, hardware, and development

environments. We have focused our efforts on creating quantum computing hardware, the ~~operating system~~ **control platform** for such hardware and a suite of low-level software programs that optimize execution of quantum algorithms on our hardware. Further up the software stack, we rely on third parties to create **and advance** higher level quantum programming languages, SDKs, and application libraries. Such third-party software and programming is essential to operating our quantum computing products and services. Our quantum computing solutions are designed today to be compatible with most major quantum SDKs, including Qiskit, Cirq, Q# QDK, and OpenQASM, all of which are open source. If a proprietary (not open source) software toolset became the standard for quantum application development in the future by a competitor, usage of our hardware might be limited as a result, which would have a negative impact on us. Similarly, if a piece of hardware or other quantum tool became a necessary component for quantum computing (for instance, quantum networking) and we cannot integrate with it (as we have thus far), the result might have a negative impact on us and our anticipated growth. If our customers are unable to achieve compatibility between other software and hardware and our hardware, it could impact our relationships with such customers or with customers, generally, if the incompatibility is more widespread. In addition, the mere announcement of an incompatibility problem relating to our products with higher level software tools could cause us to suffer reputational harm and / or lead to a loss of customers. Any adverse impacts from the incompatibility of our quantum computing solutions could adversely affect our business, operating results and financial condition. ~~If we are unable to maintain our current strategic partnerships or we are unable to develop future collaborative partnerships, our future growth and development could be negatively impacted.~~ We have entered into, and may enter into, strategic partnerships to develop and commercialize our current and future research and development programs with other companies to accomplish one or more of the following: ~~• obtain expertise in relevant markets; • obtain sales and marketing services or support; • obtain equipment and facilities; • develop relationships with potential future customers; and~~ ~~30 • generate revenue.~~ We may not be successful in establishing or maintaining suitable partnerships, and we may not be able to negotiate collaboration agreements having terms satisfactory to us, or at all. Failure to make or maintain these arrangements or a delay or failure in a collaborative partner's performance under any such arrangements could harm our business and financial condition. Our business depends on our customers' abilities to implement useful quantum algorithms and sufficient quantum resources for their business. If they are unable to do so due to the nature of their algorithmic challenge or other technical or personnel dilemmas, our growth may be negatively impacted. We have entered into, and may enter into, contracts, partnerships and other arrangements with customers to develop, test and run quantum algorithms specific to their business. The success of these contracts and partnerships is dependent on our customer's ability to **identify, implement, and realize** useful and scalable algorithms for their portfolio **at a speed commensurate with the pace of hardware, software, and technological development**. These arrangements are also dependent on the availability of time and resources to develop and optimize these algorithms. The development and optimization of these algorithms is reliant on employing sufficient talent familiar with quantum computing, a unique skill that requires special training and education. If the market fails to train a sufficient number of engineers, researchers and other key quantum personnel, our customers may not find sufficient talent to partner with us to solve these problems. To the extent our customers are unable to effectively develop or utilize resources to advance algorithmic-use cases, our business, operating results and financial condition may be adversely impacted. **Much of our revenue is concentrated in a few customers, and if we lose any of these customers through contract terminations or acquisitions, our revenue may decrease substantially. We have a high degree of revenue concentration, and we expect to continue to experience significant revenue concentration for the foreseeable future. Our customers' demand for our products may fluctuate due to factors beyond our control. A disruption in our relationship with any of our customers could adversely affect our business. Our inability to meet our customers' requirements or to qualify our products with them could adversely impact our revenue. The loss of, or restrictions on our ability to sell to, one or more of our major customers, or any significant reduction in orders from customers could have a material adverse effect on our operating results and financial condition.** Our future growth and success depends in part on our ability to sell effectively to government entities and large enterprises. Our customers and potential customers include **domestic and international** government agencies and large enterprises. Therefore, our future success will depend on our ability to effectively sell our products to such customers. Sales to these end-customers involve risks that may not be present (or that are present to a lesser extent) with sales to non-governmental agencies or smaller customers. These risks include, but are not limited to, (i) increased purchasing power and leverage held by such customers in negotiating contractual arrangements with us and (ii) longer sales cycles and the associated risk that substantial time and resources may be spent on a potential end-customer that elects not to purchase our solutions. Sales to government agencies are typically under fixed fee development contracts, which involve additional risks. In addition, government contracts generally include the ability of government agencies to terminate early which, if exercised, would result in a lower contract value and lower than anticipated revenues generated by such arrangement. **Additionally, such government contracts may limit our ability to do business with foreign governments or prevent us from selling our products in certain countries.** Government agencies and large organizations often undertake a significant evaluation process that results in a lengthy sales cycle. Our contracts with government agencies are typically structured in phases, with each phase subject to satisfaction of certain conditions. As a result, the actual scope of work performed pursuant to any such contracts, in addition to related contract revenue, could be less than total contract value. In addition, product purchases by such organizations are frequently subject to budget constraints, multiple approvals and unanticipated administrative, processing and other delays. Finally, these organizations typically have longer implementation cycles, require greater product functionality and scalability, require a broader range of services, demand that vendors take on a larger share of risks, require acceptance provisions that can lead to a delay in revenue recognition and expect greater payment flexibility. All of these factors can add further risk to business conducted with these potential customers and could lead to lower revenue results than originally anticipated. Additionally, changes in government defense spending could have adverse consequences on our financial position, results of operations and business. Certain current contracts and our anticipated future revenues from the U. S. government are expected to result from

contracts awarded under various U. S. government programs. Cost cutting, including through consolidation and elimination of duplicative organizations, has become a major initiative for certain departments within the U. S. government. The funding of our programs is subject to the ~~31~~ overall U. S. government budget and appropriation decisions and processes, which are driven by numerous factors, including geo- political events and macroeconomic conditions. The overall level of U. S. defense spending increased in recent years for numerous reasons. Significant reduction in defense spending could have long- term consequences for our size and structure. In addition, reduction in government priorities and requirements could impact the funding, or the timing of funding, of our programs, which could negatively impact our results of operations and financial condition. Contracts with **domestic and international** government and state agencies are subject to a number of challenges and risks. Contracts with **domestic and international** government and state agencies are subject to a number of challenges and risks. The bidding process for government contracts can be highly competitive, expensive and time- consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate revenue. We also must comply with **both local and international** laws and regulations relating to the formation, administration, and performance of contracts, which provide public sector customers rights, many of which are not typically found in commercial contracts. For example, in 2021, the U. S. House of Representatives introduced the Quantum Cybersecurity Preparedness Act, signaling fresh focus on the need for U. S. investment in quantum computing — both to protect against quantum- powered attacks from foreign actors and to develop quantum computing strength on the domestic front. In May 2022, the Biden administration announced directives to support U. S. leadership in quantum computing, and in September 2022, the National Security Administration (NSA) shared guidance on the importance of cybersecurity readiness against would- be adversaries developing quantum systems. **In September 2023, the U. S. Department of Defense increased its funding for the CHIPS Act, which will directly advance U. S. technology in many areas, including quantum.** Any changes to government regulations as a result of this demonstrated focus on quantum computing could affect our ability to enter into, or the profitability of, contracts with government entities. In addition, our perceived relationship with the U. S. government could adversely affect our business prospects in certain non- U. S. geographies or with certain non- U. S. governments. **Conversely, our perceived relationship with non- U. S. governments or government entities could adversely affect our business prospects with the U. S. government.** Accordingly, our business, financial condition, results of operations, and growth prospects may be adversely affected by certain events or activities, including, but not limited to: ~~•~~ changes in government fiscal or procurement policies, or decreases in government funding available for procurement of goods and services generally, or for our federal government contracts specifically; ~~•~~ changes in government programs or applicable requirements; ~~•~~ restrictions in the grant of personnel security clearances to our employees; ~~•~~ ability to maintain facility clearances required to perform on classified contracts for U. S. ~~federal~~ government and foreign government agencies, as applicable; ~~•~~ changes in the political environment, including before or after a change to the leadership within the government administration, and any resulting uncertainty or changes in policy or priorities and resultant funding; ~~•~~ changes in the government' s attitude towards us as a company or our technology; ~~•~~ appeals, disputes, or litigation relating to government procurement, including but not limited to bid protests by unsuccessful bidders on potential or actual awards of contracts to us or our partners by the government; ~~•~~ the adoption of new laws or regulations or changes to existing laws or regulations; ~~•~~ budgetary constraints, including automatic reductions as a result of “ sequestration ,” **operating under continuing resolutions, disruptions from government shutdowns,** or similar measures and constraints imposed by any lapses in appropriations for the federal government or certain of its departments and agencies; ~~32~~ ~~•~~ influence by, or competition from, third parties with respect to pending, new, or existing contracts with government customers; ~~•~~ changes in legal obligations or political or social attitudes with respect to security or data privacy issues; ~~•~~ potential delays or changes in the government appropriations or procurement processes, including as a result of events such as war, incidents of terrorism, natural disasters, and public health concerns; and ~~•~~ increased or unexpected costs or unanticipated delays caused by other factors outside of our control. Any such event or activity, among others, could cause governments and governmental agencies to delay or refrain **from** entering into contracts with us and / or purchasing our computers in the future, reduce the size or timing of payment with respect to our services to or purchases from existing or new government customers, or otherwise have an adverse effect on our business, results of operations, financial condition, and growth prospects. ~~If our information technology systems, data, or physical facilities where our quantum computers are stored, or those of third parties upon which we rely, are or were compromised, we could experience adverse business consequences resulting from such compromise.~~ In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, “ Processing ”) personal data and other sensitive information, including intellectual property, proprietary and confidential business data, trade secrets, sensitive third- party data, business plans, transactions, and financial information of our own, our partners , **our vendors and their own supply chains** , our customers, or other third parties (collectively, “ Sensitive Data ”). We and the third parties upon which we rely may process Sensitive Data, and, as a result, we and the third parties upon which we rely face a variety of evolving threats to our information technology systems, data, ~~or and~~ physical facilities (**such as those** where our quantum computers are stored), including but not limited to ransomware attacks **or advanced persistent threats** , which could cause security incidents . **Additionally, Sensitive Data could be leaked, disclosed or revealed as a result of or in connection with our employee' s, personnel' s, or vendor' s use of generative AI technologies** . Cyber- attacks, malicious internet- based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our Sensitive Data and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer “ hackers ,” threat actors, “ hacktivists ,” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors. U. S. law enforcement agencies have indicated to us that quantum computing technology is of particular interest to certain threat actors, including nation state and other malicious actors, who may steal our Sensitive Data, including our intellectual property or other proprietary or confidential information, including

our trade secrets. **Our employees, contractors, affiliates, and / or related parties may have already been directly targeted by nation state actors and may be so targeted in the future**. Some actors now engage and are expected to continue to engage in cyber- attacks, including without limitation nation- state and nation- state- supported actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties upon which we rely, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber- attacks, that could materially disrupt our systems and operations, supply chain, and ability to distribute our services. We and the third parties upon which we rely may be subject to a variety of evolving threats, including but not limited to social- engineering attacks (including through **deep fakes, which may be increasingly more difficult to identify as fake, and** phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial- of- service attacks (such as credential stuffing), credential harvesting, personnel misconduct or error, ransomware attacks, supply- chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent and could lead to significant interruptions in our operations, loss of Sensitive Data and income, reputational harm, and diversion of funds. **33**—Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Additionally, we are incorporated into the supply chain of a large number of companies worldwide and, as a result, if our services are compromised, a significant number or, in some instances, all of our customers and their data could be simultaneously affected. The potential liability and associated consequences we could suffer as a result of such a large- scale event could be catastrophic and result in irreparable harm. Remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers, and devices outside our premises or network, including working at home, while in transit and in public locations. Additionally, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. In addition, our reliance on third- party service providers could introduce new cybersecurity risks and vulnerabilities, including supply- chain attacks, and other threats to our business operations. Our platform is built to be accessed through third- party cloud providers, such as AWS' s Amazon Braket, Microsoft' s Azure Quantum, and Google' s Cloud Marketplace, and we rely on these and other third- party service providers and technologies to operate critical business systems to process Sensitive Data in a variety of contexts, including, without limitation, other cloud- based infrastructure, data center facilities, encryption and authentication technology, employee email, content delivery to customers, and other functions. We may also rely on third- party service providers to provide other products, services, parts, or otherwise to operate our business. Our ability to monitor these third parties' information security practices is limited. Although we understand our third- party cloud providers have implemented security measures designed to protect against various cybersecurity risks and vulnerabilities, these and other third parties may nevertheless not have adequate information security measures in place. If our third- party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third- party service providers fail to satisfy their privacy or security- related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply- chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third- party partners' supply chains have not been compromised. Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our Sensitive Data (including proprietary information and intellectual property) or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our services. We may expend significant resources or modify our business activities to try to protect against security incidents. Additionally, certain data privacy and security obligations may require us to implement and maintain specific security measures or industry- standard or reasonable security measures to protect our information technology systems and Sensitive Data. While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps to detect and remediate vulnerabilities in our information technology systems (including in our services), but we may not be able to detect and remediate all vulnerabilities because the threats and techniques used to exploit vulnerabilities change frequently and, are often sophisticated in nature. Therefore, such vulnerabilities could be exploited but ~~may~~ not be detected until after a **34** security incident has occurred **; and, we may not be able to anticipate or detect attacks or vulnerabilities, even after implementing these security measures**. These vulnerabilities pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities. As a result, we may be unable to implement adequate preventative and responsive measures to stop or mitigate security breaches before or while they are occurring **. Finally, incidents that may appear to be minor when assessed individually, may become material, at a later date, when considered in the aggregate**. Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences. These consequences may include: exposure of Sensitive Data (including intellectual property or confidential or proprietary information); government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and / or oversight; restrictions on Processing Sensitive Data (including

personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may cause customers to stop using our services, deter new customers from using our services, and negatively impact our ability to grow and operate our business. Our efforts to prevent and overcome these challenges could increase our expenses and may not be successful. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. ~~Unfavorable conditions in our industry or the global economy, could limit our ability to grow our business and negatively affect our results of operations.~~ Our results of operations may vary based on the impact of changes in our industry or the global economy on ~~us the company~~ or our customers and potential customers. The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in ~~consumer~~ **customer** confidence, declines in economic growth, increases in unemployment rates, increases in inflation rates, higher interest rates and uncertainty about economic stability. For example, the COVID- 19 pandemic resulted in widespread unemployment, economic slowdown and extreme volatility in the capital markets and any future public health crises could result in similar impacts on the global economy. Similarly, ~~the Russia- Ukraine war has,~~ **geopolitical tensions in and around Ukraine war has, Israel and other areas of the world have** created extreme volatility in the global capital markets and ~~is are~~ **expected to have further global economic consequences, including disruptions of the global supply chain and energy markets, and further acts of war, terror, or responses to each could result in similar or increased impacts on the global economy.** Increased inflation rates can adversely affect us by increasing our costs, including labor and employee benefit costs. Employee salaries and benefits expenses have increased as a result of economic growth, increased demand for business services, increased competition for trained and talented employees, among other wage- inflationary pressures and we cannot assure that they will not continue to rise. In addition, higher inflation also could increase our customers' operating costs, which could result in reduced budgets for our customers and potentially less demand for our platform and the development of quantum technologies. Any significant increases in inflation and related increase in interest rates could have a material adverse effect on our business, results of operations and financial condition. ~~35~~ In addition, in challenging economic times, our current or potential future customers may experience cash flow problems and as a result may modify, delay or cancel plans to purchase our products and services. Additionally, if our customers are not successful in generating sufficient revenue or are unable to secure financing, they may not be able to pay, or may delay payment of, accounts receivable due to us. Moreover, our key suppliers may reduce their output or become insolvent, thereby adversely impacting our ability to manufacture our products. Furthermore, uncertain economic conditions may make it more difficult for us to raise funds through borrowings or private or public sales of debt or equity securities. We cannot predict the timing, **location,** strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry - ~~Government actions and regulations, such as tariffs and trade protection measures, may limit our ability to obtain products from our suppliers.~~ Political challenges between the United States and countries in which our suppliers are located, including China, and changes to trade policies, including tariff rates and customs duties, trade relations between the United States and China and other macroeconomic issues could adversely impact our business. Specifically, United States- China trade relations remain uncertain. The United States administration ~~imposes~~ **has announced** tariffs on certain products imported into the United States with China as the country of origin, and China has imposed tariffs in response to the actions of the United States. **The U. S. government continues to add additional entities, in China and elsewhere, to restricted party lists impacting the ability of U. S. companies to provide items, and, in certain cases, services, to these entities and, in some cases, to receive items or services from these entities. The U. S. government also continues to increase end- use restrictions on the provision of items and service to China and other countries including end- uses related to advanced computing.** There is also a possibility of future tariffs, trade protection measures or other restrictions imposed on our products or on our customers by the United States, China or other countries that could have a material adverse effect on our business. ~~Our technology~~ **In addition, the Chinese government exercises significant control over China' s economy through the allocation of resources, control of the incurrence and payment of foreign currency- denominated obligations, setting of monetary policy and provision of preferential treatment to particular industries or companies. Changes in any of these policies, laws and regulations could adversely affect the overall economy in China or our Chinese suppliers, which could harm our business through higher supply costs, reduced availability or both. Also, due to concerns with the security of products and services from certain telecommunications equipment and services companies based in China, U. S. Congress has enacted bans on the use of certain Chinese- origin components or systems either in items sold to the U. S. government or in the internal networks of government contractors and subcontractors (even if those networks are not used for government- related projects). Further, the Chinese government has responded to these U. S. actions by indicating its intention to develop an unreliable entity list, which may limit the ability of companies on the list to engage in business with Chinese counterparties. In June 2022, the import restrictions contained in the Uyghur Forced Labor Prevention Act (" UFLPA") became effective. The UFLPA creates a rebuttable presumption that any goods mined, produced or manufactured, wholly or in part, in the Xinjiang Uyghur Autonomous Region (" XUAR ") of China, or produced by a listed entity, were made with forced labor and would therefore not be deemed a matter of national security entitled to entry at any U. S. port. Importers are required to present clear and as convincing evidence that such goods are not made with forced labor. While we do not source items**

from the XUAR ~~our~~ or ~~customer base~~ from listed parties, and we have increased our supply chain diligence, there is risk that our ability to import components and products may be ~~tightly restricted~~ adversely affected by the UFLPA. Given the relatively fluid regulatory environment in China and the United States and uncertainty regarding how the U. S. government or Chinese and other foreign governments will act with respect to tariffs and international trade agreements and policies, a trade war, further governmental action related to tariffs or international trade policies, or additional tax or other regulatory changes in the future could directly and adversely impact our financial results and results of operations. We cannot predict ~~may accept government grants that what~~ place restrictions on actions may ultimately be taken with respect to trade relations between the United States and China ~~our~~ or ~~ability~~ other countries, what products may be subject to ~~operate~~ such actions or what actions may be taken by the other countries in retaliation. If we are unable to obtain or use components for inclusion in our products, if component prices increase significantly or if we are unable to export or sell our products to any of our customers, our business, liquidity, financial condition and / or results of operations would be materially and adversely affected.

Acquisitions, divestitures, strategic investments and strategic partnerships could disrupt our business and harm our financial condition and operating results. We have pursued and we may continue to pursue growth opportunities by acquiring complementary businesses, solutions or technologies through strategic transactions, investments or partnerships. The identification of suitable acquisition, strategic investment or strategic partnership candidates can be costly and time consuming and can distract our management team from our current operations. If such strategic transactions require us to seek additional debt or equity financing, we may not be able to obtain such financing on terms favorable to us or at all, and such transactions may adversely affect our liquidity and capital structure. Any strategic transaction might not strengthen our competitive position, may increase some of our risks, and may be viewed negatively by our customers, partners or investors. Even if we successfully complete a strategic transaction, we may not be able to effectively integrate the acquired business, technology, systems, control environment, solutions, personnel or operations into our business. We may experience unexpected changes in how we are required to account for strategic transactions pursuant to ~~accounting principles generally accepted in the United States of America ("U. S. GAAP ")~~ and may not achieve the anticipated benefits of any strategic transaction. We may incur unexpected costs, claims or liabilities that we incur during the strategic transaction or that we assume from the acquired company, or we may discover adverse conditions post acquisition for which we have limited or no recourse.

Risks Related to Our International Expansion and Future Operations ~~Because our success depends, in part, on our ability to expand sales internationally, our business will be susceptible to risks associated with international operations.~~ We currently maintain offices and / or have personnel in the United States and, ~~Canada~~, ~~and Israel~~, and recently expanded ~~into operations to Germany, Israel, and Canada~~ ~~Switzerland~~. We expect to continue to expand our international operations by developing ~~a our~~ sales and operations presence in ~~these and~~ other international markets, which may include opening offices in new jurisdictions. Any additional international expansion efforts that we are undertaking and may undertake may not be successful. In addition, conducting international operations subjects us to new risks, ~~36~~ some of which we have not generally faced in the United States or other countries where we currently operate. These risks include, among other things: ~~•~~ lack of familiarity and burdens of complying with foreign laws, legal standards, privacy and cybersecurity standards, regulatory requirements, tariffs and other barriers, and the risk of penalties to our customers and individual members of management or employees if our practices are deemed to not be in compliance; ~~•~~ practical difficulties of enforcing intellectual property rights in countries with varying laws and standards and reduced or varied protection for intellectual property rights in some countries; ~~•~~ an evolving legal framework and additional legal or regulatory requirements for data privacy and cybersecurity, which may necessitate the establishment of systems to maintain data in local markets, requiring us to invest in additional data centers and network infrastructure, and the implementation of additional employee data privacy documentation (including locally compliant data privacy ~~notice notices~~ and policies), all of which may involve substantial expense and may cause us to need to divert resources from other aspects of our business, all of which may adversely affect our business; ~~•~~ unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions; ~~•~~ difficulties in managing systems integrators and partners; ~~•~~ **increased or unexpected supply chain challenges or delays;** differing technology standards; ~~•~~ different pricing environments, longer sales cycles, longer accounts receivable payment cycles and difficulties in collecting accounts receivable; ~~•~~ increased financial accounting and reporting burdens and complexities; ~~•~~ difficulties in managing and staffing international operations including the proper classification of independent contractors and other contingent workers, differing employer / employee relationships and local employment laws; ~~•~~ increased costs involved with recruiting and retaining an expanded employee population, **including highly skilled workers and leaders in the quantum computing industry,** outside the United States through cash and equity- based incentive programs, and ~~unexpected~~ legal costs and regulatory restrictions in issuing our shares to employees outside the United States; ~~•~~ global political and regulatory changes that may lead to restrictions on immigration and travel for our employees; ~~•~~ fluctuations in exchange rates that may decrease the value of our foreign- based revenue or increase the cost of our foreign operations; ~~•~~ global public health threats **or geopolitical events such as tensions in and around Ukraine, Israel and other areas of the world**; ~~•~~ potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems, restrictions on the repatriation of earnings, and transfer pricing requirements; and ~~•~~ permanent establishment risks and complexities in connection with international payroll, tax and social security requirements for international employees. Additionally, operating in international markets also requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required in establishing operations in other countries will produce desired levels of revenue or profitability. Compliance with laws and regulations applicable to our global operations also substantially increases our cost of doing business in foreign jurisdictions. We have limited experience in marketing, selling and supporting our platform outside of the United States. Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If we ~~37~~ invest substantial time and resources to expand our international operations and

are unable to do so successfully and, in a timely manner, our business, financial condition, revenues, results of operations or cash flows will suffer. We may be unable to keep current with changes in government requirements as they change from time to time. Failure to comply with these regulations could harm our business. In many countries, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or other regulations applicable to us. Although we have implemented policies and procedures designed to ensure compliance with these laws and policies, there can be no assurance that all of our employees, contractors, partners and agents will comply with these laws and policies. Violations of laws or key control policies by our employees, contractors, partners or agents could result in delays in revenue recognition, financial reporting misstatements, enforcement actions, reputational harm, disgorgement of profits, fines, civil and criminal penalties, damages, injunctions, other collateral consequences or the prohibition of the importation or exportation of our solutions and could harm our business, financial condition, revenues, results of operations or cash flows. Our international sales and operations subject us to additional risks and costs, including the ability to engage with customers in new geographies and exposure to foreign currency exchange rate fluctuations, that can adversely affect our business, financial condition, revenues, results of operations or cash flows. We are continuing to expand our international operations as part of our growth strategy. However, there are a variety of risks and costs associated with our international sales and operations, which include making investments prior to the sales or use of quantum computers, the cost of conducting our business internationally and hiring and training international employees and the costs associated with complying with local law. Furthermore, we cannot predict the rate at which our quantum computers will be accepted in international markets by potential customers. **Our** ~~We have a limited sales presence in Germany and Israel; and, as a result, our~~ sales, support and engineering organization outside the United States is substantially smaller than our U. S. sales organization. We believe our ability to attract new customers to subscribe to our platform or to attract existing customers to renew or expand their use of our platform is directly correlated to the level of engagement we obtain with the customer. To the extent we are unable to effectively engage with non- U. S. customers due to our limited sales force capacity, we may be unable to effectively grow in international markets. As our international operations expand, our exposure to the effects of fluctuations in currency exchange rates grows. While we have primarily transacted with customers in U. S. dollars, historically, we expect to continue to expand the number of transactions with our customers that are denominated in foreign currencies in the future. Additionally, fluctuations in the value of the U. S. dollar and foreign currencies may make our subscriptions more expensive for international customers, which could harm our business. Additionally, we incur expenses for employee compensation and other operating expenses for our non- U. S. employees in the local currency for such locations. Fluctuations in the exchange rates between the U. S. dollar and other currencies could result in an increase to the U. S. dollar equivalent of such expenses. These fluctuations could cause our results of operations to differ from our expectations or the expectations of our investors. Additionally, such foreign currency exchange rate fluctuations could make it more difficult to detect underlying trends in our business and results of operations. **We may attempt to mitigate a portion of these risks through foreign currency hedging based on our judgment of the appropriate trade- offs among risk, opportunity, and exposure. Any future hedging activities may not offset the full, or in some cases any, adverse financial impact resulting from unfavorable movement in foreign currency exchange rates, which could adversely affect our financial condition and results of operations.** Our international operations may subject us to greater than anticipated tax liabilities. The amount of taxes we may pay in different jurisdictions depends on the application of the tax laws of various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to any future intercompany arrangement or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position ~~38~~ was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. Our **consolidated** financial statements could fail to reflect adequate reserves to cover such a contingency. Similarly, a taxing authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a “ permanent establishment ” under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. **Risks Related to Litigation and Government Regulation** Our business is exposed to risks associated with litigation, investigations and regulatory proceedings. We may face legal, administrative and regulatory proceedings, claims, demands and / or investigations involving ~~stockholder~~ **stockholders**, ~~consumer~~ **customers**, competition and / or other issues relating to our business. Litigation and regulatory proceedings are inherently uncertain, and adverse rulings could occur, including monetary damages, or an injunction stopping us from engaging in certain business practices, or requiring other remedies, such as compulsory licensing of patents. For example, on January 12, 2021, dMY Technology Group, Inc. II, dMY Sponsor II, LLC, dMY ~~II~~, and dMY Sponsor III, LLC (“ Sponsor ”) accepted service of a lawsuit where ~~we are~~ **they were** named as counterclaim defendants in an underlying action by and between GTY Technology Holdings, Inc. (“ GTY ”), dMY Technology ~~Holdings Group, Inc. and~~ **Holdings Group, Inc. and**, dMY Sponsor, LLC, dMY Sponsor II, LLC, dMY Technology Group Inc. II, dMY and Sponsor (collectively, “ dMY Defendants ”) and Carter Glatt (“ Glatt ”) and Captains Neck Holdings LLC (“ Captains Neck ”), an entity of which Mr. Glatt is a member. The underlying lawsuit, filed by dMY Technology Group, Inc. and dMY Sponsor, LLC, seeks a declaratory judgment that Glatt and Captains Neck are not entitled to membership units of dMY Sponsor LLC, which was formed by Harry L. You, the co- founder and former President and Chief Financial Officer of GTY when Glatt was still working at GTY. The underlying lawsuit contains claims arising from Glatt’ s termination of employment from GTY, including theft and misappropriation of confidential GTY information, breach of contract, breach of the duties of loyalty and fiduciary duty and conversion. Glatt ~~has~~ responded to the underlying lawsuit by adding members of the Sponsor and officers of dMY as additional counterclaim defendants (collectively with the dMY

Defendants –Glatt and Captains Neck, the “ Counterclaim Defendants ”) and adding Dune Acquisition Holdings LLC, a newly formed special purpose acquisition company, as a counterclaimant and asserting claims for breach of contract, fraudulent misrepresentation, negligent misrepresentation, tortious interference with business relations, quantum meruit and unjust enrichment. **dMY and the Company have never employed Glatt nor maintained any business agreements with him.** The Counterclaim Defendants have denied the claims against them and have filed a motion to dismiss the suit. **During 2023, the court dismissed the claims against dMY Technology Group, Inc. III (“ dMY III ”), the former legal registrant of IonQ, Inc and the case is now considered closed.** In May 2022, a securities class action complaint captioned Leacock v. IonQ, Inc. et al., Case No. 8: 22- cv- 01306, was filed by a stockholder of the Company in the United States District Court for the District of Maryland (the “ Leacock Litigation ”) against the Company and certain of the Company’ s current officers. In June 2022, a securities class action complaint captioned Fisher v. IonQ, Inc., Case No. 8: 22- cv- 01306- DLB (the “ Fisher Litigation ”) was filed by a stockholder against the Company and certain of the Company’ s current officers (~~the~~ “ IonQ Defendants ”). Both the Leacock Litigation and Fisher Litigation, which have been consolidated into a single action, allege violations of Section 10 (b) of the Exchange Act, and Rule 10b- 5 promulgated thereunder, and Section 20 (a) of the Exchange Act and seek damages. In September 2022, the Court appointed lead plaintiffs and counsel for lead plaintiffs, and ordered lead plaintiffs to file a consolidated amended complaint. The consolidated amended complaint was filed on November 22, 2022. As part of the consolidated amended complaint, certain members of the Company’ s board of directors (~~the~~ “ Board ”) as well as other dMY - related defendants (“ Additional Defendants ”) have been added as defendants to the case. On February 7, 2023, the IonQ Defendants and the Additional Defendants each filed a motion to dismiss the consolidated amended complaint. **Both On March 23, 2023, lead plaintiffs filed their omnibus opposition to the motions to dismiss. On April 26, 2023,** the IonQ Defendants and the Additional Defendants ~~believe that~~ **each filed a reply in support of the motions to dismiss. On September 28, 2023, the District Court of Maryland issued an order dismissing plaintiffs’ claims against the IonQ Defendants and the Additional Defendants with prejudice and directed the clerk to close the case. On October 26, 2023, the plaintiffs filed a motion for post- judgment relief, seeking to amend the their consolidated amended allegations in the various complaints – complaint are without merit. The IonQ Defendants and Additional Defendants filed oppositions to plaintiffs’ motion on December 1, 2023, and plaintiffs filed their reply on January 8, 2024. Both the IonQ Defendants and Additional Defendants intend to defend the matters vigorously . Given the uncertainty of litigation, the preliminary stage of the case, and the legal standards that must be met for, among other things, class certification and success on the merits, the Company cannot reasonably estimate the possible loss or range of loss, if any, that may result from the associated suit .**

These proceedings and any additional investigations, inquiries or litigation by various regulators may harm our reputation regardless of the outcome of any such action. The outcome of any litigation, regardless of its merits, is inherently uncertain. Any claims and lawsuits, and the disposition of such claims and lawsuits, could be 39-time- consuming and expensive to resolve, divert management attention and resources, and lead to attempts on the part of other parties to pursue similar claims. Negative perceptions of our business may result in additional regulation, enforcement actions by the government and increased litigation, or harm to our ability to attract or retain customers or strategic partners, any of which may affect our business. Any damage to our reputation, including from publicity from legal proceedings against us or companies that work within our industry, governmental proceedings, unfavorable media coverage or class action could adversely affect our business, financial condition and results of operations. An unfavorable outcome or settlement or any other legal, administrative and regulatory proceeding may result in a material adverse impact on our business, results of operations, financial position and overall trends. In addition, regardless of the outcome, litigation can be costly, time- consuming, and disruptive to our operations. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future. In addition, the laws and regulations our business is subject to are complex and change frequently. We may be required to incur significant expense to comply with changes in, or remedy violations of, these laws and regulations. Furthermore, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery. We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims. We may become subject to product liability claims, even those without merit, which could harm our business prospects, operating results, and financial condition. We may face inherent risk of exposure to claims in the event our quantum computers do not perform as expected or malfunction. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our quantum computers and business and inhibit or prevent commercialization of other future quantum computers, which would have material adverse effects on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages either in excess of our coverage, or outside of our coverage, may have a material adverse effect on our reputation, business and financial condition. We may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, particularly if we do face liability for our products and are forced to make a claim under our policy. **Certain of our activities are subject to regulations relating to use of radioactive material, compliance with which may be costly, and a failure to comply with these regulations may materially and adversely affect our business. Various atomic species are used in trapped- ion systems in academic and commercial settings, including isotopes of elemental ions. Some of these atomic isotopes are radioactive. We use certain radioactive materials in our research, development, and production activities. As a result of our utilization of radioactive material, we and some of our suppliers and distributors are subject to regulation by United States governmental authorities, such as the FDA, the Nuclear Regulatory Commission (“ NRC ”), and state**

and local regulatory agencies, which is intended to ensure we remain in compliance with laws governing products and activities which emit, produce, or control radiation. These regulations govern, among other things, the design, development, testing, manufacturing, packaging, labeling, distribution, import / export, sale, marketing, and disposal of our activities and products. We are also subject to international laws and regulations that apply to the utilization of radioactive materials. These are often comparable to, if not more stringent than, the equivalent regulations in the United States. Although we believe that our safety procedures for handling such materials comply with the standards prescribed by such laws and regulations, the risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, we could be held liable for any damages that result or penalized with fines, and any such liability could exceed our resources. We are subject to requirements relating to environmental and safety regulations and environmental remediation matters, which could adversely affect our business, results of operation and reputation. We are subject to numerous federal, state and local environmental laws and regulations governing, among other things, solid and hazardous waste storage, treatment and disposal, and remediation of releases of hazardous materials. There are significant capital, operating and other costs associated with compliance with these environmental laws and regulations. Environmental laws and regulations may become more stringent in the future, which could increase costs of compliance or require us to manufacture with alternative technologies and materials. Federal, state and local authorities also regulate a variety of matters, including, but not limited to, health, safety and permitting in addition to the environmental matters discussed above. New legislation and regulations may require us to make material changes to our operations, resulting in significant increases to the cost of production. 40-Our manufacturing process will have hazards such as , but not limited to , hazardous materials, machines with moving parts, and high voltage and / or high current electrical systems typical of large manufacturing equipment and related safety incidents. There may be safety incidents that damage machinery or product, slow or stop production, or harm employees. Consequences may include litigation, regulation, fines, increased insurance premiums, mandates to temporarily halt production, workers' compensation claims, or other actions that impact the company brand, finances, or ability to operate. Contracts with U. S. government entities subject us to risks, including early termination, audits, investigations, sanctions and penalties. As part of our business strategy, we have entered into and may enter into additional contracts with state and federal government entities, which subjects our business to statutes and regulations applicable to companies doing business with the government, including the Federal Acquisition Regulation. These government contracts customarily contain provisions that give the government substantial rights and remedies, many of which are not typically found in commercial contracts and which are unfavorable to contractors. For instance, most U. S. government agencies include provisions that allow the government to unilaterally terminate or modify contracts for convenience, and in that event, the counterparty to the contract may generally recover only its incurred or committed costs and settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, the defaulting party may be liable for any extra costs incurred by the government in procuring undelivered items from another source. In addition, government contracts normally contain additional requirements that may increase our costs of doing business, reduce our profits, and expose us to liability for failure to comply with these terms and conditions. These requirements include, for example: •specialized disclosure and accounting requirements unique to government contracts; •financial and compliance audits that may result in potential liability for price adjustments, recoupment of government funds after such funds have been spent, civil and criminal penalties, or administrative sanctions such as suspension or debarment from doing business with the U. S. government; •**granting the U. S. government certain rights to inventions, data, software codes and related material that we develop under government- funded contracts and subcontracts, which may permit the U. S. government to disclose or license this information to third parties, including, in some instances, our competitors; requirements to fulfill government contracts assigned ratings under the Defense Priorities and Allocations System Program ahead of our commercial contracts, which could prevent us from meeting our commercial customer contracts' requirements or schedules;** public disclosures of certain contract and company information; and •mandatory socioeconomic compliance requirements, including labor requirements, non- discrimination and affirmative action programs and environmental compliance requirements. Government contracts are also generally subject to greater scrutiny by the government, which can initiate reviews, audits and investigations regarding our compliance with government contract requirements. In addition, if we fail to comply with government contracting laws, regulations and contract requirements, our contracts may be subject to termination, and we may be subject to financial and / or other liability under our contracts, the Federal Civil False Claims Act (including treble damages and other penalties), or criminal law. In particular, the False Claims Act' s " whistleblower " provisions also allow private individuals, including present and former employees, to sue on behalf of the U. S. government. Any penalties, damages, fines, suspension, or damages could adversely affect our ability to operate our business and our financial results. We are subject to stringent and evolving U. S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to adverse business consequences. Our data **storage and processing activities , including the establishment and operation of future quantum data centers,** may subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements –and other obligations relating to data privacy , **data sovereignty** and security. 41-**Laws and regulations governing privacy, data protection and data sovereignty are rapidly evolving, extensive, complex, and include inconsistencies and uncertainties that may conflict with other rules or our practices. Further, new laws, rules, and regulations could be enacted with which we are not familiar or with which our current practices do not comply.** In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). For example, the California Consumer Privacy Act of 2018 (" CCPA ") applies to personal information of California consumers, business representatives and employees, and requires

businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain privacy rights. The CCPA provides for civil penalties of up to \$ 7, 500 per violation and allows private litigants affected by certain data breaches to recover significant statutory damages. In addition, the California Privacy Rights Act of 2020 (“ CPRA ”) expands the CCPA’s requirements, including by adding a new right for individuals to correct their personal information and establishing a new regulatory agency to implement and enforce the law. Other states, such as Virginia and Colorado, have also passed comprehensive privacy laws, and similar laws are being considered in several other states, as well as at the federal and local levels. **Our employees and personnel use generative artificial intelligence (“ AI ”) technologies to perform their work, and the disclosure and use of personal information in generative AI technologies is subject to various privacy laws and other privacy obligations.** Additionally, several states and localities have enacted measures related to the use of artificial intelligence and machine learning in products and services. These developments may further complicate compliance efforts, and may increase legal risk and compliance costs for us, the third parties upon whom we rely, and our customers. Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the European Union’s General Data Protection Regulation (“ EU GDPR ”), the United Kingdom’s General Data Protection Regulation (“ UK GDPR ”), Brazil’s General Data Protection Law (Lei Geral de Proteção de Dados Pessoais, or “ LGPD ”) (Law No. 13, 709 / 2018), and China’s Personal Information Protection Law (“ PIPL ”) impose strict requirements for processing personal data. For example, under the EU GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros or 4 % of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. Additionally, we also target customers in Asia and may be subject to new and emerging data privacy regimes in Asia, including China’s PIPL, Japan’s Act on the Protection of Personal Information, and Singapore’s Personal Data Protection Act. In addition, we may be unable to transfer personal data from Europe and other jurisdictions to the United States or other countries due to data localization requirements or limitations on cross- border data flows. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (“ EEA ”) and the United Kingdom (“ UK ”) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross- border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA and UK’s standard contractual clauses, these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK, or other jurisdictions to the United States, or if the requirements for a legally- compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigators, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers of personal data out of Europe for allegedly violating the EU GDPR’s cross- border data transfer limitations. ~~42~~In addition to data privacy and security laws, we are contractually subject to industry standards adopted by industry groups and may become subject to such obligations in the future. We are also bound by other contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the EU GDPR, UK GDPR and CCPA, require our customers to impose specific contractual restrictions on their service providers. Additionally, some of our customers may require us to host personal data locally. We publish privacy policies, marketing materials, and other statements, such as compliance with certain certifications or self- regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences. Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources and may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar **events**); litigation (including class- action claims); additional reporting requirements and / or oversight; bans on processing personal data; and orders to destroy or not use personal data. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; inability to process personal data or to operate in certain jurisdictions; interruptions or stoppages in our business operations or data collection; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations. We are subject to U. S. and foreign anti- corruption, anti- bribery and similar laws, and non- compliance with such laws can subject us to criminal or civil liability and harm our business. We are subject to the U. S. Foreign Corrupt Practices Act of 1977,

as amended, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, and other anti- bribery, and anti- corruption laws in countries in which we conduct activities. Anti- corruption and anti- bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, and their third- party intermediaries from authorizing, promising, offering, providing, soliciting, or accepting, directly or indirectly, improper payments or benefits to or from any person whether in the public or private sector. We may engage with partners and third- party intermediaries to market our services and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third- party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third- party intermediaries, and of our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. We cannot provide any assurance that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Detecting, investigating, and resolving actual or alleged violations of anti- corruption laws can require a significant diversion of time, resources, and attention from senior management. In addition, noncompliance with anti- corruption or anti- bribery laws could subject us to whistleblower complaints, investigations, sanctions, ~~43~~ settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties, injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage, and other collateral consequences. We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws. Our products and technologies are subject to U. S. export control and import laws and regulations, including the U. S. Export Administration Regulations, U. S. Customs regulations, and various economic and trade sanctions regulations administered by the U. S. Treasury Department' s Office of Foreign Assets ~~Controls~~ **Control**. U. S. export control and economic sanctions laws include restrictions or prohibitions on the sale or supply of certain products, technologies, and services to U. S. government embargoed or sanctioned countries, governments, persons and entities. In addition, certain products and technology may be subject to export licensing or approval requirements. Exports of our products and technology must be made in compliance with export control and sanctions laws and regulations. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges; fines, which may be imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers. In addition, **various countries regulate the import of certain encryption technology, including through import permit and license requirements and have enacted laws that could limit our ability to distribute our products and technologies or could limit our end customers' ability to implement our services in those countries.** ~~changes~~ **Changes** in our products or technologies or changes in applicable export or import laws and regulations **also** may create delays in the introduction and sale of our products and technologies in international markets or, in some cases, prevent the export or import of our products and technologies to certain countries, governments or persons altogether. Any change in export or import laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such laws and regulations, could also result in decreased use of our products and technologies, or in our decreased ability to export or sell our products and technologies to existing or potential customers. Any decreased use of our products and technologies or limitation on our ability to export or sell our products and technologies would likely adversely affect our business, financial condition and results of operations. We expect to incur significant costs in complying with these regulations. Regulations related to quantum computing are currently evolving and we may face additional risks associated with changes to these regulations. Risks Related to our Intellectual Property Licensing of intellectual property is of critical importance to our business. For example, we license patents (some of which are foundational patents) and other intellectual property from the University of Maryland and Duke University on an exclusive basis. If the license agreement with these universities terminates, or if any of the other agreements under which we acquired or licensed, or will acquire or license, material intellectual property rights is terminated, we could lose ~~the ability~~ **our rights to use key technologies** to develop and operate our business. We are heavily reliant upon licenses to certain patent rights and other intellectual property from third parties that are important or necessary to the development of our products. In particular, our quantum computing technology is dependent on our license agreement with University of Maryland and Duke University, **or the Universities**. Significant intellectual property developed by our co- founders, Jungsang Kim, our Chief Technology Officer, and Christopher Monroe, ~~our Chief Scientist~~, has been and is required to be assigned to the Universities as a result of Dr. Kim and Dr. Monroe' s employment by the Universities, and certain such intellectual property is licensed pursuant to the license agreement with the Universities. Pursuant to the license agreement with the universities, we were granted an exclusive, worldwide, royalty- free, sublicenseable license for certain patents, know- how (on a non- exclusive basis) and other intellectual property to develop, manufacture and commercialize products for use in certain licensed fields, the scope of which includes the application of the licensed intellectual property in ion trap quantum computing. ~~44~~ Our existing license agreement with the Universities imposes, and we expect that any future license agreements will impose, upon us various commercial and development obligations. If we fail to comply with our obligations under these agreements, or we are subject to an insolvency- related event, the licensor may have the right to terminate these agreements, in which event we would not be able to develop, market or otherwise commercialize products covered by these agreements, including if any of the foregoing were to occur with respect to our license agreement with the Universities. Our business could significantly suffer, for example, if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, ~~if the licensed patents or other rights are found to be invalid or unenforceable~~, or if we are unable to enter into necessary licenses on acceptable terms. Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues, and certain provisions in intellectual property license agreements may be susceptible to multiple interpretations. Disputes may arise between us and our licensors regarding intellectual property subject to a license agreement, including: ~~•~~ the scope of rights granted under

the license agreement and other interpretation- related issues; •whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement; •our right to sublicense patent and other rights to third parties; •our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product and technology, and what activities satisfy those diligence obligations; •the ownership of inventions and know- how resulting from the joint creation or use of intellectual property by our licensors and the company; •our right to transfer or assign the license; and •the effects of termination. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could harm our business, financial condition and results of operations. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize our products or technology. While we would expect to exercise all rights and remedies available to us, including seeking to cure any breach by us, and otherwise seek to preserve our rights under the license agreement, we may not be able to do so in a timely manner, at an acceptable cost or at all. ~~If we are unable to obtain and maintain patent protection for our products and technology, or if the scope of the patent protection obtained is not sufficiently broad or robust, our competitors could develop and commercialize products and technology similar or identical to ours, and our ability to successfully commercialize our products and technology may be adversely affected. Moreover, our trade secrets could be compromised, which could cause us to lose the competitive advantage resulting from these trade secrets.~~ Our success depends, in significant part, on our ability to obtain, maintain, enforce and defend patents and other intellectual property rights, including trade secrets, with respect to our products and technology and to operate our business without infringing, misappropriating, or otherwise violating the intellectual property rights of others. We may not be able to prevent unauthorized use of our intellectual property. We rely upon a combination of the intellectual property protections afforded by patent, copyright, trademark and trade secret ~~45~~ laws in the United States and other jurisdictions, as well as license agreements and other contractual protections, to establish, maintain and enforce rights in our proprietary technologies. In addition, we seek to protect our intellectual property rights through nondisclosure and invention assignment agreements with our employees and consultants, and through non- disclosure agreements with business partners and other third parties. Our trade secrets may also be compromised, which could cause us to lose the competitive advantage from such trade secrets. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain and use our intellectual property. Monitoring unauthorized use of our intellectual property is difficult and costly, and the steps we have taken or will take to prevent misappropriation may not be sufficient. Any enforcement efforts we undertake, including litigation, could be time- consuming and expensive and could divert management' s attention, which could harm our business, results of operations and financial condition. In addition, existing intellectual property laws and contractual remedies may afford less protection than needed to safeguard our intellectual property portfolio. Patent, copyright, trademark and trade secret laws vary significantly throughout the world. A number of foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the United States and efforts to protect against the unauthorized use of our intellectual property rights, technology and other proprietary rights may be more expensive and difficult outside of the United States. Failure to adequately protect our intellectual property rights could result in our competitors using our intellectual property to offer products, potentially resulting in the loss of some of our competitive advantage and a decrease in our revenue, which would adversely affect our business, financial condition and operating results. Our patent applications may not result in issued patents or our patent rights may be contested, circumvented, invalidated or limited in scope, any of which could have a material adverse effect on our ability to prevent others from interfering with our commercialization of our products. Our patent applications may not result in issued patents, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. The status of patents involves complex legal and factual questions and the breadth of claims allowed is uncertain. As a result, we cannot be certain that the patent applications that we file will result in patents being issued, or that our patents and any patents that may be issued to us will afford protection against competitors with similar technology. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. In addition to those who may have patents or patent applications directed to relevant technology with an effective filing date earlier than any of our existing patents or pending patent applications, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable. Furthermore, patent applications filed in foreign countries are subject to laws, rules and procedures that differ from those of the United States, and thus we cannot be certain that foreign patent applications related to issued U. S. patents will be issued. Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents ~~– including any of the issued patents exclusively licensed to us –~~ will be contested, circumvented, invalidated, **found to be unenforceable** or limited in scope in the future. The rights granted under any issued patents may not provide us with meaningful protection or competitive advantages, and some foreign countries provide significantly less effective patent enforcement than in the United States. In addition, the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. The intellectual property rights of others could also bar us from licensing and exploiting any patents that issue from our pending applications. In addition, patents issued to us may be infringed upon or designed around by others and others may obtain patents that ~~it we needs~~ **need** to license or design around, either of which would increase costs and may adversely affect our business, prospects, financial condition and operating results. ~~46~~ We may face patent infringement and other intellectual property claims that could be costly to defend, result in injunctions and significant damage awards or other costs (including indemnification of third parties or costly licensing arrangements (if licenses are available at all)) and limit our ability to use certain key technologies in the future or require development of non- infringing

products, services, or technologies, which could result in a significant expenditure and otherwise harm our business. We may become subject to intellectual property disputes. Our success depends, in part, on our ability to develop and commercialize our products, services and technologies without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our products, services or technologies are infringing, misappropriating or otherwise violating third- party intellectual property rights and such third parties may bring claims alleging such infringement, misappropriation or violation. For example, there may be issued patents of which we are unaware, held by third parties that, if found to be valid and enforceable, could be alleged to be infringed by our current or future products, services or technologies. There also may be pending patent applications of which we are not aware that may result in issued patents, which could be alleged to be infringed by our current or future products, services or technologies. Because patent applications can take years to issue and are often afforded confidentiality for some period of time there may currently be pending applications, unknown to us, that later result in issued patents that could cover our current or future products, services or technologies. Lawsuits can be time-consuming and expensive to resolve, and they divert management' s time and attention. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. Companies that have developed and are developing technology are often required to defend against litigation claims based on allegations of infringement, misappropriation or other violations of intellectual property rights. Our products, services or technologies may not be able to withstand any third- party claims against their use. In addition, many companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. In a patent infringement claim against us, we may assert, as a defense, that we do not infringe the relevant patent claims, that the patent is invalid or both. The strength of our defenses will depend on the patents asserted, the interpretation of these patents, and our ability to invalidate the asserted patents. However, we could be unsuccessful in advancing non- infringement and / or invalidity arguments in our defense. In the United States, issued patents enjoy a presumption of validity, and the party challenging the validity of a patent claim must present clear and convincing evidence of invalidity, which is a high burden of proof. Conversely, the patent owner need only prove infringement by a preponderance of the evidence, which is a lower burden of proof. Our patent portfolio may not be large enough to deter patent infringement claims, and our competitors and others may now and in the future have significantly larger and more mature patent portfolios. Any litigation may also involve patent holding companies or other adverse patent owners that have no relevant solution revenue, and therefore, our patent portfolio may provide little or no deterrence as we would not be able to assert our patents against such entities or individuals. If a third party is able to obtain an injunction preventing us from accessing such third- party intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we may be forced to limit or stop sales of our products, services or technologies or cease business activities related to such intellectual property. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, regardless of the merit of the claim or our defenses, may require us to do one or more of the following: ~~•~~cease selling or using solutions or services that incorporate the intellectual property rights that allegedly infringe, misappropriate or violate the intellectual property of a third party; ~~•~~make substantial payments for legal fees, settlement payments or other costs or damages; ~~47~~~~•~~obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; ~~•~~redesign the allegedly infringing solutions to avoid infringement, misappropriation or violation, which could be costly, time- consuming or impossible; or ~~•~~indemnify organizations using our platform or third- party service providers. Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. The occurrence of infringement claims may grow as the market for our products, services and technologies grows. Accordingly, our exposure to damages resulting from infringement claims could increase and this could further exhaust our financial and management resources. Some of our in- licensed intellectual property, including the intellectual property licensed from the Universities, has been conceived or developed through government- funded research and thus may be subject to federal regulations providing for certain rights for the U. S. government or imposing certain obligations on us, such as a license to the U. S. government under such intellectual property, “ march- in ” rights, certain reporting requirements and a preference for U. S.- based companies, and compliance with such regulations may limit our exclusive rights and our ability to contract with non- U. S. manufacturers. Certain intellectual property rights that have been in- licensed pursuant to the license agreement with the Universities have been generated through the use of U. S. government funding and are therefore subject to certain federal regulations. As a result, the U. S. government may have certain rights to intellectual property embodied in our current or future product candidates pursuant to the Bayh- Dole Act of 1980, or the Patent and Trademark Law Amendment. These U. S. government rights include a non- exclusive, non- transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U. S. government has the right, under certain limited circumstances, to require the licensor to grant exclusive, partially exclusive or non- exclusive licenses to any of these inventions to a third party if it determines that: (1) adequate steps have not been taken to commercialize the invention, (2) government action is necessary to meet public health or safety needs or (3) government action is necessary to meet requirements for public use under federal regulations (also referred to as “ march- in rights ”). The U. S. government also has the right to take title to these inventions if the licensor fails to disclose the invention to the government or fails to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us to expend substantial resources.

In addition, the U. S. government requires that any products embodying any of these inventions or produced through the use of any of these inventions be manufactured substantially in the U. S., and the license agreement with the Universities requires that we comply with this requirement. This preference for U. S. industry may be waived by the federal agency that provided the funding if the owner or assignee of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture the products substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. To the extent any of our owned or licensed future intellectual property is also generated through the use of U. S. government funding, the provisions of the Bayh-Dole Act may similarly apply.

48-Risks Related to an Investment in our Securities and Other General Matters The market price of shares of our common stock or public warrants may be volatile, which could cause the value of your investment to decline. If you purchase shares of our common stock, you may not be able to resell those shares at or above the price you paid. The market price of our common stock may be highly volatile and may fluctuate or decline significantly in response to numerous factors, some of which are beyond our control. **The securities markets have experienced and..... make it difficult to sell such securities.** It is possible that an active trading market will not be sustained. **This would. The securities markets have experienced and continue to experience significant volatility. Market volatility, as well as general economic, make market it difficult for- or you to sell political conditions, could reduce the market price of shares of our common stock regardless of or our operating performance. Our operating results could be below the expectations of public warrants at If our operating class action litigation has often been instituted against such company. Such litigation could result in substantial costs and financial performance in any given period does not meet the guidance provided a diversion of management' s attention and resources. See also " Risks Related to the public or the expectations of investment analysts Litigation and Government Regulation— Our business is exposed to risks associated with litigation, investigations and regulatory proceedings- the market price of our common stock may decline .** ² We have historically and may continue to, but are not obligated to, provide public guidance on our expected operating and financial results for future periods. Any such guidance will consist of forward- looking statements, subject to the risks and uncertainties described in this filing and in our other public filings and public statements. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty, such as the current global economic uncertainty being experienced. If, in the future, our operating or financial results for a particular period do not meet any guidance provided or the expectations of investment analysts, or if we reduce our guidance for future periods, the market price of our common stock may decline as well. **Even if we do issue public guidance, There there can be no assurance that we will continue to do so issue public guidance in the future. Our quarterly operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due several factors, some of which are beyond our control, resulting in a decline in our stock price .** Our quarterly operating results may fluctuate significantly because of several factors, including: • labor availability and costs for hourly and management personnel; • profitability of our products, especially in new markets; • changes in interest rates; • impairment of long- lived assets; • macroeconomic conditions, both nationally and locally; • size and scope of our revenue arrangements with our customers; • negative publicity relating to our products we serve ; • changes in customer consumer preferences and competitive conditions; • the loss of strategic relationships or existing contracts with any customer; lengthy customer sales cycle, leading to difficulty in forecasting the timing of purchasing decisions; expansion to new markets; and • fluctuations in commodity prices. **Short sellers may engage an attractive issuer' s stock price , and result in regulatory and governmental inquiries. On May 3, 2022, a short seller report was published about us, which contained certain allegations against us. Any inquiry or formal investigation from a governmental organization or other regulatory body, including any inquiry from the SEC or the U. S. Department of Justice, could result in a material diversion of or our at all management' s time and could have a material adverse effect on our business and results of operations .** Our ability to timely raise capital in the future may be limited, or may be unavailable on acceptable terms, if at all. The failure to raise capital when needed could harm our business, operating results and financial condition. Debt or equity issued to raise additional capital may reduce the value of our common stock. We cannot be certain when or if the operations of our business will generate sufficient cash to fund our ongoing operations or the growth of our business. We intend to make investments to support our current business and may require additional funds to respond to business challenges, including the need to develop or enhance our technology, improve our operating infrastructure or acquire complementary businesses and technologies. Additional financing may not be available on favorable terms, if at all. In addition, we may not be able to access a portion of our existing cash, cash equivalents and investments due to market conditions. For example, on March 10, 2023, the Federal Deposit Insurance Corporation (“ FDIC ”) took control and was appointed receiver of Silicon Valley Bank (“ SVB ”). Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition. Additionally, weakness and volatility in capital markets and the economy, in general or as a result of bank failures or macroeconomic conditions such as rising inflation, could limit our access to capital markets and increase our costs of borrowing. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results and financial condition. If we incur debt, the debt holders could have rights senior to holders of our common stock to make claims on our assets. The terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because the decision to issue securities in the future offering will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future issuances of debt or equity securities. As a result, stockholders will bear the risk of future issuances of debt or equity securities reducing the value of their common stock

and diluting their interest. A small number of stockholders will continue to have substantial control over us, which may limit other stockholders' ability to influence corporate matters and delay or prevent a third party from acquiring control over us. As of December 31, 2022, our directors and executive officers of, and beneficial owners of 5% or more of our voting securities and their respective affiliates beneficially own, in the aggregate, approximately 20% of our outstanding common stock. This concentration of ownership may have a negative impact on the trading price for our common stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders. In addition, these stockholders will be able to exercise influence over all matters requiring stockholder approval, including the election of directors and approval of corporate transactions, such as a merger or other sale of us or our assets. This concentration of ownership could limit stockholders' ability to influence corporate matters and may have the effect of delaying or preventing a change in control, including a merger, consolidation or other business combination, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change in control would benefit the other stockholders. There can be no assurance that we will be able to comply with the continued listing standards of the New York Stock Exchange ("NYSE"). If we fail to satisfy the continued listing requirements of NYSE, such as the corporate governance requirements or the minimum share price requirement, NYSE may take steps to delist our securities. Such a delisting would likely have a negative effect on the price of the securities and would impair your ability to sell or purchase the securities when you wish to do so. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities, prevent our securities from dropping below the NYSE minimum share price requirement or prevent future non-compliance with NYSE's listing requirements. Additionally, if our securities are not listed on, or become delisted from the NYSE, for any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on the NYSE or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained. If we are unable to implement and maintain effective internal control over financial reporting, investors may lose confidence in the accuracy and completeness of financial reports, and the market price of our common stock may decline. We are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. The process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation is time-consuming, costly, and complicated. In connection with the preparation of our financial statements as of and for the year ended December 31, 2021, we identified a material weakness in our internal control over financial reporting specifically related to our financial statement close process. Although we have remediated the material weakness as of December 31, 2022, there **There** can be no assurance that the controls put in place will remain effective or that any additional controls needed will be designed and implemented timely to prevent material misstatements in our consolidated financial statements in future periods. If we identify material weaknesses in our internal control over financial reporting in the future, if we are unable to comply with the requirements of Section 404 of Sarbanes-Oxley Act of 2002 in a timely manner, or if we are unable to assert that our internal control over financial reporting is effective, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could decline. We could become subject to investigations by the NYSE, the SEC or other regulatory authorities, which could require additional financial and management resources. **If our operating and financial performance in..... and • fluctuations in commodity prices.** We will continue to incur significant increased expenses and administrative burdens as a public company, which could negatively impact our business, financial condition and results of operations. We face increased legal, accounting, insurance, administrative and other costs and expenses as a public **company that we did not incur as a private** company. Sarbanes-Oxley, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, the Public Company Accounting Oversight Board ("PCAOB") and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will continue to increase costs and make certain activities more time-consuming. A number of those requirements require us to carry out activities we have not done previously. For example, we adopted new internal controls and disclosure controls and procedures. If any issues in complying with SEC reporting requirements are identified (for example, if we identify a material weakness or significant deficiency in the internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could harm our reputation or investor perceptions of us. Further, the costs to maintain our director and officer liability insurance may continue to rise to unprecedented levels. Risks associated with our status as a public company may make it more difficult to attract and retain qualified persons to serve on our Board or as executive officers. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require us to divert a significant amount of money that could otherwise be used to expand our business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs. We **no longer** qualify as an emerging growth company as **well of December 31, 2023 and, as a result, we will no longer be able to avail ourselves of certain reduced reporting requirements applicable to emerging growth companies. As a result of the market value of our common stock held by non-affiliates as of June 30, 2023 (the last day of our second quarter) exceeding \$ 700. 0 million, we became a large accelerated filer under the Exchange Act as of December 31, 2023, and no longer qualify as an " emerging growth**

company.” We were also a smaller reporting company as defined in the Exchange Act until June 30, 2023. The reduced However, we may continue to use the scaled disclosures permitted for a smaller reporting company through our annual report on Form 10-K for the fiscal year ended December 31, 2023 and must begin providing non-scaled larger company disclosure in our first quarterly report in our next fiscal year (i. e., the quarterly report for the three-month period ended March 31, 2024). As a large accelerated filer, we are subject to certain disclosure and compliance requirements that apply to other public company reporting requirements applicable to emerging growth companies but did not previously apply may make our common stock less attractive to investors. We qualify us due to our status as an emerging growth company under SEC rules. These As an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements include, but that are applicable to other public companies that are not limited to emerging growth companies. These provisions include: the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404 (1-b) presenting only two of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”); the requirement that we provide three years of audited financial statements; (2) presenting only two years of related selected financial data and “Management’s Discussion and Analysis of Financial Condition and Results of Operations;” disclosure; (3) an exemption from compliance with the auditor attestation requirement in the assessment of internal control over financial reporting pursuant to Section 404 of Sarbanes-Oxley; (4) not being required to comply with any requirement requirements that may be adopted by the PCAOB Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor auditors’ report providing additional information about the audit and the financial statements; (5) reduced the requirement that we provide more detailed disclosure disclosures obligations regarding executive compensation arrangements in periodic reports, registration statements, and proxy statements; compliance with and 52 (6) exemptions from the required public company effective dates for any new or revised accounting standards; the requirements- requirement of holding that we hold a non-binding binding advisory vote on executive compensation and obtain stockholder approval of any golden parachute payments not previously approved. As a result, We expect that compliance with the these additional requirements information we provide will be different than the information that is available substantially increase our legal and financial compliance costs. In addition, any failure to comply with respect to these additional requirements in a timely manner, or at all, could have an adverse effect on our business and results of operations and could cause a decline in other-- the price of public companies that are not emerging growth companies. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and the market price of our common stock may be more volatile. We will remain an emerging growth company until the earliest of: (1) December 31, 2025; (2) the last day of the fiscal year in which we have gross revenue exceeding \$1.235 billion; (3) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three year period; and (4) the last day of the year in which we are deemed to be a large accelerated filer, which means the market value of our common stock held by non-affiliates exceeds \$700 million as of the prior June 30th. Additionally, we qualify as a “smaller reporting company” as defined in Item 10 (f) (1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of common stock held by non-affiliates exceeds \$250 million as of the end of that year’s second fiscal quarter, or (2) our annual revenues exceeded \$100 million during such completed fiscal year and the market value of common stock held by non-affiliates equals or exceeds \$700 million as of the end of that year’s second fiscal quarter. To the extent we take advantage of such reduced disclosure obligations, this may also make comparison of our financial statements with other public companies difficult or impossible. We may issue additional shares of common stock or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of our common stock. As of December 31, 2022-2023, we had warrants outstanding to purchase an aggregate of 13, 532-529, 688-455 shares of common stock. Pursuant to our employee benefit plans, we may issue an aggregate of up to 28-19, 769-429, 625-832 shares of common stock, which amount may be subject to increase from time to time. We may also issue additional shares of common stock or other equity securities of equal or senior rank in the future in connection with, among other things, future acquisitions or repayment of outstanding indebtedness, without stockholder approval, in a number of circumstances. The issuance of additional shares or other equity securities of equal or senior rank would have the following effects: •existing stockholders’ proportionate ownership interest in us will decrease; •the amount of cash available per share, including for payment of dividends, if any, may decrease; •the relative voting strength of each previously outstanding share of common stock may be diminished; and •the market price of our common stock may decline. There is no guarantee that the public warrants will be in the money, and they may expire worthless. The exercise price for our public warrants is \$ 11.50 per share of common stock. There is no guarantee that the public warrants will be in the money prior to their expiration, and as such, the public warrants may expire worthless. The public warrants expire on September 30, 2026. We may amend the terms of the public warrants in a manner that may be adverse to holders with the approval by the holders of at least 50 % of the then-outstanding public warrants. As a result, the exercise price of your public warrants could be increased, the exercise period could be shortened and the number of shares of our common stock purchasable upon exercise of a public warrant could be decreased, all without your approval. Our public warrants are issued in registered form under the Warrant Agreement between the warrant agent and us. The Warrant Agreement provides that the terms of the public warrants may be amended without the 53-consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50 % of the then-outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 50 % of the then-outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 50 % of the then-outstanding public warrants is unlimited, examples of such amendments

could be amendments to, among other things, increase the exercise price of the warrants, convert the public warrants into cash or stock (at a ratio different than initially provided), shorten the exercise period or decrease the number of shares of our common stock purchasable upon exercise of a public warrant. We may redeem unexpired public warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making such warrants worthless. We have the ability to redeem outstanding public warrants prior to their expiration, at a price of \$ 0. 01 per warrant, provided that the last reported sales price of our common stock equals or exceeds \$ 18. 00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30- trading day period ending on the third trading day prior to the date on which we give proper notice of such redemption and provided certain other conditions are met. If and when the public warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding public warrants could force you (1) to exercise your public warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (2) to sell your public warrants at the then- current market price when you might otherwise wish to hold your public warrants or (3) to accept the nominal redemption price which, at the time the outstanding public warrants are called for redemption, is likely to be substantially less than the market value of your public warrants. In addition, we may redeem the public warrants after they become exercisable for a number of shares of common stock determined based on the redemption date and the fair market value of our common stock. Any such redemption may have similar consequences to a cash redemption described above. In addition, such redemption may occur at a time when the public warrants are “ out- of- the- money, ” in which case, you would lose any potential embedded value from a subsequent increase in the value of our common stock had your public warrants remained outstanding. We have no current plans to pay cash dividends on our common stock; as a result, stockholders may not receive any return on investment unless they sell their common stock for a price greater than the purchase price. We have no current plans to pay dividends on our common stock. Any future determination to pay dividends will be made at the discretion of our Board, subject to applicable laws. It will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual, legal, tax and regulatory restrictions, general business conditions, and other factors that the Board may deem relevant. In addition, the ability to pay cash dividends may be restricted by the terms of debt financing arrangements, as any future debt financing arrangement likely will contain terms restricting or limiting the amount of dividends that may be declared or paid on our common stock. As a result, stockholders may not receive any return on an investment in our common stock unless they sell their shares for a price greater than what they paid for them. Provisions in our organizational documents and certain rules imposed by regulatory authorities may delay or prevent an acquisition by a third party that could otherwise be in the interests of stockholders. Our second amended and restated certificate of incorporation (“ Certificate of Incorporation ”) and amended and restated bylaws (“ Bylaws ”) contain several provisions that may make it more difficult or expensive for a 54-third party to acquire control of us without the approval of the Board. These provisions, which may delay, prevent or deter a merger, acquisition, tender offer, proxy contest, or other transaction that stockholders may consider favorable, include the following: •a classified board; •advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; •certain limitations on convening special stockholder meetings; •limiting the persons who may call special meetings of stockholders; •limiting the ability of stockholders to act by written consent; •restrictions on business combinations with an interested stockholder; •in certain cases, the approval of holders representing at least 66 2 / 3 % of the total voting power of the shares entitled to vote generally in the election of directors will be required for stockholders to adopt, amend or repeal the Bylaws, or amend or repeal certain provisions of the Certificate of Incorporation; •no cumulative voting; •the required approval of holders representing at least 66 2 / 3 % of the total voting power of the shares entitled to vote at an election of the directors to remove directors; and •the ability of the Board to designate the terms of and issue new series of preferred stock without stockholder approval, which could be used, among other things, to institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions. These provisions of our Certificate of Incorporation and Bylaws could discourage potential takeover attempts and reduce the price that investors might be willing to pay for shares of our common stock in the future, which could reduce the market price of our common stock. The provision of our Certificate of Incorporation requiring exclusive venue in the Court of Chancery in the State of Delaware and the federal district courts of the United States for certain types of lawsuits may have the effect of discouraging lawsuits against directors and officers. Our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for: •any derivative action or proceeding brought on behalf of us; •any action asserting a claim of breach of fiduciary duty owed by any director, officer, agent or other employee or stockholder to us or our stockholders; •any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law (the “ DGCL ”), the Certificate of Incorporation or Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; •any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws; or •any action asserting a claim governed by the internal affairs doctrine, in each case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. It further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolutions of any complaint asserting a cause of action arising under the Securities Act. The exclusive forum clauses described above shall not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any other claim for which the federal courts have exclusive 55-jurisdiction. Although these provisions are expected to benefit us by providing increased consistency in the application of applicable law in the types of lawsuits to which they apply, the provisions may have the effect of discouraging lawsuits against directors and officers. The enforceability of similar choice of forum provisions in other companies’ certificates of incorporation have been challenged in legal proceedings and there is uncertainty as to

whether a court would enforce such provisions. In addition, investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. It is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our Certificate of Incorporation to be inapplicable or unenforceable in such action. If so, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition or results of operations. These provisions of our Certificate of Incorporation and Bylaws could discourage lawsuits against directors and officers, which could reduce the market price of our common stock.