

Risk Factors Comparison 2025-03-14 to 2024-03-29 Form: 10-K

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In this section, unless otherwise specified, the terms “ we, ” “ our, ” “ us, ” “ D- Wave, ” and “ D- Wave Quantum ” refer to D- Wave Quantum Inc. and its consolidated subsidiaries. You should carefully review and consider the following risk factors in addition to the other information included in this Form 10- K, including matters addressed in the section entitled “ Cautionary Note Regarding Forward- Looking Statements ”, the section entitled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations, ” and the consolidated financial statements and notes to the consolidated financial statements included herein. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may have a material adverse effect on the business, cash flows, financial condition and results of operations of D- Wave Quantum. The risks discussed below may not prove to be exhaustive and are based on certain assumptions made by us that later may prove to be incorrect or incomplete. We may face additional risks and uncertainties that are not presently known to us, or that are currently deemed immaterial, which may also impair D- Wave Quantum’ s business or financial condition. Risks Related to D- Wave Quantum’ s Financial Condition and Status as an Early- Stage Company We are in our growth stage which makes it difficult to forecast our future results of operations and our funding requirements. Near term, our ability to generate revenue will largely be dependent on our ability to continue to develop and produce annealing quantum computers and hybrid quantum- classical solvers that are able to solve customer business problems at scale. Longer term, our ability to generate revenue will also be dependent on our ability to develop, produce and commercialize gate- model quantum computers. We have commercialized annealing quantum computers, but we have not yet commercialized a gate- model quantum computer. Our product roadmap may not be realized as quickly as hoped, or at all. Our ability to scale our business is dependent upon building referenceable quantum- hybrid applications. Additionally, we must accelerate sales cycles to meet revenue projections and our business depends on our ability to successfully upsell customers through our on- board process and move them into production applications. The development of our scalable business model will require the incurrence of a substantially higher level of costs than incurred to date, while our revenues may not substantially increase until more powerful products are produced, which requires a number of technological advancements which may not occur on the currently anticipated 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 any number of reasons, including but not limited to failing to achieve targeted demand for our services, 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 and our funding needs 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~~ **decades**. There is no certainty these research and development milestones will be achieved for the costs we have forecast or as quickly as hoped, or at all. We have a history of losses and expect to incur significant expenses and continuing losses for the foreseeable future. **Since our inception, we have incurred significant net losses since inception. As of December 31, 2024 and 2023, the Company had and- an experienced accumulated deficit of \$ 626. 9 million and \$ 483. 1 million, respectively. For the years ended December 31, 2024 and 2023, the Company incurred a net loss of \$ 143. 9 million and \$ 82. 7 million, respectively, and the Company had net cash outflows from operating activities of \$ 42. 6 million and \$ 60. 6 million, respectively. To date, our primary sources of capital have been through sales of our equity securities, debt financing, revenue from the sale of our products and services, and government assistance. We expect to incur additional operating losses and** ~~negative cash flows from operations. To date, our primary sources of capital have been through private placements of convertible preferred shares, revenue from the sale of our products and services, government assistance and the Venture Loan and Security Agreement, dated as of March 3, 2022, between D- Wave, D- Wave US Inc., D- Wave Government Inc., D- Wave Commercial Inc., D- Wave International Inc., D- Wave Quantum Solutions Inc. and Omni Circuit Boards Ltd., as borrower, and PSPIB Unitas Investments II Inc., as lender. During the year ended December 31, 2023 and 2022 we incurred net losses of \$ 82. 8 million and \$ 53. 7 million, respectively. We expect to incur additional losses and higher operating expenses for the foreseeable future as we operate as a public company and continue to invest in research and development and go- to- market programs. We have determined that additional financing will be required to fund our operations for the next 12 months and our ability to continue as a going concern is dependent upon obtaining additional capital and financing. Due to the large number of DPCM stockholders that exercised their redemption rights in connection with the Transaction, only approximately \$ 9 million of cash from the DPCM Trust Account became available to D- Wave Quantum as of the closing of the Transaction, out of approximately \$ 300 million that had been available, which significantly reduced the potential enhancement to our liquidity and capital resources that was sought to be achieved through the Transaction. If D- Wave is unable to obtain additional financing, operations will be scaled back or discontinued. These conditions give rise to material uncertainties that cast substantial doubt on the ability of D- Wave to continue as a going concern. In addition, in connection with the Transaction, the board of directors of DPCM considered, among other things, internal financial forecasts prepared by, or at the direction of, the management of D- Wave Quantum (the “ Transaction Forecasts ”). None of these projections or forecasts were prepared with a view towards public disclosure or compliance with the published guidelines of the SEC, U. S. Generally Accepted Accounting Principles (“ GAAP”);~~

International Financial Reporting Standards ("IFRS") or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts. Neither DPCM's independent registered public accounting firm nor D-Wave Quantum's independent registered public accounting firm have audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the unaudited prospective financial information, and accordingly, they do not express an opinion or any other form of assurance with respect thereto. Any projections and forecasts were inherently based on various estimates and assumptions that were subject to the judgment of those preparing them. Projections and forecasts were also subject to significant economic, competitive, industry and other uncertainties and contingencies, all of which were difficult or impossible to predict and many of which were beyond the control of D-Wave Quantum. With respect to certain key metrics, including revenue, we do not anticipate meeting the Transaction Forecasts due primarily to delays in our fund raising activities such as the significant redemptions of DPCM stockholders and inability to raise funds due to the Floor Price Limitation under the Purchase Agreement described below, which have adversely affected our liquidity position and ability to pursue certain growth opportunities, and which will require us to seek alternative sources of financing as described below. Our primary uses of cash are to fund our operations as we continue to grow expand our business commercial operations and research and development programs . We The extent of our future operating losses and the timing of profitability are highly uncertain, and we expect to continue incurring significant expenses and operating losses over the next several years. Any additional operating losses may have an adverse effect on our stockholders' equity and the price of our common stock, and we cannot assure you that we will require ever be able to achieve profitability. Even if we achieve profitability, we may not be able to sustain or increase such profitability. Additionally, our costs may increase in future periods and we may expend substantial financial and other resources on, among things, sales and marketing, the hiring of additional officers, employees, contractors and other service providers, and general administration, which may include a significant increase amount of cash for expenditures as we invest in legal our growth strategy and ongoing research and development and business operations. Until such time as we can generate significant revenue from sales of our QaaS offering and our professional services, we expect to finance our cash needs through public and / or private equity (including sales pursuant to the Purchase Agreement, assuming we are able to make such sales) and / or debt financings or other capital sources, including strategic partnerships. However, we may be unable to raise sufficient funds or enter into such other arrangements, when needed, on favorable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be, or could be, diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our shareholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Following the Transaction, we had 18,000,000 Warrants outstanding (17,916,560 Warrants as of December 31, 2022), each Warrant being exercisable for 1.4541326 Common Shares at an and accounting exercise price of \$ 11.50. Whether warrant holders will exercise their Warrants, and therefore the amount of cash proceeds we would receive upon exercise, is dependent upon the trading price of the Common Shares. Therefore, if and when the trading price of the Common Shares is less than approximately \$ 7.91, the effective exercise price of the Warrants per one Common Share, we expect that warrant holders would not exercise their Warrants. We could receive up to an aggregate of approximately \$ 207 million if all of the Warrants are exercised for cash, but we would only receive such proceeds if and when the warrant holders exercise the Warrants. The Warrants may not be or remain in the money during the period they are exercisable and prior to their expiration, and the Warrants may not be exercised prior to their maturity on August 5, 2027, even if they are in the money, and as such, the Warrants may expire worthless and we may receive minimal proceeds, if any, from the exercise of Warrants. To the extent that any of the Warrants are exercised on a "cashless basis," we will not receive any proceeds upon such exercise. As a result, we do not expect to rely on the cash exercise of Warrants to fund our operations. Instead, we intend to rely on other sources of cash discussed below to continue to fund our operations. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, or substantially reduce our quantum computing development and go-to-market efforts. We have not yet achieved profitability on an annual or quarterly basis and we do not know if we will be able to achieve or sustain, if achieved, profitability. We plan to continue to invest in our research and development, sales, marketing and professional services efforts, and we anticipate that our operating expenses related will continue to increase as we scale our business and expand our operations. Our general and administrative expenses have increased and are expected to increase as a result of our growth and operating as a public company compliance, continued compliance and various regulations applicable . We have determined that additional financing will be required to fund our business or arising from the growth and maturity of our company. Our failure to become and remain profitable would depress the value of our company and could impair our ability to raise capital, expand our business, maintain our development efforts, obtain regulatory approvals, diversify our product and service offerings or continue our operations for the next 12 months and our ability to continue as a going concern is dependent upon obtaining additional capital and financing. Our expenses may be greater than we anticipate, and our investments intended to reach our technical targets and scale our business and make our technical infrastructure more efficient may not be successful. Our ability to achieve and sustain profitability is based on numerous factors, many of which are beyond our control. We may never be able to generate sufficient revenue to achieve or sustain profitability. On June 16, 2022, D-Wave Quantum, D-Wave Systems and DPCM entered into the Purchase Agreement pursuant to which Lincoln Park agreed to purchase from D-Wave Quantum, at the option of D-Wave Quantum, up to \$ 150,000,000 of Common Shares from time to time over a 36-month period following the Commencement Date. However, the use of the Purchase Agreement to fund operations is subject to significant limitations, including but not limited to, the Floor Price Limitation and the Beneficial Ownership Limitation. We are aware that such use of the Purchase Agreement, if available, may cause the significant dilution, depress our share price, and make it more difficult to achieve required financing. In addition, on April 13, 2023, the Company entered into the Term Loan;

with PSPIB as the lender (the "Term Loan"), as amended on June 16, 2023, July 13, 2023, July 20, 2023, October 6, 2023 and February 7, 2024. The Term Loan contains certain restrictions and conditions, some of **our** which affect the Company's use of the Purchase Agreement. Principally, if the Company issues Common **common stock** Shares, including under the Purchase Agreement, then the Company must promptly prepay the loans in an aggregate amount equal to the proceeds thereof, with such prepayment being subject to an additional premium equal to 10% of the amount then prepaid to PSPIB. We may make decisions that would reduce our short-term operating results if we believe those decisions will improve the experiences of our customers or if we believe such decisions will improve our operating results over the long-term. These decisions may not be consistent with the expectations of investors and may not produce the long-term benefits we expect, in which case our business may be materially and adversely affected. See ["Liquidity and going concern"] in the notes to the audited consolidated financial statements of the Company as of the years ended December 31, 2023 and 2022 and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." Our ability to receive the advancement of funds under the Term Loan are subject to a number of conditions, which, if not met, may prohibit us from receiving advancements under the Term Loan, which would negatively impact our financial condition. The Term Loan made an aggregate principal amount of \$ 50.0 million available to the Company in three tranches, each subject to certain conditions being met. The Company has received the first two **to decline** tranches, but has not yet met all conditions to receive the third tranche. If we cannot meet such conditions, we may not receive the associated advancement of funds under the third tranche. For example, conditions include receiving certain Canadian governmental consents, producing an intellectual property valuation report satisfactory to PSPIB, and raising at least \$ 25 million in financing from non-dilutive sources on terms reasonably acceptable to PSPIB. Failure to satisfy these or any other conditions in the Term Loan could prevent us from receiving the available funds under the third tranche, which would negatively impact our financial condition. If we do not adequately fund our research and development efforts or use research and development teams effectively or build a sufficient number of annealing quantum computer production systems, we may not be able to achieve our technological goals, build sufficient systems, meet customer and market demand, or compete effectively and our business and operating results may be harmed. To remain competitive, we must continue to develop new product offerings and reach technological milestones, as well as add features and enhancements to our existing platform and products. Maintaining adequate research and development personnel and resources to meet the demands of the market is essential. If we experience high employee or management turnover, or a lack of other research and development resources, we may miss market opportunities. The success of our business is dependent on our research and development teams developing a roadmap that allows us to achieve technical milestones for both annealing and gate-model quantum computing, including with respect to our hybrid solvers and our Leap and Ocean platforms, retain and increase the spending of our existing customers and attract new customers. The **quantum** computing industry is quickly evolving and we may invest significantly in particular functionality or integrations that may become obsolete in the future, and any future product offerings, features or enhancements that we develop may be unsuccessful. The success of any new product offerings, enhancements or features depends on several factors, including our understanding of market demand, timely execution, successful introduction, and market acceptance. We may not successfully develop new features or enhance our existing platform and products to meet customer needs or our new products, features or enhancements may not achieve adequate acceptance in the market. Additionally, our improvements and enhancements may not result in our ability to recoup our investments in a timely manner, or at all. We may make significant investments in new offerings, features or enhancements that may not achieve expected returns. Further, many of our competitors may expend a considerably greater amount of funds on their research and development programs, and those that do not may be acquired by larger companies that would allocate greater resources to our competitors' research and development programs. Our failure to maintain adequate research and development resources, to use our research and development resources efficiently or to compete effectively with the research and development programs of our competitors could materially adversely affect our business. Our estimates of the magnitude of the market opportunity, forecasts of market growth and our operating metrics may prove to be inaccurate and may not be indicative of our future growth. Our estimates of market opportunity included in this Form 10-K may prove to be inaccurate and may not be indicative of our future growth or performance. Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. While our estimate of the TAM included in this Form 10-K is made in good faith and is based on assumptions and estimates we believe to be reasonable under the circumstances, this estimate may not prove to be accurate. Further, even if the estimate of our market opportunity does prove to be accurate, we could fail to capture significant portions, or any portion, of the available markets. Alternatives to our quantum computing products may present themselves and if they do, could substantially reduce the market for our computing services. Advances in classical computing may prove more robust for longer than currently anticipated and could adversely affect the timing of any quantum advantage being achieved, if at all. Any expansions in our markets depend on a number of factors, including the cost, performance, and perceived value associated with our products and services. In making such forecasts, we rely on data provided by industry sources and customers, among other things, that we have not independently verified and such data may not be accurate, and any inaccuracy will affect the accuracy of our forecasts. The accuracy of our forecasts may also be affected by human error in the interpretation of such data. Our business could be harmed if we fail to 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. Such investments may not result in additional sales of our products or services, and we may not be able to avoid cost overruns or be able to hire additional personnel as required. 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. The growth we have experienced in our business places significant demands on our operational infrastructure. The scalability and flexibility of our platform depends on the functionality of our technology and network infrastructure and its ability to handle increased traffic and demand for processing and bandwidth. Any problems with the transmission of increased data and requests could result in harm to our brand or reputation. Our growth has placed, and will likely continue to place, a significant strain on our managerial, administrative, operational, financial and other resources. As we grow, we will be required to continue to improve our operational and financial controls and reporting procedures and we may not be able to do so effectively. Furthermore, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage such growth effectively. As such, we may be unable to manage our revenue and expenses effectively in the future, which may negatively impact our gross profit or operating expenses. In managing our growing operations, we are also subject to the risks of over-hiring and / or overcompensating our employees and over-expanding our operating infrastructure. We intend to further expand our overall business, including headcount, with no assurance that our revenues will continue to grow. In addition, North America is currently experiencing one of the most competitive markets for human capital talent in recent times. Coupled with the incredibly complex nature of the quantum industry, we may face significant challenges and delays in hiring and challenges with employee retention. If we fail to attract new customers and retain and increase the spending of existing customers, our revenue, business, results of operations, financial condition and growth prospects would be harmed. 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 our platform's capabilities, scale our operations, increase our sales capability and successfully complete professional services projects, that may or may not progress to in-production applications. Our long-term growth will ultimately be dependent upon our ability to successfully scale up manufacturing of our products in sufficient quantity and quality and in a cost-effective manner. Unforeseen issues associated with scaling up and constructing quantum computing technology at commercially viable levels could negatively impact our business, financial condition and results of operations. Our growth is dependent upon our ability to successfully market and sell quantum computing technology. One of our marketing strategies is to drive traffic to our cloud-based services. We utilize various unpaid content marketing strategies, including customer events, seminars, webinars, blogs, thought leadership and social media engagement, as well as paid advertising and third-party event sponsorship, to attract prospective users of our cloud-based services. These unpaid or paid efforts may not attract a sufficient volume and quality of traffic to our cloud-based services and, in the future, we may be required to increase our marketing spend to achieve our volume and quality of traffic targets. We depend on our ability to retain existing senior management and other key employees and qualified, skilled personnel and to attract new individuals to fill these roles as needed. If we are unable to do so, such failure could adversely affect our business, results of operations and financial condition. Our future performance depends on the continued service and contributions of our senior management, and other key employees to execute on our business plan, to develop our platform and products, to attract and retain customers and to identify and pursue strategic opportunities. The failure to properly manage succession plans, develop leadership talent, and / or the loss of services of senior management or other key employees could significantly delay or prevent the achievement of our strategic objectives. From time to time, there may be changes in our senior management team resulting from the hiring or departure of executives, which could disrupt our business. In addition, our ability to identify, hire, develop, motivate and retain qualified personnel will directly affect our ability to maintain and grow our business, and such efforts will require significant time, expense and attention. The inability to attract or retain qualified personnel or delays in hiring required personnel may seriously harm our business, financial condition and operating results. Our ability to continue to attract and retain highly skilled personnel, specifically employees with technical and engineering skills and employees with high levels of experience in designing and developing software, will be critical to our future success. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that such personnel have been improperly solicited or have divulged proprietary or other confidential information. The loss of service of senior management or other key employees could significantly delay or prevent the achievement of our development and strategic objectives. The replacement of any of our senior management personnel or other key employees would likely involve significant time and costs, and such loss could adversely affect our revenue, business, results of operations and financial condition. Our business and growth are dependent on the success of our strategic relationships with third parties. We depend on, and anticipate that we will continue to depend on, various third-party suppliers in order to sustain and grow our business. Failure of any of these suppliers to continue to provide products and services to maintain, support or secure their technology platforms or our integrations, or errors or defects in their technologies, products or services, could adversely affect our relationships with our customers, damage our brand and reputation and result in delays or difficulties in our ability to provide our platform. Our ability to produce and scale our annealing and gate model quantum computers is dependent also upon components we must source from the electronics and semiconductor industries. Shortages or supply interruptions in any of these components will adversely impact our financial performance. Our platform and products depend on the ability to access and integrate with third-party cloud providers. In particular, we have developed our platform and products to integrate with certain third-party cloud providers and the third-party applications of other parties. If we choose or are required to change cloud providers, we will incur costs to port our platform and products to a new service and may experience service interruptions during a change of cloud provider. Generally, third-party cloud providers and the data we receive from the third-party cloud providers are written and controlled by the application provider. Any changes or modifications to the third-party cloud providers or the data provided could negatively impact the functionality of, or require us to make changes to, our platform and products, which would need to occur quickly to avoid interruptions in service for our customers. See "Our products and services are dependent upon our relationship with third-party providers and any disruption of or interference with our use of such third-

party providers would adversely affect our business, results of operations and financial condition ~~and~~ below. Scaling our business is heavily dependent on our ability to build and maintain relationships with consulting and service partners and assist them in establishing or expanding their business by developing solutions that utilize our products and services. Solutions that utilize our products and services may compete with other quantum or classical- computing based solutions developed and / or marketed by other suppliers and our solutions may lose favor with our partners. Our current distribution partners may cease or reduce marketing our solutions with limited or no notice and with little or no penalty. Our distribution partners will generally have no obligation to maintain or renew their contractual arrangements with us and generally may terminate such arrangements with limited notice and / or transition periods. New distribution partners require extensive training and could take extended periods to achieve productivity. If any of our current or potential partners elect to not utilize our products or services, or reduce their current or potential use of our technology in favor of competing products, we may have to change our product strategies, which could have a material and adverse effect on our business, operating results and financial condition. Currency exchange rate fluctuations may negatively affect our results of operations. Our revenues are denominated in U. S. dollars, while some of our operating expenses, including relating to employees, are incurred in Canadian dollars. As a result, our results of operations will be adversely impacted by an increase in the value of the Canadian dollar relative to the U. S. dollar. Exchange rate fluctuations may also affect our revenue growth rates as some of our customer agreements are priced in the local currency of the country in which the customer is located and is also expected to be denominated in that currency. As a result, we will be further exposed to currency fluctuations to the extent non- U. S. dollar revenues from our platform increase. The value of the Canadian dollar relative to the U. S. dollar has varied significantly and investors are cautioned that past and current exchange rates are not indicative of future exchange rates.

Risks Related to D- Wave Quantum's Business and Industry The immature market for quantum computing may lead to us ~~misreading~~ ~~misread~~ market demand and the timeframes it will take to close customer contracts and grow revenue, which would adversely affect our business, results of operations and financial condition. 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 a limited history of being 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 supply chain and distribution capacity, and ultimately expand manufacturing capacity;
- increase sales and marketing efforts;
- scale and manage our professional services;
- broaden customer- support and services capabilities;
- maintain or increase operational efficiencies;
- scale support operations in a cost- effective manner;
- implement appropriate operational and financial systems; and
- maintain effective financial disclosure controls and procedures.

We may not be able to scale our products and services as necessary to meet market demand. We have no experience in scaling our cloud services infrastructure or professional services globally. We may not be able to cost- effectively manage the scale of our cloud services infrastructure or professional services at a scale or quality consistent with customer demand in a timely or economical manner. We 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. Our technical roadmap and plans for commercialization involve technology that is not yet available for customers and may never become available or meet desired technical specifications. Our current and planned products 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 and services and we may be unable to detect and fix any defects in our quantum computers or cloud services infrastructure prior to the sale of products or services to potential consumers. Our products may contain defects in design, manufacturing and / or delivery that may cause them to fail to perform as expected or may require repair, recalls and / or design changes. We also cannot guarantee the consistency of our cloud services offerings. These could be affected by infrastructure downtime either within our own service or because of third- party service providers on which we are dependent. If our products or services fail to perform as expected, customers may delay orders or terminate further orders, 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. Building quantum computers requires advances in both science and engineering, and we may not have the ability to deliver those advances. The markets in which we operate are still rapidly evolving and highly competitive and the impact of rapidly changing science and engineering technologies could have an impact on the delivery of our technical roadmap which means that future generations of products both in quantum annealing and in gate model may be delayed or may never be delivered. We could also face the same challenges in our ability to scale our hybrid solvers to effectively meet commercial requirements. If this happens, our technical roadmap may be delayed or may never be achieved, either of which would have a material impact on our business, financial condition or results of operations. Our business model includes a relatively new phased engagement model, with customers transitioning through the phases. If we cannot successfully convert customers through the phases to the extent or at the rate that we expect, our business will be negatively impacted and could fail. Our success depends, in significant part, on our ability to engage our customers through all phases of our engagement model (discovery, proof of concept, pilot deployment and full production) and collaboratively work with our customers and demonstrate the value of our technology. ~~This engagement model was introduced in early 2021 and is a shift from our historical sales model.~~ If our customers do not dedicate sufficient resources to each phase of our engagement model or their challenges or technology are not addressable by or compatible with our products and services, then our anticipated projections and revenues would be impacted. In addition, our products and services may not meet our customers' functional, performance, technical or other requirements, which would have a negative

impact on revenues. The market for our technology is still rapidly evolving and we may be required to change the duration, pricing, or structure of any or all of the phases of our model as we continue to develop our technology and deliver more engagement. If our customers do not perceive the benefits of our technology, or if our technology does not drive continued progression of customers through the phases, then our market may not develop as we anticipate, or 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. Our industry is competitive on a global scale, from both quantum and classical competitors, 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, which would materially harm our reputation, business, results of operations and financial condition. 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: • large, well- established tech companies that generally compete in all of our markets, including Google, Quantinuum, IBM, Microsoft, Intel and AWS; • companies based in countries such as China, Russia, Canada, the United States, Australia and the United Kingdom, and those in the European Union as of the date of this Form 10- K and we believe additional countries in the future; • less- established public and private companies with competing technology, including companies located outside the United States; • existing or new entrants seeking to enter the quantum annealing space; and • new or emerging entrants seeking to develop competing technologies. We compete based on various factors, including technology, performance, platform availability, price, 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 and services 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 lest quantum computing 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. Our products and services are dependent upon our relationship with third- party providers and any disruption of or interference with our use of such third- party providers would adversely affect our business, results of operations** and financial condition. We rely upon third parties to operate our platform, third party facilities to house some of our systems and third parties to provide our services. Any disruption of or interference with our use of such third- party providers or locations would adversely affect our business, results of operations and financial condition. If these services provided by third parties become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, we could experience delays in our ability to provide our solutions or run our business and our expenses could increase, our ability to manage finances could be interrupted, and our processes for managing sales of our platform and supporting our customers could be impaired until equivalent services, if available, are identified, obtained, and implemented. We have experienced, and expect that in the future we may experience, interruptions, delays and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. Capacity constraints could be due to a number of potential causes including technical failures, natural disasters, fraud or security attacks. In addition, if our security, or that of our hosting provider, is compromised, our platform or products are unavailable or our users are unable to use our products within a reasonable amount of time or at all, then our business, results of operations and financial condition could be adversely affected. Our ability to conduct security audits on our hosting provider is limited and our contracts do not contain strong indemnification terms in our favor. In some instances, we may not be able to identify and / or remedy the cause or causes of these performance problems within a period of time acceptable to our customers. It may become increasingly difficult to maintain and improve our platform performance, especially during peak usage times, as our products become more complex and the usage of our products increases. To the extent that we do not effectively address capacity constraints, either through our hosting provider or an alternative provider of cloud infrastructure, our business, results of operations and financial condition may be adversely affected. In addition, any changes in service levels from our hosting provider may adversely affect our ability to meet our customers' requirements. Any of the above circumstances or events may harm our reputation, cause customers to stop using our products, impair our ability to attract new customers and increase revenue from existing customers, subject us to financial penalties and liabilities under our service level agreements and otherwise harm our revenue, business, results of operations and financial condition. The design and manufacturing of our quantum computers are dependent on a number of critical suppliers and unknown supply chain issues that could delay the introduction of our products and services or cause a significant disruption in our supplier base could have a material adverse effect on our business, financial condition and results of operations. We are reliant on our own manufacturing of components as well as on third- party suppliers for components necessary to develop and manufacture our quantum computing solutions. Factors that could have an adverse impact on the availability of these components include: • 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 due to technological problems, equipment malfunctions, regulatory actions or disruptions on our global supply chain as a result of large scale public health restrictions or geopolitical factors, which we have experienced, and may in the future experience; • financial problems of either contract manufacturers or component suppliers; • significantly increased freight charges, or raw material costs and other expenses associated with our business; • a failure to develop our supply chain management capabilities and recruit and retain qualified professionals; • a failure to adequately authorize procurement of inventory; • a failure to adequately maintain our or our suppliers' manufacturing equipment; or • a failure to appropriately cancel, reschedule, or adjust our requirements based on our business needs. If any of the aforementioned factors were to materialize, it could cause us to 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. Additionally, other factors beyond our control or which we do not presently anticipate could also affect our suppliers' ability to deliver components to us on a timely basis. We do not have the history with our solutions or pricing models necessary to accurately predict optimal pricing necessary to attract new customers and retain existing customers. We may need to change our pricing model from time to time. As the market for our platform matures, or as competitors introduce new solutions that compete with ours, we may be unable to attract new customers at the same prices or based on the same pricing models that we have used historically. Our assessments of competitive pricing may not be accurate and we could be underpricing or overpricing our platform and services. Further, in the past we concentrated on selling the hardware needed for customers to run dedicated systems. We have now transitioned from selling systems to selling cloud services and have added professional services as well. Our limited history of selling cloud and professional services means we do not have long- term market data on the optimal method of pricing our services and maximizing the opportunities they represent. If we do not implement a services- based business well, our financial results may suffer. In addition, if the offerings on our platform or our services change, we may need to revise our pricing strategies. Any such changes to our pricing strategies or our ability to efficiently price our offerings could adversely affect our business, results of operations and financial condition. In addition, as we continue to expand internationally, we also must determine the appropriate pricing strategy to enable us to compete effectively internationally. Pricing pressures and decisions could result in reduced sales, reduced margins, losses or the failure of our platform to achieve or maintain more widespread market acceptance, any of which could negatively impact our overall business, results of operations and financial condition. Moreover, larger organizations, which are a primary focus of our direct sales efforts, may demand substantial price concessions. As a result, we may be required to price below our targets in the future, which could adversely affect our revenue, gross margin, profitability, cash flows and financial condition. Competitive pressures may put pressure on our pricing, which may require us to reduce our pricing in order to provide competitively priced access to our products and services. We face competition in various aspects of our business and expect that such competition to intensify in the future as existing and new companies introduce and enhance existing services or create new services. The markets for our services in general are competitive. Competition in these markets may increase further if economic conditions or other circumstances cause customer bases and client spending to decrease and service providers to compete for fewer client resources. Our competitors may be able to undertake more effective marketing campaigns, obtain more data, adopt more aggressive pricing policies, make more attractive offers to potential employees, clients and advertisers, or may be able to respond more quickly to new or emerging technologies or changes in user requirements. If we are unable to retain clients or obtain new clients, our revenues could decline. Increased competition could result in lower revenues and higher expenses, which would reduce our profitability. The quantum computing industry is in its early stages and is 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 products and services, if it encounters negative publicity or if our solution does not drive commercial engagement, the 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. We have focused our efforts on the optimization market with our annealing quantum computers, and in the near term expect our business to grow from this market. If optimization does not require quantum computing or if other classical or quantum solutions perform better than our products and services, we could see a decrease in customer uptake and revenue. In addition, our growth and future demand for our products is highly dependent upon the adoption by developers and customers of quantum computing, 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. While we believe quantum computing will solve many large- scale problems, we do not yet have evidence that quantum computers will be able to do so and such problems may never be solvable by quantum computing technology. If our customers do not perceive the benefits of our solution, or if our solution does not drive customer engagement, then our market may not develop at all, or it may develop more slowly 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 ” (as described below) 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 products and services fail to deliver customer value to a broader range of customers than classical approaches, our business, financial condition and future prospects may be harmed. “ Quantum advantage ” refers to the moment when a quantum computer can compute faster than existing classical 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 the D- Wave 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. Other companies, including some of our customers, are working on classical approaches that target similar use cases, increasing competition and risk of not capturing market share. As quantum computing technology continues to mature, 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 customers decide to wait until broad quantum advantage is reached, this could impair the growth of our business. 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. This is also true for our quantum- hybrid solvers in that they must also continue to deliver value compared to classical approaches. We use quantum- classical hybrid solutions to get the customer the optimal answer to their particular problem. Since quantum computing is a new form of computing, some customers may want to understand the details of how our products operate. However, because this is proprietary and trade secret information we cannot or may not want to share, we may lose customers as a result. Real or perceived errors, failures or bugs in our products and services could materially and adversely affect our operating results, financial condition and growth prospects. The hardware and software underlying our platform and products is highly technical and complex. Our hardware and software have previously contained, and may now or in the future contain, undetected errors, bugs or vulnerabilities. In addition, errors, failures and bugs may be contained in our software utilized in building and operating our products or may result from errors in the deployment or configuration of QCaaS software. Some errors in our products may only be discovered after a product has been deployed or may never be generally known. In some instances, despite internal testing, we may not be able to identify the cause or causes of these problems or risks within an acceptable period of time. Any errors, bugs or vulnerabilities discovered in our products after it has been deployed, or never generally discovered, could result in interruptions in platform availability, product malfunctioning or data breaches. Since our customers may use our services for processes that are critical to their businesses, errors, and defects, security vulnerability, service interruptions or software bugs in our platform could result in losses to our customers and thereby result in damage to our reputation, adverse effects upon customers and users, loss of customers and relationships with third parties, significant expenditures of capital, a delay or loss in market acceptance, loss of revenue or liability for damages. In addition, provisions typically included in our agreements with our customers that attempt to limit our exposure to claims may not be enforceable or adequate and may not otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against us by any of our customers would likely be time- consuming and costly to defend and could seriously damage our reputation and brand, making it harder for us to sell our solutions and retain our customers. If we cannot successfully execute on our strategy, including 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 products and services. If we are unable to enhance our products and services 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. A key application of our technology is for optimization problems which, while a very broad market, requires continued research and development in order for our products and services to fully address the optimization market, and if that research and development is not successful this may limit its adoption to a narrow range of customers. If we cannot successfully attract a broader range of customers to our quantum annealing technology, our business will be negatively impacted and could fail. In addition, our planned quantum gate system, which is a strategic milestone for our technical roadmap and commercialization, is not yet available for customers and may not become available on the timelines we expect or at all. Even if we are successful in executing on our product roadmap and strategy and delivering increasingly more powerful quantum computing systems and services, competitors in the industry may achieve technological breakthroughs which render our products and services obsolete or inferior to other products and services. Our continued growth and success depend on our ability to innovate and develop quantum computing technology in a timely manner and effectively market these products. Without **the timely innovation and development introduction of new products**, our quantum computing solutions **services and enhancements that comply with changing laws and standards, including through the use of new and emerging technologies (e. g., artificial intelligence and machine learning), we could be rendered at a competitive disadvantage and our offerings could become technologically or commercially obsolete over time, in which case or our revenue and operating results would suffer** less competitive by changing customer preferences or because of the introduction of a competitor's more advanced technologies. Any technological breakthroughs which render our technology obsolete or inferior to other products could have a material effect on our business, financial condition or results of operations. Any cybersecurity- related attack, significant data breach or disruption of the information technology systems, infrastructure, network, third- party processors or platforms on which we rely could damage our reputation and adversely affect our business and financial results. Our operations rely on information technology systems for the use, storage and transmission of sensitive

and confidential information with respect to our customers, our customers' customers, our employees and other third parties. A malicious cybersecurity-related attack, intrusion or disruption by either an internal or external source or other breach of the systems on which our platform and products operate, and on which our employees conduct business, could lead to unauthorized access to, use of, loss of or unauthorized disclosure of sensitive and confidential information, disruption of our services, viruses, worms, spyware, or other malware being served from our platform, networks, or systems; and resulting regulatory enforcement actions, litigation, indemnity obligations and other possible liabilities, as well as negative publicity, which could damage our reputation, impair sales and harm our business. Cyberattacks and other malicious internet-based activity continue to increase, and cloud-based platform providers of products and services have been and are expected to continue to be targeted.

Sophisticated In addition to traditional computer "hackers and cybercriminals," including, nation-state and nation-state supported actors, employ advanced techniques, including social engineering (phishing), automated attacks (such as denial-of-service attacks), malicious code (such as viruses and worms), phishing-ransomware, and employee theft or misuse and denial-, which may evade detection for extended periods. In addition to our own security measures, due to our use of third-party service-party cloud infrastructure, we depend in part on third-party security measures to protect against cybersecurity-related attacks; sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). Cyberattacks may also gain publishing access to our customers' accounts on our platform, using that access to publish content without authorization. Despite efforts to create security barriers to such threats, it is not feasible, as a practical matter, for us to entirely mitigate these risks. If our security measures are compromised as a result of third-party action, employee, customer, or user error, malfeasance, stolen or fraudulently obtained log-in credentials or otherwise, our reputation would be damaged, our data, information or intellectual property, or those of our customers and our customers' consumers, may be destroyed, stolen or otherwise compromised, our business may be harmed and we could incur significant liability. We have not always been able in the past, and may be unable in the future to anticipate or prevent techniques used to obtain unauthorized access to or compromise of our systems because they change frequently and are generally not detected until after an incident has occurred. A breach of We also cannot be certain that we will be able to prevent vulnerabilities in our software or our networks address vulnerabilities that we may become aware of in the future. In addition, there may be an increased risk of cyberattacks by state actors due to the current conflict between Russia and Ukraine, and the Israel-Hamas war. Any increase in such attacks on us or our or systems those of our service providers or vendors, could result in unauthorized access to, use of, loss of, or unauthorized disclosure of, sensitive and confidential information, including personal information of customers or employees, and disruption of business operations. Such incidents could materially adversely affect our business platform, networks, systems or other operations. Although through impaired customer relationships we maintain cybersecurity policies and procedures to manage risk to our information technology systems, loss continuously adapt our systems and processes to mitigate such threats, and plan to enhance our protections against such attacks, we may not be able to address these cybersecurity threats proactively or implement adequate preventative measures and we may be unable to promptly detect and address any such disruption or security breach, if at all. Further, as we rely on third-party cloud infrastructure, we depend in part on third-party security measures to protect against unauthorized access, cyberattacks and the mishandling of data sales and information. If these third parties fail to adhere to adequate data security procedures, or in the event of a breach of their networks, our own, our customers' and our customers' consumers' data may be improperly accessed, potential fines and lawsuits used or disclosed. Any cybersecurity event, including any vulnerability in our software, cyberattack, intrusion or disruption or any failure or breach unrelated to our own action or inaction, could result in significant increases in legal and remediation costs, including costs for remediating the effects of such an and damage event; lost revenue due to our network downtime, a decrease in customer and brand user trust; increases in insurance premiums due to cybersecurity incidents; increased exposure to a risk of litigation and possible liability; increased costs to address cybersecurity issues and attempts to prevent future incidents; and harm to our business, financial results and our reputation because of any such incident. We include limitation of liability provisions in our standard subscription and services agreements; however, such provisions may not be enforceable or adequate and may not otherwise protect us from any such liabilities or damages with respect to any claim related to a cybersecurity incident or other potential claim referred to above. In addition, our existing general liability insurance coverage and coverage for cyber liability or errors or omissions may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims and our insurer may deny coverage with respect to future claims. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, would harm our business. Many governments have enacted laws requiring companies to provide notice of data security incidents involving certain types of personal data. In addition, some of our customers require us to notify them of data security breaches. Security compromises experienced by our competitors, by our customers or by us may lead to public disclosures, which may lead to widespread negative publicity. Any security compromise in our industry, whether actual or perceived, could harm our reputation, erode confidence in the effectiveness of our security measures, negatively affect our ability to attract new customers, encourage consumers to restrict use of our platform, cause existing customers to elect not to renew their subscriptions or subject us to third-party lawsuits, regulatory fines or other action or liability, which could harm our business. Market adoption of cloud-based online quantum computing platform solutions is relatively new and unproven and may not grow as we expect and, even if market demand increases, the demand for our QCaaS may not increase, or certain customers may be reluctant to use a cloud-based QCaaS for applications, all of which may harm our business and results of operations. We derive much substantially all of our revenue from our cloud-based quantum computing platform and professional services, which we expect to continue for the foreseeable future. As such, the market acceptance of our platform is critical to our continued success. It is difficult to predict customer adoption rates and demand for our solutions and professional services, the entry of competitive platforms and service

providers, or the future growth rate and size of our markets. In addition, in order for cloud- based solutions to be widely accepted, organizations must overcome any concerns with moving sensitive information to a cloud- based platform. In addition, demand for our platform in particular is affected by a number of other factors, some of which are beyond our control. These factors include continued market acceptance of our cloud- based quantum computing platform and cloud- based QCaaS, the pace at which existing customers realize benefits from the use of our platform and decide to expand deployment of our platform across their business, the timing of development and release of new products by our competitors, technological change, reliability and security, the pace at which enterprises undergo digital transformation, and developments in data privacy regulations. In addition, we expect that the needs of our customers will continue to rapidly change and increase in complexity. We will need to improve the functionality and performance of our platform continually to meet those rapidly changing, complex demands. If we are unable to continue to meet customer demands or to achieve more widespread market acceptance of relevant solutions in general or our platform in particular, our business operations, financial results, and growth prospects will be materially and adversely affected.

Contracts with 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 / or 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 could include, for example:

- specialized disclosure and accounting requirements unique to government contracts ;
- financial and compliance audits of our cost structure, accounting controls and procedures and adequacy of our policies and systems to meet Federal Acquisition Regulation requirements. These audits 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 ;
- mandatory security and privacy framework compliance requirements, including the handling of controlled unclassified 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 than commercial contracts are by commercial customers. For example, government agencies 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, fines, suspension, or damages could adversely affect our ability to operate our business and our financial results. Responding to any investigation or action relating to government contracts could result in a significant diversion of management' s attention and resources and significant defense costs and other professional fees. Our customers also include non- U. S. governments. Similar procurement, budgetary, contract, and audit risks that apply in the context of U. S. government contracting may also apply to our doing business with these entities. In addition, compliance with complex regulations and contracting provisions in a variety of jurisdictions can be expensive and consume significant management resources.

Government actions and regulations, such as tariffs and trade protection measures, may limit our ability to provide products and services to our customers and obtain products from our suppliers, which could have a material adverse impact on our business operations, financial results and growth plans. We currently offer our platform in 39-42 countries and our international sales are a substantial and critical part of our current business and future growth plans. Our international sales and the use of our platform in various countries subject us to risks that we do not generally face with respect to domestic sales within North America. For example, we may face additional risks relating to:

- lack of familiarity and burdens and complexity involved with complying with multiple, conflicting and changing foreign laws, standards, regulatory requirements, tariffs, export controls and other barriers;
- difficulties in ensuring compliance with countries' multiple, conflicting and changing privacy, data security, international trade, customs and sanctions laws;
- differing technology standards; and
- new and uncertain protection for intellectual property rights in some countries.

We may be unsuccessful in navigating such risks, which could have a material adverse impact on our business operations, financial results and growth plans. In addition, the implementation of more restrictive trade policies, including the recent imposition of further tariffs in the U. S. and retaliatory tariffs in response thereto, or the renegotiation of existing international trade agreements could have a material adverse effect on our

business operations, financial results and growth plans. If we engage in acquisitions, divestitures, strategic investments or strategic partnerships and fail to achieve favorable results, our business, financial condition and operating results could be harmed. We may in the future make acquisitions, divestitures or certain investments. Any transactions that we enter into could be material to our financial condition and results of operations. The process of acquiring and integrating another company or technology could create unforeseen operating difficulties and expenditures. Acquisitions and investments involve a number of risks, such as:

- use of resources that are needed in other areas of our business;
- in the case of an acquisition, implementation or remediation of controls, procedures and policies of the acquired company;
- in the case of an acquisition, difficulty integrating the accounting systems and operations of the acquired company, including potential risks to our corporate culture;
- in the case of an acquisition, coordination of product, engineering and selling and marketing functions, including difficulties and additional expenses associated with supporting legacy services and products and hosting infrastructure of the acquired company, as applicable, difficulties associated with supporting new products or services, difficulty converting the customers of the acquired company onto our platform and difficulties associated with contract terms, including disparities in the revenues, licensing, support or professional services model of the acquired company;
- in the case of an acquisition, retention and integration of employees from the acquired company;
- in the case of an acquisition, past intellectual property infringement or data security issues arising from the acquired company;
- unforeseen costs or liabilities;
- adverse effects on our existing business relationships with customers as a result of the acquisition or investment;
- the possibility of adverse tax consequences;
- litigation or other claims arising in connection with the acquired company or investment; and
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations. Acquisitions and investments may also result in dilutive issuances of equity securities, which could adversely affect our share price, or result in issuances of securities with superior rights and preferences to our common shares or the incurrence of debt with restrictive covenants that limit our future uses of capital in pursuit of business opportunities. We may not be able to identify acquisition or investment opportunities that meet our strategic objectives, or to the extent such opportunities are identified, we may not be able to negotiate terms with respect to the acquisition or investment that are acceptable to us. At this time, we have made no commitments or agreements with respect to any such material transactions. We may in the future be adversely affected by future global public health crises such as epidemics or pandemics. Public health crises such as epidemics or pandemics could materially and adversely impact our business. An epidemic or pandemic (such as COVID- 19) may cause prolonged global, national, or regional recessionary economic conditions or longer lasting effects on economic conditions than currently exist, which could have a material adverse effect on our business, results of operations and financial condition. As a result, the demand for our products and services may be significantly impacted, which could adversely affect our revenue and results of operations. Our business operations may also be disrupted if significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, or other restrictions in connection with the pandemic. The extent to which an epidemic or pandemic impacts our business, results of operations, and financial conditions, will depend on factors which are highly uncertain and cannot be predicted, including the scope and duration of an epidemic or pandemic and actions taken by governmental authorities and other third parties in response to the epidemic or pandemic. System failures, interruptions, delays in service, catastrophic events, inadequate infrastructure and resulting interruptions in the availability or functionality of our products and services could harm our reputation or subject us to significant liability, and adversely affect our business, financial condition and operating results. Our brand, reputation and ability to attract, retain and serve our customers are also dependent upon the reliable performance of our platform, including our underlying technical infrastructure. Our systems and those of our third- party data center facilities may experience service interruptions, human error, earthquakes, hurricanes, floods, fires, natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks and other geopolitical unrest, computer viruses, or other events. Our systems are also subject to break- ins, sabotage, and acts of vandalism. Our platform and technical infrastructure may not be adequately designed with sufficient reliability and redundancy and our disaster recovery planning, which includes using geographically distinct and multi- region data centers, may not be sufficient to avoid performance delays or outages that could be harmful to the businesses of our customers and our business. Our disaster recovery plan stores some of our electronic data to a cloud back up system center in the event of a catastrophe, but such program may not be sufficient to recover all information or for all eventualities. We have in the past experienced and may in the future experience service interruptions which disrupt the availability or reduce the speed or functionality of our platform. These events have resulted and likely will result in loss of revenue and could result in significant expense to remedy resultant data loss or corruption and / or recover from the interruption. A prolonged interruption in the availability or reduction in the speed or other functionality of our platform could materially harm our reputation and business. Frequent or persistent interruptions in access to functionality of our platform could cause our customers to believe that our platform is unreliable. If our platform is unavailable when our customers attempt to access it, or if it does not perform to expected levels, our customers may cease to use our platform entirely. Moreover, to the extent that any system failure or similar event results in damages to customers or their businesses, these customers could seek compensation from us for their losses, and those claims, even if unsuccessful, would likely be time- consuming and costly to address. While we have implemented measures intended to prevent or mitigate such interruptions, such measures may not be successful in preventing service interruptions in the future. Unfavorable conditions in our industry or the global economy, including uncertain geopolitical conditions such as inflation, recessions and war, among others, 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 or our customers and potential customers. Negative conditions in the general economy in Canada, the U. S. and foreign jurisdictions, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, inflation, tightening of the credit markets, including as a result of bank failures and any resulting issues in the broader U. S. financial system, any higher interest rates, recessions, international trade relations, pandemics (such as the COVID- 19 pandemic), political turmoil, uncertain geopolitical conditions, natural catastrophes, warfare, and terrorist attacks could negatively impact our business, financial condition, results of operation, and liquidity or cause a decrease in business investments, including the progress on development of quantum technologies, and negatively affect the growth of our business. Similarly, geopolitical tensions in and around Ukraine, Israel and other areas of the world have created extreme volatility in the global capital markets and 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. 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. Many of our customers invest in quantum computing products and services as part of their medium to longer- term strategies to optimize aspects of their business, and significant global disruptions such as the COVID- 19 pandemic or geopolitical conflicts may result in potential customers focusing on short- term challenges, resulting in a reduction in their investments in quantum computing. 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, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry. Our operations, business, customers and partners could be adversely affected by climate change. There are increasing and rapidly evolving concerns over the risks of climate change and related environmental sustainability matters. Our operations, business, customers and partners could be adversely affected by climate change. The physical risks of climate change include rising average global temperatures, rising sea levels and an increase in the frequency and severity of extreme weather events and natural disasters. Such events and disasters could disrupt our operations or the operations of customers or third parties on which we rely and could result in market volatility. Additionally, we may face risks related to the transition to a low- carbon economy. We could experience increased expenses resulting from strategic planning, litigation and changes to our technology, operations, products and services, access to energy and water, as well as reputational harm as a result of negative public sentiment, regulatory scrutiny and reduced stakeholder confidence, due to our response to climate change or real or perceived vulnerability to climate change- related risks. Changes in consumer preferences, travel patterns and legal requirements could increase expenses or otherwise adversely impact our business, customers and partners. Rising inflation may result in increased costs of operations and negatively impact the credit and securities markets generally and rising interest rates may result in increased costs of capital for us, each of which could have a material adverse effect on our results of operations and the market price of the Common Shares. Inflation has accelerated in the U. S., Canada and globally due in part to global supply chain issues, the Ukraine- Russia war, the Israel- Hamas war, a rise in energy prices, and strong consumer demand as economies continue to reopen from restrictions related to the COVID- 19 pandemic. An inflationary environment can increase our cost of labor, as well as our other operating costs, which may have a material adverse impact on our financial results. In addition, economic conditions could impact and reduce the number of customers who purchase our products or services as credit becomes more expensive or unavailable. Although interest rates have increased and are expected to increase further, inflation may continue. Further, increased interest rates could have a negative effect on the securities markets generally and increase the cost of capital to us, in particular, which may, in turn, have a material adverse effect on the market price of the Common Shares. If we fail to offer high- quality customer support, or if the cost of such support is not consistent with corresponding levels of revenue, our business, results of operations and reputation may be harmed. Due to our innovative technology and our planned technical roadmap, our customers will require particular support and service functions, some of which are not currently available, and may never be 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 products and services would 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. Our current customers rely on our customer support organization to respond to inquiries and resolve issues related to their use of our platform quickly and effectively. Our customer support relies on third- party technology platforms, which may become unavailable or otherwise prevent our customers and customer support team from interacting on a timely basis. Our response times to customers and prospects may be impacted for reasons outside our control, such as changes to software and computing services, which may interrupt aspects of our service to our customers. From time to time, we experience spikes in the number of customer support tickets that we receive, which may result in an increase in customer requests and significant delays in responding to our customers' requests. Customer demand for support may also increase as we expand and enhance our operations and product offerings. Increased customer demand for our support services, without corresponding revenue increases, could increase our costs and harm our operating results. As we continue to grow our operations and support our global user base, we need to continue to provide efficient and high- quality support that meets our customers' needs globally at scale. Our sales process is highly dependent on the ease of use of our platform and products, our business reputation and positive recommendations from our existing customers. Any failure to maintain a high- quality customer support organization, or a market perception that we do not maintain such levels of support, could harm our reputation, our ability to sell to existing and prospective customers and our business, results of operation and financial condition. Risks Related to Litigation and Government Regulation Changing Canadian and U. S. federal, state, provincial and foreign laws and regulations related to

privacy, information security, and data protection could adversely **impact our results, operations**, affect how we collect and use personal information and **harm our** or brand. We may receive, store and otherwise process personal information and other data from and about our customers, employees and from other stakeholders, like our vendors. There are **subject to** numerous federal, provincial, local and **an** international laws **increasingly complex**, and regulations regarding **sometimes conflicting, set of legal obligations related to** privacy, data protection, information security and **in the storing** **United States**, **sharing Europe**, **use Canada**, processing, transfer, disclosure, retention and protection of personal information and other content, the scope of which is rapidly changing, subject to differing interpretations and may be inconsistent among regions, countries and states **where we do business**, or conflict with other legal requirements. We are also subject to contractual obligations from our customers and other third parties related to privacy, data protection and information security, and disclosures and commitments made in our privacy policies. We strive to comply with applicable laws, regulations, policies and other legal obligations relating to privacy, data protection and information security. However, the regulatory framework for privacy, data protection and information security worldwide is, and is likely to remain, uncertain for the foreseeable future, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We also expect that there will continue to be new **proposed** laws, **and** regulations and **changes to** industry standards concerning privacy, data protection and information security proposed and enacted in various jurisdictions. The United States, Canada, the European Union, the United Kingdom and other jurisdictions in which we operate are increasingly adopting or revising **existing legal frameworks** privacy, information security and data protection laws and regulations that could have a significant impact on our current and planned privacy, data protection and information security-related practices, our collection, use, sharing, retention and safeguarding of customer, consumer, and/or employee information, **and** as well as any other third-party information we receive, **and as well as** some of our current or planned business activities. New and changing laws, regulations, and industry standards concerning privacy, data protection and information security may also impact the computing services and software industry platforms and data providers we utilize, and thereby indirectly impact our business. **We are also subject to contractual obligations from our customers and other third parties related to privacy, data protection and information security, and disclosures and commitments made in our privacy policies.** In the United States, this includes the CCPA which came **eighteen (18) states have enacted comprehensive consumer privacy laws, with another state law going into effect in** on January 1, 2020-2026, and eleven (11) states with **privacy laws under consideration**. In **The California Consumer Privacy Act ("CCPA")**, the most stringent state privacy law, grants California residents data privacy rights that include, among other things, the right to request a copy from a covered company of the personal information collected about the them, the right to request deletion of such personal information, the right to request to opt-out of certain sales of such personal information, as well as a private right of action for certain data breaches. The **European Union adopted the General Data Protection Regulation (the "GDPR")** and the United Kingdom, this includes **enacted the UK General Data Protection Regulation (which implements the GDPR into UK law)**; both of which came into effect in May 2018 **impose significant compliance requirements, including extensive documentation requirements and granting certain rights to individuals to control how businesses collect, use, disclose, retain and leverage information about them or how they obtain consent from them**. In Canada, this includes Canada's PIPEDA and the Personal Information Protection and Electronic Documents Act in British Columbia. While we have taken measures ("PIPEDA"), and various provincial laws require companies **to comply give detailed privacy notices to consumers; obtain consent to use personal information, with limited exceptions; allow individuals** applicable requirements contained in the GDPR, we may need to **access** continue to make adjustments as more clarification and **correct** guidance on the requirements of the GDPR and how to comply with such requirements becomes available. Further, Brexit has created uncertainty with regard to the regulation of data protection in the United Kingdom, including how the United Kingdom version of the GDPR will be implemented alongside its existing United Kingdom data protection regulations and how data transfers to and from the United Kingdom will generally be regulated. Uncertainty in the laws and regulations affecting cross-border transfers of personal data may affect the demand and functionality of our services. In the past, we have relied on a variety of adequacy mechanisms, including the European Commission Decision 2002/2/EC regarding the adequacy of Canadian law, Standard Contractual Clauses, and Binding Corporate Rules, to enable us to provide our services around the globe at scale. Different European data protection regulators may impose additional requirements or apply differing standards for the transfer of personal data or even prohibit data transfers to certain non-European Union countries, like the United States and Canada. Such standards may be particularly targeted at the software companies with whom we work. This creates significant additional uncertainty regarding our ability to lawfully transfer certain personal data from the European Union and we may need to implement substantial changes to our information technology infrastructure as a result, which could take time and be costly. In addition, the CCPA affords consumers expanded privacy protections and control over the collection, use and sharing of their personal information. The potential effects of this legislation are far-reaching and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an **and report** effort to comply. For example, the CCPA gives California residents expanded rights to access and require deletion of their personal information, opt-out of certain personal information sharing and receive detailed information about how their personal information is used. The California State Attorney General began enforcing the CCPA on July 1, 2020; to the extent that we have not fully implemented the data processing practices and policies necessary to comply with the CCPA, the Attorney General may serve us with an enforcement notice under the CCPA and impose civil penalties for violations. The CCPA also provides for a private right of action for data breaches that may increase data breach litigation. With laws and regulations such as the CCPA in the United States, the PIPEDA in Canada, and GDPR in the European Union imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these and other laws and regulations, we may face challenges in addressing their requirements and making necessary changes to our policies and practices and may incur significant costs and

expenses in an effort to do so. For example, the increased consumer control over the sharing of their personal information afforded by CCPA may affect our customers' ability to share such personal information with us or may require us to delete or remove consumer information from our records or data sets, which may create considerable costs for our organization. In addition, any failure or perceived failure by us to comply with our privacy policies, our privacy, data protection or information security related obligations to customers, users or other third parties or any of our other legal obligations relating to privacy, data protection or information security may result in governmental investigations or enforcement actions, litigation, claims or public statements against us by consumer advocacy groups or others, and could result in significant liability, loss of relationships with key third parties, or cause our users to lose trust in us, which could have an adverse effect on our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our users may limit the adoption and use of, and reduce the overall demand for, our platform. Additionally, if the third parties we work with, such as vendors or developers, violate applicable laws or regulations or our policies, such violations may also put our customers' and their users at risk and could in turn have an adverse effect on our business. Any significant change to applicable **privacy, data protection, and / or information security** laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of such content, or regarding the manner in which the express or implied consent of such persons for the collection, use, retention or disclosure of such content is obtained, could increase our costs and require us to modify our services and features, possibly in a material manner, which we may be unable to complete and may limit our ability to store and process user data or develop new services and features. All of these implications could adversely affect our revenue, results of operations, business and financial condition. We are subject to United States, Canadian and foreign anti- corruption, anti- bribery and similar laws, and non- compliance with such laws may subject us to criminal or civil liability and harm our business. We are subject to a variety of laws and regulations in the United States, Canada and foreign jurisdictions related to anti- corruption, anti- bribery and similar laws, including governing cross- border and domestic money transmission, gift cards and other prepaid access instruments, electronic fund transfers, taxation reporting requirements, foreign exchange, privacy and data protection, banking and import and export restrictions. We are also subject to various anti- corruption and anti- money laundering laws, including the Foreign Corrupt Practices Act (U. S.), the United States domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, the USA Patriot Act, the U. K. Bribery Act 2010 and Proceeds of Crime Act 2002, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and its regulations, and other anti- bribery and anti- money laundering laws in countries in which we conduct activities. Concerns about the use of payment processing platforms for illegal conduct, such as money laundering or to support terrorist activities, may result in legislation or other governmental action that could require changes to our platform. In addition, depending on how our customer base evolves, and as we expand into new geographies, we expect to become subject to additional laws in the United States, Canada, Europe and elsewhere. Any non- compliance with such laws may subject us to criminal or civil liability and harm our business. We are subject to export and import controls and economic sanctions laws that could impair our ability to offer our products or make our platform available in some jurisdictions, or subject us to liability if we are not in compliance with applicable laws. As a result of our international operations, we are subject to a number of United States, Canadian and foreign laws relating to economic sanctions and to export and import controls which presently limit and could further limit our ability to offer our platform in certain jurisdictions or to certain customers. In addition, the export of our software in certain jurisdictions may require governmental authorizations. Various jurisdictions also regulate the import of certain technology, including imposing import permitting and licensing requirements, and have enacted laws that could limit our ability to offer our platform in those countries. Complying with export or import controls and economic sanctions may be time- consuming and result in the delay or loss of business opportunities. Any change in export or import controls, economic sanctions or related legislation, or change in the countries, governments, persons, or technologies targeted by such restrictions or legislation, could result in decreased use of our platform by customers or in our decreased ability to offer our platform internationally, which would harm our business, operating results and financial condition. Furthermore, failure to comply with export or import controls or with economic sanctions may expose us to government investigations and penalties, which could harm our business, operating results and financial condition. Governmental decisions with respect to perceived national security risks associated with quantum computing technology could impede the selling of our products and services. 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 and quantum computing has been designated as a technology with national security implications in many countries, including the United States and Canada. The United States administration 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. **In addition, the new administration in the U. S. has indicated that it will impose tariffs against U. S. trading partners, including Canada, and there may be retaliatory tariffs against the U. S. as a result. These tariffs could adversely impact trade relations and result in higher costs. International trade conflict has contributed to (i) increased pressure on the supply chain and could further result in increased energy costs; (ii) inflation, which could result in increases in the cost of manufacturing products, reduced purchasing power, increased price pressure and reduce or cancelled orders; (iii) increased risk of cybersecurity attacks; and (iv) general market instability, all of which could adversely impact our business, operating results and financial condition.** 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. To the extent our technology is deemed a matter of national security, our business could be subject to increased restrictions or regulations, our customer and supplier base may be restricted, our TAM may be reduced and our business, operating results and financial condition could be harmed. We are subject to requirements relating to environmental and safety regulations 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. Our hardware has operational hazards such as but not limited to hazardous operating temperatures and high voltage and / or high current electrical systems typical of large computer processing equipment and related safety incidents. There may be environmental or safety incidents that damage machinery or product, slow or stop production, or harm employees or third parties. Consequences may include litigation, regulation, fines, increased insurance premiums, mandates to temporarily halt production, workers' compensation claims, or other actions that impact our brand, finances, or ability to operate. Future investments in D- Wave Quantum Common Shares may be subject to U. S. foreign investment regulations. Investments that involve the acquisition of, or investment in, a U. S. business by a non- U. S. investor may be subject to U. S. laws that regulate foreign investments in **certain U. S. businesses and access by foreign persons to technology developed and produced in the United States**. These laws include Section 721 of the Defense Production Act of 1950, as amended by the Foreign Investment Risk Review Modernization Act of 2018, and the regulations at 31 C. F. R. Parts 800 and 802, as amended, administered by the Committee on Foreign Investment in the United States ("CFIUS"). Whether CFIUS has jurisdiction to review an acquisition or investment transaction depends on, among other factors, the nature and structure of the transaction, **including the nature of the U. S. business, and the foreign person and its level of beneficial ownership interest and the nature of any information or governance rights involved**. For example, investments that result in "control" of a "U. S. business" by a "foreign person" (in each case, as such terms are defined in 31 C. F. R. Part 800) **always are that pose a national security concern may be** subject to CFIUS jurisdiction. **Significant CFIUS reform legislation also has excepted investor rules and excepted foreign states**, which was fully implemented through regulations **including Canada, exempting certain investments from certain investors from CFIUS jurisdiction. There are certain transactions that trigger mandatory** became effective in 2020, **expanded the scope of CFIUS filings and others**'s jurisdiction to investments that do not result in control of a U. S. business by a foreign person, but afford certain foreign investors certain information or governance rights in a U. S. business that has a nexus to "critical technologies," "covered investment critical infrastructure," and / or "sensitive personal data" (in each case, as such terms are **voluntary** defined in 31 C. F. R. Part 800). The Transaction has resulted in investments in our U. S. subsidiary by non- U. S. persons. **Where CFIUS safe harbor has not been obtained, CFIUS may choose to review past transactions if it believes that it could be considered by CFIUS to result resulted** in a covered control transaction **that presenting national security concern. Proposed transactions may also be reviewed, either at the request of the parties or upon CFIUS' demand** would have authority to review. **PSP is CFIUS may grant a safe harbor** Canadian Crown corporation and, as of December 31, 2022, held approximately 52 percent of the issued and outstanding D- Wave Quantum Common Shares (including Exchangeable Shares). CFIUS or another U. S. governmental agency could choose to review past or proposed **propose mitigation** transactions involving new or **block** existing foreign investors in D- Wave Quantum, even if a filing with CFIUS is or was not required at the time of such transaction. Any review and approval of an investment or **require divestiture if it presents national security concerns** transaction by CFIUS may have outsized impacts on transaction certainty, timing, feasibility, and cost, among other things. CFIUS policies and agency practices are rapidly evolving, and, in the event that **cannot** CFIUS reviews one or more proposed or existing investment by investors, there can be **mitigated** no assurances that such investors will be able to maintain, or proceed with, such investments on terms acceptable to the parties to the transaction or such investors. Among other things, CFIUS could seek to impose limitations or restrictions on, or prohibit, investments by such investors (including, but not limited to, limits on purchasing D- Wave Quantum Common Shares, limits on information sharing with such investors, requiring a voting trust, governance modifications, or forced divestiture, among other things), or CFIUS could require us to divest a portion of D- Wave Quantum. Risks Related to D- Wave Quantum's Intellectual Property We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our technology, which could cause it to lose its competitive advantage. Our intellectual property is important to our business. We rely on a combination of confidentiality clauses, assignment agreements and license agreements with employees and third parties, patents, trade secrets, copyrights, and trademarks to protect our intellectual property and competitive advantage, all of which offer only limited protection. The steps we take to protect our intellectual property require significant resources and may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. We may be required to use significant resources to obtain, monitor and protect our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our platform and our products and use information that we regard as proprietary to create products and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of our proprietary information may be unenforceable under the laws of certain jurisdictions and foreign countries. In addition, we may not be able to acquire or maintain appropriate domain names in all countries in which we do business or prevent third parties from acquiring domain names that are similar to, infringe upon, or diminish the value of our trademarks, and other intellectual property. Furthermore, regulations governing domain names may not protect our trademarks or similar proprietary rights. We enter into confidentiality and intellectual property agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. These agreements may not be effective in securing ownership of our intellectual property or controlling access to our proprietary information and trade secrets. The confidentiality

agreements on which we rely to protect certain technologies may be breached, may not be adequate to protect our confidential information, trade secrets and proprietary technologies and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, trade secrets or proprietary technology. Further, these agreements do not prevent our competitors or others from independently developing technology that is substantially equivalent or superior to our technology. In addition, others may independently discover our trade secrets and confidential information, and in such cases, we likely would not be able to assert any trade secret rights against such parties. Additionally, we may from time to time be subject to opposition or similar proceedings with respect to applications for registrations of our intellectual property, including our trademarks. While we aim to acquire adequate protection of our brand through trademark registrations in key markets, occasionally third parties may have already registered or otherwise acquired rights to identical or similar marks for services that also address our market. We rely on our brand and trademarks to identify our platform and to differentiate our platform and services from those of our competitors, and if we are unable to adequately protect our trademarks third parties may use our brand names or trademarks similar to ours in a manner that may cause confusion in the market, which could decrease the value of our brand and adversely affect our business and competitive advantages. Policing unauthorized use of our intellectual property and misappropriation of our technology and trade secrets is difficult and we may not always be aware of such unauthorized use or misappropriation. Despite our efforts to protect our intellectual property rights, unauthorized third parties may attempt to use, copy or otherwise obtain and market or distribute our intellectual property rights or technology or otherwise develop services with the same or similar functionality as our platform and products. If our competitors infringe, misappropriate or otherwise misuse our intellectual property rights and we are not adequately protected, or if our competitors are able to develop a platform or product with the same or similar functionality as ours without infringing our intellectual property, our competitive advantage and results of operations could be harmed. Litigation brought to protect and enforce our intellectual property rights could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. As a result, we may be aware of infringement by our competitors, but may choose not to bring litigation to enforce our intellectual property rights due to the cost, time and distraction of bringing such litigation. Furthermore, if we do decide to bring litigation, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits challenging or opposing our right to use and otherwise exploit particular intellectual property, services and technology or the enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our solutions, impair the functionality of our platform, prevent or delay introductions of new or enhanced solutions, result in our substituting inferior or more costly technologies into our platform or injure our reputation. Furthermore, many of our current and potential competitors have the ability to dedicate substantially greater resources to developing and protecting their technology or intellectual property rights than we do. 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 the 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 any patent applications we have or will 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 United States 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 will be contested, circumvented, invalidated 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 they need to license or design around, either of which would increase costs and may adversely affect our business, prospects, financial condition and operating results. 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. If third parties claim that we infringe upon or otherwise violate their intellectual property rights, our business could be adversely affected. The computing and software industries are characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents, copyright and other intellectual property rights. Third parties may assert that our platform, solutions, technology, methods or practices infringe, misappropriate or otherwise violate their intellectual property. We face the risk of claims that we have infringed upon or otherwise violated third parties' intellectual property rights. Our future success depends in part on not infringing upon or otherwise violating the intellectual property rights of others. From time to time, our competitors or other third parties may claim that we are infringing upon or otherwise violating their intellectual property rights, and we may be found to be infringing upon or otherwise violating such rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology or conflict with our trademark rights. Any claims of intellectual property infringement or other intellectual property violations, even those without merit, could: • be

expensive and time consuming to defend; • cause us to cease making, licensing or using our platform or products that incorporate the challenged intellectual property; • require us to modify, redesign, reengineer or rebrand our platform or products, if feasible; • cause significant delays in introducing new or enhanced services or technology; • divert management’s attention and resources; or • require us to enter into royalty or licensing agreements in order to obtain the right to use a third party’s intellectual property. Any royalty or licensing agreements, if required, may not be available to us on acceptable terms or at all. A successful claim of infringement against us could result in our being required to pay significant damages, enter into costly settlement agreements, or prevent us from offering our platform or products, any of which could have a negative impact on our operating profits and harm our future prospects. We may also be obligated to indemnify our customers or business partners in connection with any such litigation and to obtain licenses, modify our platform or products, or refund subscription fees, which could further exhaust our resources. Such disputes could also disrupt our platform or products, adversely affecting our customer satisfaction and ability to attract customers. Some of our intellectual property has been conceived or developed pursuant to government- funding agreements which impose certain obligations on us. Compliance with such obligations may limit our ability to freely transfer our assets without incurring substantial additional repayment obligations. Our government- funding agreements may contain certain restrictive covenants that either limit our ability to, or require a prepayment, in the event we incur additional indebtedness or liens, merge with other companies or consummate certain changes of control, acquire other companies, engage in new lines of business, add new offices or business locations, make certain investments, pay dividends, transfer or dispose of certain assets, liquidate or dissolve, amend certain material agreements and enter into various specified transactions. We, therefore, may not be able to engage in any of the foregoing transactions unless we obtain the consent required by these agreements. Furthermore, our future working capital, borrowings or equity financing could be unavailable to repay or refinance the amounts outstanding under any of these agreements. In addition, we may also incur additional indebtedness in the future. The instruments governing such indebtedness could contain provisions that are as, or more, restrictive than those to which we are presently subject. Any such present or future restrictions may limit our ability to meet our business, financing or other goals which could have a material adverse effect on our business and results of operations.

Risks Related to Being a Public Company

Our management has limited experience operating a public company, and thus its success in such endeavors cannot be guaranteed. Our executive officers have limited experience in the management of a publicly traded company. Our management team may not successfully or effectively manage D- Wave Quantum’s transition to a public company that is subject to significant regulatory oversight and reporting obligations under U. S. 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 the management and growth of the ~~post-combination company~~. ~~We may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal control over financial reporting required of public companies in the United States. This could impact our ability or prevent us from timely reporting our operating results, timely filing required reports with the SEC and complying with Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”). 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.~~ It is possible that we will be required to expand our employee base and hire additional employees to support our operations as a public company, which will increase our operating costs in future periods. If we are unable for any reason to meet the continued listing requirements of the NYSE, such action or inaction could result in a delisting of our securities. On October 20 2, 2023-2024, we were notified by the NYSE that we are not in compliance with Section 802. 01C of the NYSE Listed Company Manual because the average closing price of our Common Shares was less than \$ 1. 00 over a consecutive 30 trading- day period. The notice had no immediate impact on the listing of our Common Shares, which will continue to be listed and traded on the NYSE during the period allowed to regain compliance, subject to our compliance with other listing standards. On October 24 4, 2023-2024, we notified the NYSE that we intend to cure the stock price deficiency and to return to compliance with the NYSE continued listing standard. On March-November 1, 2024, the NYSE notified us that we had regained compliance based on a calculation of the Company’s average closing share price for the 30 trading days ended February 29-October 31, 2024, which reflected an average closing share price above the NYSE’s \$ 1. 00 minimum requirement. This was the ~~second-first~~ time in 2023-2024 and **the third time since the Company became a publicly traded company** that the Company was notified of its non- compliance with NYSE listing requirements due to the average closing price of its Common Shares falling below the \$ 1. 00 threshold. While we were able to bring the Company back in compliance with the NYSE listing requirements within the six- month window for recompliance on ~~both-all~~ occasions, it is possible that this may occur again and we will not be able to bring the Company back in compliance within such window or at all. If we cannot remain in compliance with the NYSE listing requirements, or cannot regain compliance after becoming non- compliant in the future, our Common Shares will be delisted from the NYSE. The delisting of our Common Shares from the NYSE will likely make it more difficult for us to raise capital on favorable terms in the future. Such a delisting would likely have a negative effect on the price of our securities and would impair your ability to sell or purchase our securities when you wish to do so. In the event of a delisting, actions taken by us to restore compliance with listing requirements may not allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities, prevent such securities from dropping below any minimum bid price requirement or prevent future non- compliance with the NYSE listing requirements. ~~If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about D- Wave Quantum’s business, the price and trading volume of D- Wave Quantum’s securities could decline. The trading market for D- Wave Quantum’s securities will be influenced by the research and reports that industry or securities analysts may publish about D- Wave Quantum, its business, market or competitors. Securities and industry analysts do not currently, and may never, publish research on D- Wave Quantum. If no securities or industry analysts commence coverage of D- Wave Quantum, D- Wave Quantum’s share price and trading volume would likely be negatively~~

impacted. If any of the analysts who may cover D-Wave Quantum change their recommendation regarding the Common Shares adversely, or provide more favorable relative recommendations about D-Wave Quantum's competitors, the price of the Common Shares would likely decline. If any analyst who may cover D-Wave Quantum were to cease coverage of D-Wave Quantum or fail to regularly publish reports on it, D-Wave Quantum could lose visibility in the financial markets, which in turn could cause its share price or trading volume to decline. There is a risk that we will fail to maintain an effective system of internal controls and our ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely affected. We may identify more material weaknesses, in addition to the material weakness identified below, in our internal controls over financial reporting which we may not be able to remedy in a timely manner. As a public company, we operate in an increasingly demanding regulatory environment, which requires us to comply with the Sarbanes-Oxley Act, the regulations of the NYSE, the rules and regulations of the SEC, expanded disclosure requirements, accelerated reporting requirements and more complex accounting rules. Responsibilities required by the Sarbanes-Oxley Act include establishing corporate oversight and adequate internal control over financial reporting and disclosure controls and procedures. Effective internal controls are necessary for us to produce reliable financial reports and are important to help prevent financial fraud. Prior to the Transaction, we had never been required to test our internal controls within a specified period and, as a result, we may experience difficulty in meeting these reporting requirements in a timely manner. The process of building our accounting and financial functions and infrastructure has, and will continue to, require significant additional professional fees, internal costs and management efforts. We may need to further enhance and / or implement a new internal system to combine and streamline the management of our financial, accounting, human resources and other functions. However, the enhancement and / or implementation of a system have and may continue to result in substantial costs. Any disruptions or difficulties in implementing or using such a system could adversely affect our controls and harm our business. Moreover, such disruption or difficulties could result in unanticipated costs and diversion of management's attention. In addition to the material weakness identified below, we may discover additional weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If we cannot provide reliable financial reports or prevent fraud, our business and results of operations could be harmed, investors could lose confidence in our reported financial information and we could be subject to sanctions or investigations by the NYSE, the SEC or other regulatory authorities. **We have identified a material weakness in our internal control over financial reporting.** If we **experience additional material weaknesses or deficiencies in the future or otherwise** fail to **remedy this weakness or** maintain an effective system of internal controls, then our ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely affected. We may identify additional material weaknesses in our internal controls over financial reporting which we may not be able to remedy in a timely manner. In connection with the preparation and audit of D-Wave's financial statements as of and for the fiscal year ended December 31, 2023 and 2022, material weaknesses were identified in our internal control over financial reporting. **A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.** Specifically, a material weakness was identified in D-Wave design and operation of controls related to its financial statement close process: **D-Wave lacks sufficient accounting and financial reporting personnel with requisite knowledge and experience in the application of complex areas of GAAP and SEC rules to facilitate accurate and timely financial reporting and to perform sufficient review over certain areas including non-routine revenue transactions, equity, government assistance, taxes, deferred revenue, accounts receivable, stock-based compensation, prepaid expenses, lease accounting, financial statement disclosures, and classification within the consolidated statements of cash flow.** This material weakness resulted in errors in the unaudited condensed consolidated financial statements for the quarterly and year to date periods ended September 30, 2023, June 30, 2023, and March 31, 2023 and the consolidated financial statements for the years ended December 2022, 2021, and 2020. These periods were restated on Forms 10-Q / A and 10-K / A, as applicable, filed with the SEC on March 15, 2024. Separately, the unaudited condensed consolidated financial statements for the nine months ended September 30, 2022 were previously restated on Form 10-Q / A filed with the SEC on April 17, 2023 (collectively, the "Restatements"). Additionally, **this material weakness could result in misstatements of the related accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.** We are **have implementing implemented** measures designed to improve our internal control over financial reporting to remediate **this future material weakness weaknesses** including adding additional qualified accounting personnel with experience with complex GAAP and SEC rules, engaging consultants to assist with the financial statement close process, and segregating duties among accounting personnel to enable adequate review controls. The primary costs associated with such measures are corresponding recruiting and additional salary and consulting costs, which are difficult to estimate at this time but which may be significant. These additional resources and procedures are intended to enable us to broaden the scope and quality of our internal review of underlying information related to financial reporting and to formalize and enhance our internal control procedures. **The As of December 31, 2024, the material weakness will not be considered remediated until our remediation plan has been remediated fully implemented. however, the applicable controls operate for a sufficient period of time, and we have concluded, through testing, that the newly implemented and enhanced controls are operating effectively. We are continuing to work on the implementation of our remediation plan, following which we will continue to test such controls over time. We**

cannot predict the success of such efforts or the outcome of its assessment of the remediation efforts. Our efforts may not remediate this material weakness in our internal control over financial reporting, or additional material weaknesses may be identified in the future. A failure to implement and maintain effective internal control over financial reporting could result in errors in our consolidated financial statements that could result in a restatement of our financial statements, and could cause us to fail to meet our reporting obligations, any of which could diminish investor confidence in us and cause a decline in the price of our common stock. Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an “ emerging growth company, ” as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. We may face litigation and other risks as a result of the classification error and related material weakness in our internal control over financial reporting. As a result of the classification error and related material weakness described in Part II, Item 9A, Controls and Procedures, we face the potential for litigation or other disputes which may include, among others, claims invoking the federal and state securities laws, and contractual or other claims arising from the restatement, material weakness, and the preparation of our financial statements. As of the date of this Annual Report on Form 10-K, we have no knowledge of any such litigation or dispute arising due to the restatement or material weakness. However, we can provide no assurance that any litigation or dispute will not arise in the future. Any litigation or dispute, whether successful or not, could have a material adverse effect on our business, results of operations and financial condition. The Company reached a determination to restate certain of its previously issued consolidated financial statements, which resulted in unanticipated costs and may affect investor confidence and raise reputational issues. As described in the Company's recently filed amendment to its FY2022 Annual Report on Form 10-K / A, the Company reached a determination to restate its consolidated financial statements and related disclosures as of and for the Affected Periods attributable to the accounting treatment for certain government assistance arrangements with SIF and TPC that originated prior to 2021 in the form of conditionally repayable loans with below-market interest rates. As a result, the Company has incurred unanticipated costs for accounting and legal fees in connection with the restatement and has become subject to a number of additional risks and uncertainties, which may affect investor confidence in the accuracy of the Company's financial disclosures and may raise reputational issues for the Company's business. We will incur increased costs as a result of our operation as a public company, and our management will be required to devote substantial time and resources to employing new compliance initiatives in order to comply with the regulatory requirements applicable to public companies. Following the completion of the Transaction, we became a public company and, as a result, we will incur significant legal, accounting and other expenses that we did not incur as a private company. As a public company, we are and will continue to be subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, as well as rules adopted, and to be adopted, by the SEC and the NYSE. Our management and other personnel have devoted and will need to continue to devote a substantial amount of time to these compliance initiatives. Moreover, we expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time- consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be forced to accept reduced policy limits or incur substantially higher costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. Risks Related to Ownership of the Common Shares D- Wave will have broad discretion in the use of its cash, cash equivalents and investments, and it may invest or spend such amounts in ways with which you may not agree or in ways which may not yield a return. D- Wave Quantum's management will have considerable discretion in the application of its cash, cash equivalents and investments, and its stockholders will not have the opportunity to approve how such funds are being used. If such funds are used for corporate purposes that do not result in an increase to the value of its business, D- Wave Quantum's stock price could decline. Pending their use, D- Wave Quantum may invest its cash, cash equivalents and investments in a manner that does not produce income or that loses value. D- Wave may be required to take write- downs or write- offs, or D- Wave may be subject to restructuring, impairment or other charges that could have a significant negative effect on D- Wave's financial condition, results of operations and the price of D- Wave's securities, which could cause you to lose some or all of your investment. Factors outside of D- Wave's control may, at any time, arise. As a result of these factors, D- Wave may be forced to write- down or write- off assets, restructure its operations, or incur impairment or other charges that could result in D- Wave reporting losses, as other companies that have recently consummated business combinations with special purpose acquisition companies have been required to do. Even if certain risks were identified in the past, unexpected risks may arise, and previously known risks may materialize in a manner not consistent with prior expectation. Even though these charges may be non- cash items and therefore not have an immediate impact on D- Wave's liquidity, the fact that D- Wave reports charges of this nature could contribute to negative market perceptions about D- Wave or its securities. In addition, charges of this nature may cause D- Wave to be unable to obtain future financing on favorable terms or at all. D- Wave may be subject to securities litigation, which is expensive and could divert management attention. The price of the Common Shares has been and may continue to be volatile. For example, the price per Common Share peaked at a high price of \$ 13. 23 on August 10, 2022, shortly following the completion of the Transaction, and has since declined significantly. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities litigation, including class action litigation. D- Wave may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could have a material adverse effect on D- Wave's business, financial condition, and results of operations. Any adverse determination in litigation could also subject D- Wave to significant liabilities. **If securities or industry analysts do not publish research, or publish inaccurate or**

unfavorable research, about D- Wave Quantum's business, the price and trading volume of D- Wave Quantum's securities could decline.

The trading market for D- Wave Quantum's securities will be influenced by the research and reports that industry or securities analysts may publish about D- Wave Quantum, its business, market or competitors. Securities and industry analysts currently publishing research on D- Wave Quantum may not continue to, and additional securities and industry analysts may never, publish research on D- Wave Quantum. If the number of securities or industry analysts is reduced or coverage is eliminated, D- Wave Quantum's share price and trading volume would likely be negatively impacted. If any of the analysts who currently or may in future cover D- Wave Quantum change their recommendation regarding the Common Shares adversely, or provide more favorable relative recommendations about D- Wave Quantum's competitors, the price of the Common Shares would likely decline. If any analyst who may cover D- Wave Quantum were to cease coverage of D- Wave Quantum or fail to regularly publish reports on it, D- Wave Quantum could lose visibility in the financial markets, which in turn could cause its share price or trading volume to decline. The price of our Common Shares has been and may continue to be volatile or may decline regardless of our operating performance. The market price of Common Shares has fluctuated significantly and may continue to do so in response to numerous factors, many of which are beyond its control, including:

- actual or anticipated fluctuations in its revenue or other operating metrics;
- changes in the financial guidance provided to the public or D- Wave Quantum's failure to meet this guidance;
- failure of securities analysts to initiate or maintain coverage of D- Wave Quantum, changes in financial estimates by any securities analysts who follow D- Wave Quantum, or its failure to meet the estimates or the expectations of investors;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- the economy as a whole and market conditions in its industry;
- rumors and market speculation involving D- Wave Quantum or other companies in its industry;
- announcements by D- Wave Quantum or its competitors of significant innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- new laws or regulations or new interpretations of existing laws or regulations applicable to its business;
- lawsuits threatened or filed against us;
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events;
- the expiration of contractual lock- up or market standoff agreements; and
- sales of additional Common Shares by D- Wave Quantum or its stockholders.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. For example, the price per Common Share peaked at a high price of \$ 13. 23 on August 10, 2022, shortly following the completion of the Transaction, and has since declined significantly. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If D- Wave Quantum were to become involved in securities litigation, it could be subjected to substantial costs, divert resources and the attention of management from its business, and harm its business. The Warrants may have an adverse effect on the market price of the Common Shares. As of December 31, ~~2023~~ **2024**, there were 17, 916, ~~609-462~~ Warrants outstanding, with each Warrant exercisable for 1. 4541326 Common Shares, subject to adjustment, at \$ 11. 50 **per Warrant or approximately \$ 7. 91** per Common Share. Such Warrants, if exercised, would increase the number of issued and outstanding Common Shares and be dilutive to the Common Shares then outstanding. The D- Wave Quantum Charter contains anti- takeover provisions that could adversely affect the rights of its stockholders. The D- Wave Quantum Charter contains provisions to limit the ability of others to acquire control of D- Wave Quantum or cause it to engage in change- of- control transactions, including, among other things:

- provisions that authorize its board of directors, without action by its stockholders, to issue additional Common Shares and preferred stock with preferential rights determined by its board of directors;
- provisions that permit only a majority of its board of directors, the chairperson of the board of directors or the chief executive officer to call stockholder meetings and therefore do not permit stockholders to call special meetings of the stockholders;
- provisions generally eliminating stockholders' ability to act by written consent;
- provisions requiring a two- thirds super majority vote to remove a director; and
- provisions requiring certain amendments to our governing documents be made by a two- thirds super majority vote. These provisions could have the effect of depriving holders of our Common Shares of an opportunity to sell their Common Shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of D- Wave Quantum in a tender offer or similar transaction. The D- Wave Quantum Charter provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware is the sole and exclusive forum for certain stockholder litigation matters, which could limit D- Wave Quantum's stockholders' ability to obtain a favorable judicial forum for disputes with D- Wave Quantum or D- Wave Quantum's directors, officers, employees or stockholders. The D- Wave Quantum Charter requires, to the fullest extent permitted by law, that, unless D- Wave Quantum consents in writing to the selection of an alternative forum, (a) any derivative action or proceeding brought on behalf of D- Wave Quantum; (b) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer, employee, agent or stockholder of D- Wave Quantum to D- Wave Quantum or D- Wave Quantum's stockholders; (c) any claim or cause of action against D- Wave Quantum or any current or former director, officer or other employee of D- Wave Quantum, arising out of or pursuant to any provision of the DGCL, the D- Wave Quantum Charter or the amended and restated bylaws of D- Wave Quantum (the " D- Wave Quantum Bylaws ") (as each may be amended from time to time); (d) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the D- Wave Quantum Charter or the D- Wave Quantum Bylaws (as each may be amended from time to time, including any right, obligation or remedy thereunder); (e) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (f) any claim or cause of action against D- Wave Quantum or any current or former director, officer or other employee of the corporation, governed by the internal- affairs doctrine or otherwise related to the corporation's internal affairs, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants. Subject to the preceding sentence, the federal district courts of the United States of America are to be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. However, such forum selection provisions do not apply to suits brought to enforce any liability or duty created by the Exchange Act or any

other claim for which the federal courts of the United States have exclusive jurisdiction or for which there is concurrent federal and state jurisdiction. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with D- Wave Quantum or its directors, officers, or other employees, which may discourage such lawsuits against D- Wave Quantum and its directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in the D- Wave Quantum Charter to be inapplicable or unenforceable in an action, D- Wave Quantum may incur additional costs associated with resolving such action in other jurisdictions, which could harm D- Wave Quantum's business, results of operations, and financial condition. Because D- Wave Quantum has no current plans to pay cash dividends on Common Shares for the foreseeable future, you may not receive any return on investment unless you sell Common Shares for a price greater than that which you paid for it. D- Wave Quantum has not paid any dividends to its stockholders and has no intention to pay dividends on Common Shares for the foreseeable future. D- Wave Quantum's board of directors will consider whether or not to institute a dividend policy. The determination to pay dividends will depend on many factors, including, among others, D- Wave Quantum's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that D- Wave Quantum's board of directors may deem relevant. In addition, D- Wave Quantum's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness it or its subsidiaries incur. As a result, you may not receive any return on an investment in Common Shares unless you sell Common Shares for a price greater than that which you paid for it. See Item 5, "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities." General Risk Factors Our business is exposed to risks associated with litigation and may become subject to litigation, investigations and regulatory proceedings including product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims. From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. In addition, our insurance or indemnities may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Furthermore, because litigation is inherently unpredictable, the results of such actions may have a material adverse effect on our business, operating results or financial condition. Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results of operations and financial condition. We may be subject to taxes by the U. S. federal, state, local and foreign tax authorities. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including: • allocation of expenses to and among different jurisdictions; • changes in the valuation of our deferred tax assets and liabilities; • expected timing and amount of the release of any tax valuation allowances; • tax effects of stock-based compensation; • costs related to intercompany restructurings; • changes in tax laws, tax treaties, regulations or interpretations thereof; or • lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates. In addition, we may be subject to audits of our income, sales and other taxes by U. S. federal, state, and local and foreign taxing authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition. Changes in tax laws or regulations that are applied adversely to us may materially adversely affect our business, prospects, financial condition and operating results. New income, sales, use or other tax laws, statutes, rules, regulation or ordinances could be enacted at any time, or interpreted, changed, modified or applied adversely to us, any of which could adversely affect our business, prospects, financial performance and operating results. In particular, presidential, congressional, state and local elections in the United States could result in significant changes in, and uncertainty with respect to, tax legislation, regulation and government policy directly affecting our business or indirectly affecting us because of impacts on our customers, suppliers and manufacturers. For example, the United States government has recently enacted the Inflation Reduction Act of 2022 which, among other things, significantly changes the taxation of business entities including by imposing an alternative minimum tax on certain corporations, and may, from time to time, enact other changes to the taxation of business entities, the likelihood of which is unclear. We are currently unable to predict whether such changes will occur and, if so, the ultimate impact on our business. To the extent that such changes have a negative impact on us, including as a result of related uncertainty, these changes may materially and adversely affect our business, prospects, financial condition and operating results. If we do not meet the expectations of investors or securities analysts, the market price of our securities may decline. If we do not meet the expectations of investors or securities analysts, the market price of our securities may decline. In addition, fluctuations in the price of our securities could contribute to the loss of all or part of your investment. The trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline. Factors affecting the trading price of our securities may include: • actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to it; • changes in the market's expectations about our operating results; • success of competitors; • our operating results failing to meet the expectation of securities analysts or investors in a particular period; • changes in financial estimates and recommendations by securities analysts concerning D- Wave Quantum or the industries in which D- Wave Quantum operates; • operating and share price performance of other companies that investors deem comparable to D- Wave Quantum; • D- Wave Quantum's ability to market new and enhanced products and technologies on a timely basis; • changes in laws and regulations affecting our business; • our ability to meet compliance requirements; • commencement of, or involvement in, litigation involving D- Wave Quantum; • changes in D- Wave Quantum's capital structure, such as future issuances of securities or the incurrence of additional debt; • the volume of Common Shares available

for public sale; • any changes in our board of directors or management; • sales of substantial amounts of Common Shares by our directors, executive officers or significant stockholders or the perception that such sales could occur; and • general economic and political conditions such as recessions, interest rates, international currency fluctuations and acts of war or terrorism. See “ — Risks Related to D- Wave Quantum’ s Business and Industry ” Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general, and the NYSE in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to D- Wave Quantum could depress D- Wave Quantum’ s share price regardless of D- Wave Quantum’ s business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future. D- Wave Quantum qualifies as an “ emerging growth company ” within the meaning of the Securities Act, and if D- Wave Quantum takes advantage of certain exemptions from disclosure requirements available to emerging growth companies, it could make D- Wave Quantum’ s securities less attractive to investors and may make it more difficult to compare D- Wave Quantum’ s performance to the performance of other public companies. D- Wave Quantum qualifies as an “ emerging growth company ” as defined in Section 2 (a) (19) of the Securities Act, as modified by the JOBS Act. As such, D- Wave Quantum is eligible for, and intends to take advantage of, certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies for as long as it continues to be an emerging growth company, including (a) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 (b) of the Sarbanes-Oxley Act, (b) the exemptions from say- on- pay, say- on- frequency and say- on- golden parachute voting requirements and (c) reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements. D- Wave Quantum will remain an emerging growth company until the earliest of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of the first sale of common equity securities pursuant to an effective registration statement, (b) in which D- Wave Quantum has total annual gross revenue of at least \$ 1. 235 billion, or (c) in which D- Wave Quantum is deemed to be a large accelerated filer, which means the market value of Common Shares that is held by non- affiliates exceeds \$ 700 million as of the prior June 30th, and (2) the date on which D- Wave Quantum has issued more than \$ 1. 0 billion in non- convertible debt during the prior three- year period. In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7 (a) (2) (B) of the Securities Act as long as D- Wave Quantum is an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to opt out of such extended transition period and, therefore, D- Wave Quantum may not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. Investors may find our securities less attractive because we will rely on these exemptions, which may result in a less active trading market for the Common Shares and the price of the Common Shares may be more volatile. ~~In the future, we may become a “ controlled company ” within the meaning of the rules of the NYSE. As a result, we may qualify for exemptions from certain corporate governance requirements that would otherwise be applicable to NYSE- listed companies. D- Wave Quantum’ s principal stockholder, PSP, beneficially owned approximately 37 percent of the issued and outstanding shares of D- Wave Quantum (including Exchangeable Shares) as of December 31, 2023. On September 26, 2022, D- Wave Quantum and PSP entered into the PSP Side Letter Agreement, pursuant to which PSP agreed that for so long as PSP beneficially owns, directly or indirectly, Common Shares and Exchangeable Shares representing 50 percent or more of the rights to vote at a meeting of the stockholders of D- Wave Quantum, whether directly or indirectly, including through any voting trust (i) PSP will not exercise the voting rights attached to any of such shares that would result in PSP voting, whether directly or indirectly, including through any voting trust, more than 49. 99 percent of the voting interests eligible to vote at any meeting of the stockholders of D- Wave Quantum and (ii) PSP will vote such shares in favor of the election of the directors that are nominated by the board of directors of D- Wave Quantum or a duly authorized committee thereof. As a result of the limitations imposed by the PSP Side Letter Agreement, we do not believe that we are a “ controlled company ” within the meaning of the corporate governance standards of the NYSE, which require that more than 50 percent of the voting power for the election of directors be held by an individual, group or entity, and we are not currently utilizing any of the “ controlled company ” exemptions. However, we may become a “ controlled company ” in the future. If we become a “ controlled company ”, we would be able to elect not to comply with certain corporate governance requirements of the NYSE, including • the requirement that a majority of our board of directors consist of “ independent directors ” as defined under the rules of the NYSE; • the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’ s purpose and responsibilities; • the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee’ s purpose and responsibilities; and • the requirement for an annual performance evaluation of the compensation and nominating and corporate governance committees. Regardless of whether we become a “ controlled company ”, we do not intend to utilize any of the exemptions available to a “ controlled company. ” However, despite our intent, we would be able to elect to utilize such exemptions at our discretion if and for so long as we are a “ controlled company. ” Accordingly, if in the future we were to become a “ controlled company ” and we exercised our discretion to utilize such “ controlled company ” exemptions, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. The interests of D- Wave Quantum’ s principal stockholder, which is able to exert significant influence on the election of the members of D- Wave Quantum’ s board of directors and other significant corporate decisions, may conflict with the interests of D- Wave Quantum or its stockholders in the future. D- Wave Quantum’ s principal~~

stockholder, PSP beneficially owned approximately 37 percent of the issued and outstanding shares of D-Wave Quantum (including Exchangeable Shares) as of December 31, 2023, and is therefore able to exert significant influence on the vote on all matters submitted to a vote of D-Wave Quantum stockholders, which would enable it to significantly influence the election of the members of D-Wave Quantum's board of directors and other significant corporate decisions. In particular, for so long as PSP continues to own a significant percentage of such shares, PSP may be able to prevent a change of control of D-Wave Quantum or a change in the composition of its board of directors and could effectively preclude any unsolicited acquisition of D-Wave Quantum. Such concentration of ownership could deprive you of an opportunity to receive a premium for your Common Shares as part of a sale of D-Wave Quantum, and ultimately may affect the market price of such shares. PSP and its affiliates engage in a broad spectrum of activities, and in the ordinary course of their business may engage in activities where their interests conflict with the interests of D-Wave Quantum or those of its other stockholders. On September 26, 2022, D-Wave Quantum and PSP entered into the PSP Side Letter Agreement pursuant to which PSP agreed that for so long as PSP beneficially owns, directly or indirectly, Common Shares and Exchangeable Shares representing 50 percent or more of the rights to vote at a meeting of the stockholders of D-Wave Quantum, whether directly or indirectly, including through any voting trust (i) PSP will not exercise the voting rights attached to any of such shares that would result in PSP voting, whether directly or indirectly, including through any voting trust, more than 49.99 percent of the voting interests eligible to vote at any meeting of the stockholders of D-Wave Quantum and (ii) PSP will vote such shares in favor of the election of the directors that are nominated by the board of directors of D-Wave Quantum or a duly authorized committee thereof. There is substantial doubt about our ability to continue as a going concern. We have incurred operating losses since our inception and management expects operating losses and negative cash flows to continue for the foreseeable future and, as a result, we will require additional capital to fund our operations and execute our business plan. Management has determined that the Company's liquidity condition raises substantial doubt about the Company's ability to continue as a going concern, which is considered to be for a period of one year from the issuance of these financial statements. The analysis used to determine the Company's ability to continue as a going concern does not include cash sources outside of the Company's direct control that management expects to be available within the next twelve months. Our ability to continue as a going concern is dependent upon our ability to obtain sufficient funding through additional debt or equity financing and to manage operating and overhead costs. There can be no assurance that we will be able to raise sufficient capital on acceptable or favorable terms to the Company, or at all.