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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-41468

D-WAVE QUANTUM INC.
(Exact name of registrant as specified in its charter)

Delaware	**88-1068854**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2650 East Bayshore Road, Palo Alto, California	**94303**
(Address of Principal Executive Offices)	(Zip Code)

(650) 285-2881
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.0001 per share	QBTS	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of any error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of common stock held by non-affiliates of the registrant (336,722,007 shares) based on the closing price of the registrant’s common stock as reported on the New York Stock Exchange on June 30, 2025 was $4,929,610,182. For purposes of this computation, all officers, directors and holders of more than 10% of our common stock have been excluded in that such persons may be deemed to be affiliates. Such determination should not be deemed to be an admission that such officers, directors and holders are, in fact, affiliates of the registrant.

As of February 25, 2026, there were outstanding 366,737,601 shares of the registrant’s common stock, par value $0.0001 per share. In addition, there were 3,176,096 exchangeable shares outstanding as of February 25, 2026, which are convertible into shares of common stock on a one for one basis at any time for no consideration.

Documents Incorporated by Reference

Part III of this Annual Report incorporates by reference information from the definitive Proxy Statement for the registrant’s 2026 Annual Meeting of Stockholders, which is expected to be filed with the Securities and Exchange Commission not later than 120 days after the registrant’s fiscal year ended December 31, 2025.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K (this "*Form 10-K*") may constitute "forward-looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "*Securities Act*"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). Our forward-looking statements include, but are not limited to, statements regarding our and our management team's expectations, hopes, beliefs, intentions or strategies regarding the future, including statements relating our ability to help customers realize value from quantum computing, development of annealing and gate-model systems and extension of the capabilities of our hybrid and classical solvers, enterprise-scale adoption of quantum computing, statements relating to the acquisition of Quantum Circuits, Inc., as well as the combined company's development and commercialization plans, plans to accelerate the projected time to a scaled, error-corrected gate-model quantum computer and the intention to make an initial dual-rail system generally available in 2026, among others. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. In some cases, you can identify forward-looking statements by the following words: "believe," "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "trend," "believe," "estimate," "predict," "project," "potential," "seem," "seek," "future," "outlook," "forecast," "projection," "continue," "ongoing," or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These statements involve risks, uncertainties, and other factors that may cause actual results, levels of activity, performance, or achievements to be materially different from the information expressed or implied by these forward-looking statements. We caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, which are subject to a number of risks. Factors that might cause or contribute to a material difference include those risks discussed below and risks discussed in our other filings with the U.S. Securities and Exchange Commission (the "*SEC*"). You should not place undue reliance on these forward-looking statements in making an investment decision with respect to our securities. These forward-looking statements are not intended to serve as, and must not be relied on as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability regarding future performance, events or circumstances. Many of the factors affecting actual performance, events and circumstances are beyond our control. As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. All forward-looking statements set forth in this Form 10-K are qualified by these cautionary statements, and there can be no assurance that the actual results or developments we anticipate will be realized or, even if substantially realized, that they will have the expected consequence to or effects on us or our business or operations. The following discussion should be read in conjunction with our audited Consolidated Financial Statements and related notes thereto included elsewhere in this Form 10-K. These forward-looking statements are based on information available as of the date of this Form 10-K, and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties and are not predictions of actual performance. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Summary of the Risk Factors

The following is a summary of the principal risks described below in this Form 10-K. This summary does not address all of the risks that we face. We encourage you to carefully review the full risk factors contained in this Form 10-K in their entirety, together with our other filings with the SEC, for additional information regarding the material factors that make an investment in our securities speculative or risky. Additional risks beyond those summarized below or discussed elsewhere in this Form 10-K may apply to our business and operations as currently conducted or as we may conduct them in the future or to the markets in which we currently, or may in the future, operate. Principal risks and uncertainties facing us include, but are not limited to, the following:

- We are in our growth stage which makes it difficult to forecast our future results of operations and our funding requirements.
- We have a history of losses and expect to incur significant expenses and continuing losses for the foreseeable future.
- If we do not adequately fund our research and development efforts, use research and development teams effectively or build a sufficient number of annealing and gate-model quantum computer production systems, we may not be able to achieve our technological goals, meet customer and market demand, or compete effectively and our business and operating results may be harmed.
- If we do not experience the benefits of the acquisition of Quantum Circuits as quickly as anticipated, the costs of or operational difficulties arising from such acquisition are greater than anticipated, our development and commercialization plans and/or the synergies between annealing and gate-model computing methods fail to materialize, or we do not accomplish the integration of the operations of Quantum Circuits as expeditiously or successfully as planned, such failure could have a material adverse effect on our business, financial condition and results of operations.
- 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.
- We may need additional capital or financing sooner than planned to pursue our business objectives and growth strategy, and to respond to business opportunities, challenges or unforeseen circumstances, and we cannot be sure that additional capital or financing will be available on acceptable terms when needed.
- 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.
- 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.
- 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 may, in the future, be adversely affected by global public health crises such as epidemics or pandemics.
- 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.
- 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.
- We may be unable to obtain, maintain and protect our intellectual property or prevent third parties from making unauthorized use of our intellectual property, which could cause us to lose the competitive advantage resulting from our intellectual property.

- 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 and services.
- We may face patent infringement and other intellectual property claims that could be costly to defend and may 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.
- If we do not meet the expectations of investors or securities analysts, the market price of our Common Shares may decline.
- We may be required to take write-downs or write-offs, or may be subject to restructuring, impairment or other charges that could have a significant negative effect on our financial condition, results of operations and the market price of our Common Shares, which could cause you to lose some or all of your investment.
- The market price of our Common Shares has been and may continue to be volatile or may decline regardless of our operating performance.
- We may issue additional Common Shares or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of the Common Shares.
- Our Amended and Restated Certificate of Incorporation contains anti-takeover provisions that could adversely affect the rights of our stockholders.

Frequently Used Terms

Unless otherwise stated or unless the context otherwise requires, the terms "*D-Wave Quantum*," "*D-Wave*," the "*Company*," the "*registrant*," "*we*," "*us*" and "*our*" refer to D-Wave Quantum Inc., a Delaware corporation, together with its subsidiaries, and:

"*Acquisition*" means the acquisition, completed on January 20, 2026, of all of the issued and outstanding equity of Quantum Circuits, pursuant to the terms of the Acquisition Agreement.

"*Acquisition Agreement*" means the Agreement and Plan of Merger, dated January 6, 2026, by and among the Company, Quantum Circuits, Quest Acquisition Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, Quest Acquisition Merger Sub II, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company, and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as the representative, agent and attorney-in-fact of the Securityholders (as defined in the Acquisition Agreement).

"*Bylaws*" means the Amended and Restated Bylaws of D-Wave Quantum Inc.

"*Charter*" means the Amended and Restated Certificate Incorporation of D-Wave Quantum Inc.

"*Closing*" means the closing of the merger between DPCM, D-Wave Systems Inc., and certain other affiliated entities through a series of transactions on August 5, 2022.

"*Common Shares*" mean shares of common stock, par value $0.0001 per share, of D-Wave Quantum Inc.

"*DGCL*" means the Delaware General Corporation Law.

"*DPCM*" means DPCM Capital, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of D-Wave.

"*D-Wave Systems*" means D-Wave Systems Inc., a British Columbia corporation and indirect subsidiary of D-Wave.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Exchangeable Shares*" refer to shares in the capital of D-Wave Quantum Technologies Inc., an indirect Canadian subsidiary of D-Wave. The Exchangeable Shares are exchangeable from time to time, at the holder's election, for Common Shares on a one-for-one basis.

"*JOBS Act*" means the Jumpstart Our Business Startups Act of 2012.

"*NYSE*" means the New York Stock Exchange.

"*Public Warrants*" means our former warrants issued under the Warrant Agreement, which were exercisable for Common Shares and commenced trading on the NYSE under the ticker symbol "QBTS.QT" on August 8, 2022. We redeemed all unexercised Public Warrants in accordance with the Warrant Agreement, and delisted the Public Warrants from the NYSE, on November 19, 2025.

"*Quantum Circuits*" means Quantum Circuits, Inc., a Delaware corporation.

"*Sarbanes-Oxley Act*" means the Sarbanes-Oxley Act of 2002.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Transaction*" means the transactions effected pursuant to the Transaction Agreement, including, among other things, DPCM became a direct, wholly-owned subsidiary of D-Wave, D-Wave indirectly acquired all of the outstanding share capital of D-Wave Systems, D-Wave Systems became an indirect subsidiary of D-Wave, and D-Wave became a public company and an SEC registrant as successor to DPCM.

"*Transaction Agreement*" means the Transaction Agreement, dated February 7, 2022, by and among DPCM, D-Wave, DWSI Holdings Inc., DWSI Canada Holdings ULC, D-Wave Quantum Technologies Inc. and D-Wave Systems.

"*Warrant Agreement*" means the warrant agreement, dated October 20, 2020, by and between DPCM and Continental Stock Transfer & Trust Company ("*Continental*"), as warrant agent, as amended by that certain Assignment, Assumption and Amendment Agreement, dated as of August 5, 2022, by and among DPCM, the Company, Continental, Computershare Inc., a Delaware corporation and its affiliate, Computershare Trust Company, N.A., a federally chartered trust company (together, "*Computershare*"), and that certain Amendment Agreement, dated as of March 11, 2025, by and among the Company, Computershare and Equiniti Trust Company, LLC, a New York limited liability trust company, as successor warrant agent.

Part I

Item 1. Business

Unless the context requires otherwise, references in this section to "D-Wave," "we," "our" or "us" refer to D-Wave Quantum Inc., a Delaware corporation, and its consolidated subsidiaries following the consummation of the Transaction, and prior to the consummation of the Transaction, to D-Wave Systems Inc., a British Columbia corporation ("D-Wave Systems").

Overview

At D-Wave, our mission is to help customers realize the value of quantum computing to address complex computational problems that cannot be solved with classical computing alone. As a pioneer in the quantum industry for more than 25 years, D-Wave is the world's first company to deliver commercial-grade annealing quantum computing systems and solutions. We are also the only dual-platform quantum computing company, providing both annealing and gate-model systems, software, and services to address customers' full range of computational problems. We believe that we are leading the industry in ushering in the era of enterprise quantum computing. We are driving the transition from academic endeavors exploring quantum's potential to enterprise-scale adoption and deployment, solving some of the world's toughest problems. Based on our strategic decision to initially bring to market a type of quantum technology that is easier to scale—annealing quantum computing, we hold a first-mover advantage that no other company in the world can claim.

Our market leadership position is evident—we were the first to launch commercial quantum systems, the first to achieve a demonstration of quantum supremacy on a useful, real-world problem, the first to have quantum applications running in production for commercial customers, and the first with commercial customer use of its quantum computing technology with AI model training.

Built upon our decades of quantum innovation, we offer a full stack of quantum systems, software and services capable of solving highly complex problems today. Our relentless commitment to innovation and invention means that we are laser-focused on continuously building quantum solutions that push the boundaries of what is possible. A key corporate strategy is to advance the science of quantum, and in support of that effort, in March 2025, we achieved a world-first quantum supremacy result—solving a useful, real-world problem that a classical computer cannot solve. The peer-reviewed research paper was published in the esteemed publication, *Science*. The work was achieved using our then state-of-the-art qubit architecture, which demonstrated increased coherence and thus more computational power. We plan to continue our groundbreaking research and innovation on qubit architecture design and fabrication and apply what we learn to new products and applications.

From a product perspective, we continue to develop systems that outperform previous generations, driving toward higher qubit count, greater qubit coherence, and increased energy scale. In May 2025, we launched our sixth-generation annealing quantum computing system, Advantage2™, with benchmarking results that indicate it is our most performant system to date with 20-way connectivity, higher coherence times, and higher energy scales that enable us to solve even larger and more complex problems, drive faster time-to-solution, and deliver higher-quality solutions. Our quantum computers—the world's largest—feature quantum processing units ("*QPUs*") with sub-second response times that can be deployed on-premises or accessed through our Leap™ quantum cloud service (the "*Leap service*"), which offers 99.9% availability and uptime.

We're also extending the capabilities of hybrid quantum-classical solvers to achieve best-in-class performance, expected to be unmatched by any other quantum computing company. Our Stride™ nonlinear hybrid solver can support optimization problems with up to two million variables and constraints and excels in solving problems with complex non-linear interactions between decision variables. Our continuous software enhancements to our Leap service translate to production-grade reliability, access, and security to support customers' production deployments.

In addition to D-Wave's history of innovation with annealing quantum computers, we have been making steady progress with our gate-model technology development as well. Both the annealing and gate-model technology are built on superconducting qubits which we believe have a long-term advantage over all other approaches to quantum computing. We are also leveraging the quantum systems technology we have developed for our annealing technology to accelerate our gate-model program. We have designed, manufactured, and operated high-coherence fluxonium qubits. In addition, we have announced a strategic advanced cryogenic packaging initiative and demonstrated end-to-end superconducting interconnect between chips, work that D-Wave expects will serve as an important foundation for scaling both D-Wave's annealing architectures and its gate-model architectures. In January 2026, we revealed the recent successful demonstration of scalable on-chip cryogenic control of gate-model qubits. This industry-first milestone advances the development of commercially viable gate-model quantum computers by significantly reducing the wiring required to control large numbers of qubits without degrading qubit fidelity.

On January 20, 2026, D-Wave announced the completion of its acquisition of Quantum Circuits, Inc., a leading developer of error-corrected superconducting gate-model quantum computing systems. With this acquisition, we believe that D-Wave has solidified its position as the world's first and only dual-platform quantum computing company, building and delivering both annealing and gate-model quantum computing systems to address customers' full set of complex computational problems. This acquisition solidifies D-Wave as the only company with all three key technologies required for scaled, error-corrected superconducting gate-model quantum computers:

- High fidelity, error detecting dual-rail qubits for efficient error correction with up to an order of magnitude fewer physical qubits per logical qubit;
- Local cryogenic control and multi-chip superconducting packaging for scaling systems with orders of magnitude fewer I/O control lines; and
- Robust cryogenic platforms with uptimes of years for commercial grade operations.

We believe this acquisition will allow D-Wave to deliver the industry's first scaled and error corrected gate-model quantum computing system.

Our solutions drive tangible business outcomes such as lower costs, increased operational efficiency and incremental revenue opportunities, and our technical roadmap is focused on delivering product advancements that facilitate our customer's return on investment ("*ROI*"), now and in the future. Our cloud-based approach offers customers real-time access to our technology, helping them not only find answers to their computationally challenging problems, but also enabling them to better navigate unexpected disruptions that arise in daily business; for example, changes to the supply chair or unplanned maintenance events. Our business model is focused on generating revenue from (i) providing customers with access to our quantum computing systems via the cloud in the form of quantum computing as a service ("*QCaaS*") products, (ii) providing professional services wherein we assist our customers in identifying and implementing quantum computing applications, and (iii) selling our quantum computer systems to customers. In addition, we believe that our initiative to develop and bring to market applications that combine the power of generative artificial intelligence ("*AI*") and quantum computing technologies will further extend our value proposition to our customers, as we launch the commercial era of quantum AI.

Our efforts across every facet of the business—from scientific research to processor development and hybrid solver advancements to production deployment support—remain squarely focused on helping our customers succeed in realizing value from their investments in D-Wave™ quantum computing.

Introduction to Quantum Computing

While classical computing technology has delivered significant advancements in performance, it has limitations. In classical computation, binary information is encoded in bits that can be either in a 0 or 1 state. Classical processors manipulate and transform this binary information to run classical algorithms and perform computations. Still, many important and high-value problems remain difficult or out of reach of classical computers, which creates a demand for quantum computing. Our quantum computing systems harness quantum mechanics to deliver powerful computational resources. Our systems contain quantum bits (qubits) that can be in a superposition of both 0 and 1 simultaneously, and support entanglement across many qubits. These properties provide computational tools that enable new algorithms and applications for solving problems that are outside the reach of classical computing systems.

The computational value of quantum computing underpins the promise of even greater societal and business impact, from the creation of new products and the identification of new lines of business to solutions unimagined in drug discovery, weather modeling, global supply-chain distribution, financial market portfolio optimization, and new materials. As the only quantum computing company in the world building both commercial annealing quantum computing systems and developing gate-model quantum computing systems, we can help customers benefit from a simplified, cross-platform experience that provides access to the full breadth of potential quantum applications. This dual-platform approach is crucial to serving the full quantum total addressable market ("*TAM*"), as different types of quantum systems best serve different types of quantum applications: annealing quantum computing systems are best for optimization problems; gate-model systems are optimal for differential equations, such as those in quantum chemistry; and both annealing and gate-model systems can solve linear algebraic and factoring problems, such as those in cryptography. As use of quantum computers accelerates, we expect to find an expanding set of use cases for both types of quantum computing systems.

We intend to address the broadest range of use cases by offering both annealing and gate-model quantum computers. We believe that we will serve as the only cross-platform solution for enterprise customers. For example, in the pharmaceutical industry, annealing quantum computing systems are well-suited for patient trial and supply chain optimization, as well as protein folding, while gate-model systems can assist with drug discovery. Both systems will likely play a role in quantum AI for toxicity mitigation. In manufacturing, new materials may be designed with gate-model systems, while annealing quantum computing systems can be used to optimize factory automation to deliver new products that feature those new materials as well as develop optimal supply chain and distribution logistics. By providing both annealing and gate-model quantum computing capabilities, D-Wave plans to address the entire TAM rather than only a portion thereof, unlocking customers' ability to use D-Wave, and its annealing and gate-model systems, as a single-point solution.

Quantum computing provides our customers with a set of tools for finding solutions to hard problems. In a July 2025 survey from Wakefield Research, commissioned by D-Wave, more than 80% of the survey's enterprise respondents said they believe they have reached the limits of classical computing's capabilities for optimization. The results of the study evidenced that quantum computing is gaining recognition among business leaders for its ability to potentially deliver major efficiencies in addressing complex optimization problems and facilitating operational improvements. Three in five (60%) respondents expect quantum computing-based optimization to be very, or extremely, helpful in solving the specific operational challenges that their companies face. In fact, among those respondents most familiar with quantum, this figure rises to 73%, including nearly a quarter who describe it as "a game changer." We believe that all of this will contribute to acceleration in the use of, and demand for, quantum computing. The need for quantum computing solutions is here today, and we believe D-Wave is well positioned to capture a significant portion of the commercial quantum computing market.

Our customer portfolio represents a highly diverse set of blue-chip enterprise companies, including one of the world's largest airlines, one of the world's largest chemical companies, one of the world's largest aerospace companies, one of the world's leading mobile carriers, and one of the world's largest payments companies. Our customers have included Mastercard, Deloitte, BASF, Pfizer, Unisys, Siemens Healthineers, NTT DOCOMO, Ford Otosan, Interpublic Group, Davidson Technologies, Inc. ("*Davidson Technologies*"), ArcelorMittal, Pattison Food Group (formerly Save-On-Foods), DENSO, BBVA, and NEC Corporation ("*NEC*"). In addition, thousands of developers around the globe have built early quantum software applications on our systems in areas as diverse as customer offer allocation, resource scheduling, factory scheduling, vehicle routing, logistics optimization, workforce scheduling, drug discovery, industrial construction design, portfolio optimization and maintenance, repair and overhaul optimization, plus many more under development, demonstrating increased recognition of the benefits of quantum computing across industries.

We believe that most commercial quantum computation and successful application development will be hybrid, meaning that problems will be solved using powerful combinations of quantum and classical resources. Much like the value of a graphical processing unit in classical computation, quantum computers are accelerators. Our quantum hybrid approach offers customers solvers that combine quantum and classical computing resources to solve industry scale optimization problems. This enables customers to realize quantum value today, and is intended to ensure that they can continue to address increasingly complex problems as the technology progresses and their business requirements expand.

We have already demonstrated important results. In March 2025, D-Wave became the first company in the world to demonstrate quantum supremacy on a useful, real-world problem. This groundbreaking work, which was achieved using our 1,200 qubit Advantage2 annealing quantum computing prototype, was published in a peer-reviewed paper in the esteemed journal, *Science*. D-Wave's quantum computer performed the complex simulation in minutes, with a level of accuracy that would have taken nearly one million years and consumed more than the world's annual electricity consumption using one of the world's most powerful supercomputers, which incorporated graphics processing unit ("*GPU*") clusters. In addition, we have shown in the peer-reviewed paper published in Nature Communications in 2021 that our systems have demonstrated a three-million-times speed-up over the best-known classical approaches on an application in quantum materials simulation. In another peer-reviewed paper published in Nature in 2023, our annealing quantum computing systems demonstrated a significant speed-up and scaling advantage on approach to optimality for an important class of hard optimization problems.

We believe that our hybrid quantum computing approach will accelerate the value of quantum computing for enterprises today, and once fully developed, our dual-platform offerings of both annealing and gate-model systems will provide customers with access to quantum computing for their full range of use cases. We believe we are poised to disrupt and revolutionize the notion of computational power. In turn, we anticipate this will enable business and society to realize the value of quantum computing technology sooner rather than later.

We are more than our innovative products. We are an organization of professionals across many disciplines with distinguished domain experts with decades of experience in their respective fields. We believe the maturity of our technologies, our deep professional services expertise, our history of delivering both scientific advancements and new quantum products via cloud services, our ability to successfully sell and install quantum systems, and our proven track record of building and growing new markets fully equip us to partner with customers on their quantum journeys and to continue to capture a significant portion of the growing market.

All our systems, tools and products are, and will continue to be, focused on providing an accelerated path to practical, real-world applications that deliver measurable value to our customers.

Our Quantum Computers, Developer Tools, and Quantum Hybrid Solvers Delivered via QCaaS

We believe we are uniquely positioned to serve the growing market for quantum computing solutions and services. Based on our analysis of recent market research, we've identified priority industries and use cases where we see the greatest growth opportunity for our business—both in the near- and longer-term. We will initially focus on supporting use cases in logistics, retail and manufacturing, solving problems such as workforce scheduling, production scheduling, vehicle routing and resource allocation—areas where our current technology is successfully driving positive business outcomes for our customers. As our technology development progresses, we will continuously expand the portfolio of applicable use cases to support even more complex problems. For example, we are investigating the use of our quantum processors as AI accelerators that might enable more efficient large language model construction and training, more efficient inference and a reduced power footprint, which could further drive performance in generative AI and machine learning use cases such as drug discovery.

A portion of our revenue is derived from cloud-based QCaaS that incorporates access to our annealing quantum computers that have more than 4,400 qubits and quantum-classical hybrid solvers that can solve problems with up to two million variables. We also recognize revenue by assisting customers in identifying and implementing quantum computing applications through our professional services offerings. And we also generate revenue when research, academic, and government customers purchase our on-premises D-Wave Advantage2 quantum computers to push the boundaries of quantum-fueled experimentation, development and usage. For a breakdown of revenue by type of product or service, please see *Note 3 - Revenue from contracts with customers* included in the notes to our audited consolidated financial statements. While we generate revenue from these products and services, we have a history of net losses since inception and have experienced negative cash flows from operations. See "Risk Factors—Risks Related to Our Financial Condition and Status as an Early-Stage Company—*We have a history of losses and expect to incur significant expenses and continuing losses for the foreseeable future*."

Advantage and Advantage2 annealing quantum computers: We are at the forefront of annealing quantum computing. Our annealing quantum systems were built for businesses and excel at optimization problems ubiquitous in real-world commercial applications, such as optimizing manufacturing processes and workforce scheduling. Advantage™ and Advantage2 systems are available via our Leap service, and access to the Leap service and other services can be purchased directly from D-Wave or through Amazon Web Services ("*AWS*") Marketplace.

Gate-model quantum computer development: The acquisition of Quantum Circuits brings superconducting dual-rail qubit technology to D-Wave. This technology offers both the fast gate speeds of superconducting architectures and high gate fidelities comparable to the best of the trapped ion and neutral atom architectures. Quantum Circuits' dual-rail technology with built-in error detection results in higher quality qubits and dramatically lowers the physical resources required for building logical qubits. We believe the combination of our dual-rail qubits, scalable on-chip control technology, and high reliability cryogenic platforms will allow D-Wave to be the first company to bring to market scaled, error-corrected gate-model technology. Similar to our existing annealing quantum computers, we plan both to deliver access to our gate-model quantum computers via the Leap service and to support on-premises installations. In parallel with building gate-model quantum computing systems, we will continue to invest in our Advantage annealing quantum computing program with a roadmap for future generations of increasingly larger and more powerful, coherent, and connected annealing quantum computing systems.

Secure computing: We anticipate that there may be unique research and government classified applications that require secure cloud or stand-alone systems (potentially for both annealing and gate-model systems) on customer premises.

Our offerings include:

Leap quantum cloud service: We are also at the forefront of providing real-time quantum cloud service for quantum applications. Launched in 2018 and now available in 42 countries and counting, the Leap service gives D-Wave customers secure and reliable access to our state-of-the-art quantum computers and a portfolio of quantum-classical hybrid solvers that can solve large-scale industrial problems. The Leap service enables customers to achieve the commercial and research benefits of using D-Wave's newest commercially-available technology without the need for capital expenditure, infrastructure upgrades, or costly systems integration. The Leap service is a real-time platform, meaning that customers can submit jobs and receive immediate answers: no need for reservations or lengthy queues. From the start, we have made multiple quantum computers available through the Leap service, which means that system maintenance does not need to interrupt customer access to quantum and hybrid resources. This level of availability distinguishes the Leap service from alternative platforms: with more than 99.9 percent uptime across key components, we offer service-level agreements (SLAs) to customers running mission-critical production applications. Since 2023, D-Wave has maintained compliance with the SOC 2® Type 2 data-security standard for the Leap service, an independent attestation that we have taken proactive steps to mitigate cybersecurity risks for our customers.

D-Wave Launch™ on-board to quantum computing program: The D-Wave Launch program offers a phased approach to identifying and building in-production quantum hybrid applications. Our professional services team works with customers to help identify which problems would be most impacted by quantum solutions, develop quantum proofs-of-concept, pilot hybrid quantum applications, and put those applications into production. Our standard professional services offerings also include training sessions and access to the Leap service for project-related purposes.

Quantum computing systems: D-Wave also offers customers the ability to purchase its D-Wave Advantage2 annealing quantum computing systems. By purchasing an on-premises system, customers have access to all aspects of the Advantage2 quantum computer, including the ability to modify system parameters and integrate the system in ways previously unavailable to them. In addition, D-Wave expects to offer customers the ability to purchase superconducting gate-model systems in 2026. Demand for on-premises systems comes amid growing interest from research centers, academic institutions, and high-performance computing centers looking to accelerate competitive differentiation, bolster national security, and explore how quantum computing can address challenges resulting from AI's escalating power consumption.

Ocean™ developer tools: Offering a full suite of open-source programming tools, the Ocean software development kit ("*SDK*") simplifies the process of building quantum hybrid applications while reducing associated time and cost.

Customers and Applications

Quantum use cases: We are now observing an expansion in certain quantum use cases, notably optimization-based, that are beginning to move into production, with customers identifying real business problems, developing quantum hybrid proofs-of-concept, piloting them, and then running those use cases in production environments, thus fueling their daily operations. But we believe this is just the beginning. As annealing quantum computing becomes more powerful and gate-model systems come online in the future, other pre-production and production use cases are expected to emerge.

Hundreds of user-built early applications have been developed to run on our annealing quantum computing systems and in our hybrid solver service. Spanning a wide range of diverse industries, these applications include examples in workforce scheduling, resource optimization, production scheduling, logistics routing, and portfolio optimization.

Our annealing quantum computers run an algorithm that natively solves optimization problems. As a result, a growing collection of use cases tend to fall into the combinatorial optimization category. Applications include peptide design, employee scheduling, last-mile vehicle routing, production scheduling, financial portfolio return optimization, farm-to-market food delivery, digital marketing, organic light-emitting diode materials development, financial risk reduction, marketing campaign optimization, shipping container logistics, ribonucleic acid folding, and clinical trial optimization. We believe verticals including, but not limited to, manufacturing, retail, logistics, financial services, life sciences, energy, and telecommunications stand to benefit from the processing power of quantum computing.

Our customers have built a plethora of applications with our annealing quantum computing technologies that demonstrate tangible outcomes, including:

- Pattison Food Group, Canada's largest Western-based provider of food and health products, has successfully used hybrid solvers in the Leap service, which incorporate the Advantage QPU, to find solutions to optimization problems in grocery operations. The company has moved several quantum hybrid applications into production. The first, an e-commerce driver delivery scheduling application, is now in production to create schedules that serve over 100 stores. This application has trimmed what was once an 80-hour task to just 15 hours each week, resulting in over 80 percent time savings. In addition, the company brought another quantum-hybrid application into production that optimizes in-store resource scheduling in its stores across Canada.
- Using D-Wave's annealing quantum computing solutions, Japan's largest mobile phone operator, NTT DOCOMO Inc., identified ways to demonstrably improve mobile network performance. The company found that it could reduce congestion at base stations by decreasing paging signals during peak calling times by 15 percent, potentially leading to increased efficiencies and lowered infrastructure costs. The solution's efficiency was demonstrated in pilot tests for certain areas in Japan (Tokai, Chugoku, Kyushu regions) when compared to classical methods. While a general-purpose solver took 27 hours, D-Wave's hybrid solver completed the same task in just 40 seconds. The test results showed that quantum optimization led to a 15 percent reduction in paging signals, allowing approximately 1.2 times more terminals to be connected during periods of high call volume. The company plans to deploy the hybrid-quantum solution in production across its Japanese branch offices.
- When Turkey-based Ford Otosan, a joint venture between Ford Motor Company and Koç Holding, wanted to streamline the manufacturing of its Ford Transit line of passenger vans, the company turned to hybrid quantum computing to devise a solution. Together, D-Wave and Ford Otosan built a hybrid quantum application to optimize production sequencing, identifying a solution that scheduled 1,000 vehicles per run in under 5 minutes, compared to 30 minutes using the existing process. The solution found that, despite shifts in demand or parts availability, the carmaker could respond appropriately to avoid any disruptions to its productivity.
- BASF, one of the world's leading chemical companies, built a hybrid-quantum application to optimize manufacturing workflows in a BASF liquid-filling facility. The application was designed to minimize the total setup time required to switch between products, reduce the time to fully offload each tank, and minimize the overall tardiness of products relative to their scheduled due dates. The hybrid-quantum application outperformed an existing traditional optimization solution across key operational metrics, reducing lateness by 14%, reducing setup times by 9%, and shortening tank unloading durations by up to 18%. The hybrid-quantum technology set a new benchmark for manufacturing efficiency, allowing reduction of production scheduling time from 10 hours to just seconds.
- The former Japan Tobacco (JT) pharmaceutical division, which is now part of Shionogi & Company, Limited, worked with D-Wave on a joint proof-of-concept project that used quantum computing technology and AI in the drug discovery process. JT and D-Wave enhanced large language models (LLMs) with a quantum-hybrid workflow to increase their generative capabilities and enable JT to produce novel, more 'drug-like' molecular structures beyond those found in the training datasets for the quantum-hybrid generative AI system. The work demonstrated that LLM hybrid models that used classical computation together with D-Wave's QPU resulted in more valid generated molecules when compared to classical methods alone. In addition, the molecules generated by QPU-assisted LLM training showed a higher quantitative estimate of drug-likeness compared to the training dataset and the models trained with classical computation-driven LLM training methods. This indicates that the QPU provided the teams with higher quality, lower energy samples, highlighting the potential benefits of quantum computing in generative AI for drug discovery.

- North Wales Police ("*NWP*") collaborated with D-Wave on a proof-of-technology project leveraging a hybrid quantum application to optimize placement of police vehicles for emergency response. The hybrid-quantum technology delivered a faster, more accurate, and more efficient solution than classical methods alone, providing NWP with the ability to reduce the average incident response time by nearly 50%. The application outperformed NWP's classical optimization solution by reducing police vehicle coordination time from four months to four minutes, significantly improving real-time adaptability. The test also demonstrated that NWP could respond to at least 90% of incidents within their target response time using the hybrid-quantum application.
- Davidson Technologies, a U.S.-based technology services company that provides innovative engineering, technical, and management solutions for the Department of Defense, the aerospace industry, and commercial customers, has been working with D-Wave on several quantum-hybrid applications to advance national defense efforts. Most recently, we worked with Davidson Technologies and Anduril Industries Inc., a defense technology company focused on advanced autonomous systems, to develop an initial proof-of-concept for complex missile-defense planning scenarios. Compared to classical solvers, D-Wave's Stride hybrid solver delivered at least 10x faster time-to-solution, a 9% to 12% improvement in threat mitigation, and the ability to intercept an additional 45–60 missiles in a 500-missile attack simulation.
- We worked with VINCI Energies S.A. ("*VINCI Energies*"), an accelerator of environmental and digital transition, on a pilot project to better design the layout of an HVAC system for new buildings, considering discrete duct sizes and joint costs. VINCI Energies has been developing an automated solution for what had been a largely manual process. Built to supplement that automated solution, our quantum-hybrid application showed better qualitative and quantitative results across all evaluation metrics. Overall, we have been able to identify a lower cost and more aesthetically pleasing solution for HVAC system placement.

Enterprises are beginning to see ongoing benefits from their D-Wave-powered use cases. Moreover, the accumulated quantum learning experience is expected to accelerate the addition of new use cases, as both new applications emerge and technologies mature. The cycle of moving from proof-of-concept development to production applications provides opportunities for continuous learning and innovation. Providing tangible customer value is an important way in which we differentiate ourselves from other companies in the market, whose primary focus, out of necessity, is scientific discovery rather than the delivery of quantum products and services for business-scale commercial applications.

Scientific applications: Notwithstanding our focus on commercial customer value, we also demonstrate excellence in scientific applications. Over the past several years, simulation of quantum magnetic systems has emerged as a promising application and better means of studying the dynamics of the QPU. Responding to a 2021 Nature Communications paper on a simulation of topological phenomena in a quantum magnet using a D-Wave 2000Q™ system, Nobel laureate J. Michael Kosterlitz, who won the prize for his work on this topic, said: "This paper represents a breakthrough in the simulation of physical systems which are otherwise essentially impossible." And in a landmark for quantum computing, in March 2025, D-Wave published in the esteemed journal *Science* a peer-reviewed paper demonstrating that D-Wave's Advantage2 prototype performed simulations of quantum dynamics in programmable spin glasses (a computationally hard magnetic materials simulation problem) in minutes for the most complex structures and with a level of accuracy that would have taken up to one million years using Oak Ridge National Laboratory's Frontier supercomputer, one of the most powerful supercomputers in the world. The work simulated the behavior of a suite of lattice structures and sizes across a variety of evolution times and delivered a multiplicity of important material properties.

The History of Building a Quantum Ecosystem

Building a quantum ecosystem of developers, talent, systems, software, tools, and users has been a core focus of D-Wave. Throughout our history, we have demonstrated a successful track record of providing technology and innovation to customers. We have gathered significant operational and commercial experience for running a quantum computing company at scale. Our hardware and software expertise provides us with a unique capability to address customer needs.

The early years of D-Wave were largely dedicated to research and development, leading to our first working qubits and scalable systems. In 2004, we made the critical and deliberate decision to focus on annealing quantum computing to deliver practical business value with quantum computing. By 2011, we officially moved our research and development into a new phase when we announced our collaboration with Lockheed Martin, allowing for outside scientists and engineers to work with our quantum systems and to provide critical feedback on our continuing quantum system development. Since the Lockheed Martin engagement, our technology has been used for a variety of research and academic applications at companies and institutions including Google, the Oak Ridge National Laboratory, Los Alamos National Laboratory, Jülich Supercomputing Centre, University of Southern California ("*USC*") Information Sciences Institute, and the NASA Quantum Artificial Intelligence Laboratory and University Space Research Organization. Through this early quantum access, we gained crucial feedback on how to improve quantum computers and make them more accessible for practical use. As a result, each generation of our annealing quantum computing systems has enabled organizations to achieve dramatic improvements in performance.

In 2018, we removed barriers to access our annealing quantum computing systems by launching our Leap service, which was the industry's first real-time, publicly accessible quantum cloud service that allowed developers to access live quantum processors and create applications using Python, a high-level general-purpose programming language. D-Wave's cloud approach facilitated and increased access to quantum computers, thereby allowing businesses, developers, and researchers to directly access our systems.

In 2019, our customers began to put application pilots into production. Volkswagen debuted the first-ever real-time quantum application in limited production, a quantum shuttle service that carried people between conference centers in Lisbon, Portugal.

A year later, we released the Advantage annealing quantum computer, a 5,000+-qubit system, along with new quantum hybrid solvers in the Leap service. This marked an inflection point that allowed far larger, more complex, business-scale problems to be solved on our systems.

And in 2021, we released performance upgrades to the Advantage system and added the constrained quadratic model ("*CQM*") hybrid solver to make it easier to solve problems with constraints. Business optimization problems use constraints, such as the distance a truck is able to travel before running out of gas. In October 2021, we also announced a preview of our next-generation quantum computing platform, which will include both annealing and gate-model quantum computers. With the expansion of our products and services to include gate-model systems, we believe we will be poised to provide the multiplatform computational power required to tackle a broad array of highly complex computational problems.

In 2022, we introduced new updates to our hybrid CQM solver, enabling businesses to run quadratic optimization problems with continuous variables as well as weighted constraints, and introducing pre-solve techniques that simplify problem formulation. By incorporating constraints, the solver is valuable in addressing the real business problems of current and future customers. We also launched new algorithmic updates to our constrained quadratic model hybrid solver that deliver increased performance for existing binary problem classes, which can include offer allocation, portfolio optimization, and satisfiability. We expect future software developments to improve solution quality for our priority verticals and key use cases in manufacturing and logistics, as well as advanced applications involving AI and machine learning.

Our 2023 peer-reviewed milestone paper in Nature highlighted the performance of the 5,000+ qubit Advantage quantum computer being significantly faster than classical computing on 3D spin-glass optimization problems, an intractable class of optimization problems. This paper also represented the largest programmable quantum simulation reported to date. In addition, we introduced changes that delivered increased performance on our hybrid CQM solver on a broad set of problem classes.

In 2024, we launched a hybrid solver designed for nonlinear programs, the Stride hybrid solver, capable of handling production-scale use cases of up to 2 million variables and enabling customers to solve real-world problems of growing complexity. The nonlinear solver enables users to specify their problems using array operations. We regularly release enhancements to the nonlinear solver to support active customer engagements, including adding support for continuous variables with linear interactions, a feature we released in March 2025.

In May 2025, we released the full-scale Advantage2 quantum computer, previously made available in the Leap service as a small-scale prototype. This is our sixth-generation annealing quantum computer, with 4400+ qubits and the following improvements over previous product generations:

- 20-way rather than 15-way qubit connectivity, enabling higher problem complexity and more-compact embeddings, which typically results in better solutions.

- 40% higher energy scale, meaning greater separation between high-quality solutions and lower-quality ones, driving results closer to optimal.
- Two times longer coherence time, reducing the time to return high-quality solutions.
- Four times lower noise, reducing fluctuations in programmable problem parameters, improving precision and the ability of the QPU to distinguish between solutions close in energy.

As of the end of 2025, Advantage2 quantum computers are operational in three countries: Canada, the United States, and Germany.

On January 6, 2026, D-Wave announced the demonstration of scalable, on-chip control of fluxonium gate-model qubits. On-chip control is critical to scaling the technology and the demonstration showed that the scalable control developed for the annealing technology can be successfully adapted to controlling gate-model qubits with no loss of fidelity.

On January 20, 2026, D-Wave completed the acquisition of Quantum Circuits, Inc., a leading developer of error-corrected superconducting gate-model quantum computing systems. For D-Wave's gate-model program, Quantum Circuits brings industry-leading dual-rail qubits that greatly simplify and advance error correction, which is key to delivering commercially-viable gate-model quantum computers. Quantum Circuits' dual-rail qubits bring the speed of superconducting gate-model qubits along with the fidelity of ion trap and neutral atom qubits—reflecting a significant industry breakthrough that is currently unmatched by any other quantum computing vendor.

Our Business Strategy and Differentiators

Our mission is to help customers realize the power of quantum computing to address problems that cannot be solved with classical computing alone.

To empower organizations with the ability to best assess a quantum computing company's value, we have developed a framework called Quantum Realized, which presents three benchmarks to consider when considering an investment in quantum computing technology. The three benchmarks are as follows:

- The company provides quantum technology that is better or faster at solving computationally complex problems than a classical computer alone.
- The company's quantum systems are highly performant, highly reliable, and highly available.
- The company has proven commercial customer successes in proof-of-concepts and applications in production.

Currently D-Wave is the only company that meets the above criteria.

Our technology has been proven to solve important problems beyond the reach of classical computers—with clear demonstrations of our system's outperformance. Recently, the solution to a complex materials simulation problem was solved in approximately 20 minutes on our system. It would have taken nearly one million years to solve this on one of the world's most powerful supercomputers and would have used more than the world's annual energy consumption to solve using classical supercomputers built with GPU clusters. The peer-reviewed paper of this groundbreaking work was published in the esteemed journal, *Science*, in March 2025. D-Wave's systems are commercial-grade and our Leap service delivers 99.9 percent uptime and availability and sub-second response times. The Leap service is accessible in 42 countries, with enterprise-ready performance, security, and scalability. Our hybrid quantum solvers can extend solution quality for larger and more complex problems with up to two million variables. And finally, our customers, including more than two dozen of the Forbes Global 2000 companies, are experiencing firsthand the power of annealing quantum computing.

We have a long track record of working with customers on real-world, computationally complex optimization problems. We are the only company in the quantum industry with operational and commercial experience running a quantum computing business at production levels. We are leaders in the development of the intersection of quantum hardware and software, unlocking greater ease of use and application performance for customers. We are the only quantum computing company developing both annealing and gate-model quantum computers. Moreover, our commercial-first approach focuses on building products delivered via the cloud that help enterprises solve complex business problems and drive business value today. Combined, this gives us a unique perspective on how to anticipate and address the needs of customers, with a goal to accelerate quantum computing market creation and adoption.

In addition, the acquisition of Quantum Circuits will bring together D-Wave's deep expertise in scalable control of superconducting quantum processors as well as its production-grade, high availability quantum cloud platform with Quantum Circuits' leading approach to error-corrected superconducting gate-model technology. Quantum Circuits' dual-rail technology with built-in error detection results in higher quality qubits and dramatically lowers the physical resources required for building logical qubits. Combining these technologies is expected to facilitate an accelerated commercial gate-model product roadmap that D-Wave believes will enable it to be the first to deliver fully error-corrected, scaled gate-model quantum computing. This is also projected to significantly expand the exciting use cases addressable by commercial quantum computing.

Full stack for the entire quantum journey: We are developing annealing and gate-based quantum systems with a full-stack, cross-platform vision for the future. Our quantum-in-the-cloud offering comprises a complete portfolio of products and services that supports building in-production applications across broad use cases for businesses and developers. We currently deliver commercial annealing quantum computing systems via our Leap service, open-source application development tools, and professional services that bring demonstrable business value to our customers. We are also developing gate-model systems to provide coverage for an expanding number of customer use cases.

Dual-platform: We believe our platform-agnostic approach will help customers solve their toughest and most complex business problems without having to worry about which quantum technology approach or platform to use. Annealing quantum computing systems and gate-model quantum computing systems address a complementary set of use cases. Upon the development of our gate-model systems, customers will not have to choose between annealing or gate-model systems, as our dual-platform open-source developer tools will enable them to invest in one tool and use it across multiple quantum systems.

Hybrid strategy: Some problems are solved with classical computing resources, others with quantum computing resources, but many are best solved with a combination of both. This is why our product strategy enables customers to tap into and harness the power of both quantum and classical resources to satisfy their given use case. Our hybrid solvers (part of our Leap service) offer a seamless way for end users to easily leverage both our quantum and classical resources via the cloud to run complex problems. As of February 2026, more than 280 million problems have been submitted to our annealing quantum computing solvers directly and through our portfolio of hybrid solvers since the Leap service was launched in 2018.

Annealing for optimization: While our strategy encompasses both annealing and gate-model technologies, we are the first quantum computing company in the world that builds and delivers access to annealing quantum computers. Annealing quantum computing is uniquely effective at solving optimization problems, and this problem class makes up a significant proportion of the enterprise problem universe. Moreover, optimization use cases are suitable for a recurring revenue model, as many are repeatable, real-time (always-on) processes. Recent publications point to the fact that annealing is better for solving optimization problems both today and in the future while, in contrast, the overhead involved with pre-processing and error correction for gate-model systems make them ineffective at solving optimization problems.

Practical quantum computing for accelerated time-to-value: We build products and services that help enterprises solve complex business problems and deliver business value today. All our systems, tools and products are, and will continue to be, focused on providing an accelerated path to practical, real-world applications that deliver value to our customers.

Cloud-first and enterprise scale: The Leap quantum cloud service provides real-time access to production-grade annealing quantum computers with enterprise class performance and scalability. The Leap service is engineered for high reliability and availability, offering greater than 99.9 percent uptime and sub-second response times even under heavy customer usage, and provides the security and privacy measures needed for enterprises to go live with in-production quantum hybrid applications. Much of our technical focus is on ensuring delivery of a secure production-grade quantum technology stack that customers can rely on to support critical business workflows. In December 2023, the Leap service became SOC 2 Type 2 compliant, making us the first full-stack quantum technology provider to achieve SOC 2 Type 2 compliance, and building assurance with our customers that their data is secure. Established by the American Institute of Certified Public Accountants (AICPA), the SOC 2 examination is designed for organizations to ensure the personal assets of their potential and existing customers are protected. SOC 2 reports are globally recognized and affirm that a company's infrastructure, software, people, data, policies, procedures, and operations have been formally reviewed.

We also continue to focus on key initiatives to allow for seamless deployment of new Leap service features with no downtime for customers, as well as the expansion of our Leap platform to new countries.

Professional services accelerate QCaaS: Our model features a professional services-enabled approach for application discovery and proof-of-concept development, and a QCaaS model for recurring revenue as applications move to production. This model enables us to capture professional services revenue in the initial stages of the customer journey and recurring QCaaS revenue in the subsequent stages once the application has been built and validated.

Our Business Model

Three-pronged go-to-market model: Our go-to-market model—across direct sales, partner channels, and developers—extends our ability to scale sales.

- Our **direct sales strategy** involves: (1) growing our existing customer base by accelerating the path from pre-production to in-production application deployment on the Leap quantum cloud service; and (2) acquiring net new customers using a customer engagement model, D-Wave Launch, which is a services-enabled journey to the adoption of quantum technology. With D-Wave Launch, we take our customers along a journey of use-case analysis and problem formulation to a fully implemented proof-of-concept deployment and finally onto a production state, where the devised solution is integrated into the customer's day-to-day operational workflow. The initial stages of engagement prior to production deployment are considered non-recurring revenue per application. Once the application is in production, D-Wave generates recurring revenue by providing QCaaS services to enable customers to run the full production application on an ongoing basis. See "Our Quantum Computers, Developer Tools and Quantum Hybrid Solvers Delivered via QCaaS—D-Wave Launch on-board to quantum computing program" for additional information.
- Our **partner strategy** involves: (1) expanding our reach and ability to deliver integrated solutions to customers via Systems Integrator ("*SI*") professional services firms such as Deloitte and PWC - bringing deep industry expertise and customer relationships, and augmenting our delivery capabilities for hybrid-quantum solutions; (2) enabling customers to purchase Leap and our Launch professional services offerings through AWS Marketplace, creating convenience and ease-of-procurement for customers already on AWS; and (3) continuing to build reseller and Independent Software Vendor ("*ISV*") partner relationships with global and regional entities such as NEC, Carahsoft Technology Corp. ("*Carahsoft*") and Staque.
- Our **developer strategy** involves: (1) enabling developers with free download of our open source Ocean software development kit—a Python-based SDK with access to code examples and code repositories in GitHub that make it easy for developers to learn and build applications that leverage Leap and the Stride hybrid solver; (2) providing access to a free trial of the Leap service, through our Quantum LaunchPad™ program, which includes technical engagement to help Quantum LaunchPad participants in their application development and identification of new emerging use cases of our technology; (3) working with accredited universities and research institutions via our Quantum Voyager™ program, which provides free trial access to Leap services and facilitates hackathons for faculty, students and researchers; and (4) lead generation, i.e., engaging with our Quantum LaunchPad and Voyager program participants to identify prospects for conversion to paid customers and applications that can move into production usage or larger scale research usage.

Our Growth Strategy

We believe our full-stack, cross-platform approach, alongside our go-to-market strategy, technical capabilities, and product vision, positions us to capture a significant portion of the quantum TAM available to hardware, software, and service providers.

Our overall growth strategy has three key focus areas: (1) build the business; (2) advance the science; and (3) improve the technology.

Build the business: We continue to build the business through a combination of QCaaS services, professional services, and partner / developer ecosystem growth. The key elements of this strategy are:

- *Win the fast-growing optimization market:* Annealing quantum computing is uniquely suited for solving optimization problems and this problem class is anticipated to comprise approximately 25% to 30% of the longer-term quantum computing TAM that is available to hardware, software, and service providers. As the first company in the world offering annealing quantum computing technology, we plan to continue to leverage this competitive position and acquire additional customers with optimization use cases across multiple verticals, including manufacturing, retail, logistics, financial services, telecommunication services, life sciences and pharmaceuticals, and the public sector.
- *Expand into cutting-edge and high growth markets via blockchain and AI:* We have ongoing research and development of use cases where annealing quantum computing can be used to build quantum-based blockchains with proof-of-work done via the QPU, making them inherently quantum-proof from a security perspective and using a fraction of the power consumption when compared to classical proof-of-work technologies. We have also demonstrated in customer use cases that our solvers and annealing quantum computing can be used in support of AI model training and inference by enabling customers to generate optimal "priors" in generative models, shortening the training process or by executing a class of AI models that are known as Boltzmann machines, in both cases with significant savings of time and energy costs.
- *Direct sales, recurring revenue, and expanding partner strategy*: We are pursuing multiple revenue streams from our go-to-market model. Our main recurring lines of business—cloud services and system sales—have seen significant growth in recent years, which we anticipate will continue. Specifically, between 2018, when we introduced our Leap service, and the end of 2025, cloud revenue has grown at a compound annual growth rate of 24 percent. We have two types of cloud revenue contracts: large multi-year engagements and smaller recurring contracts that are often multi-month in duration. We continue to acquire net new customers through the D-Wave Launch program and further drive recurring QCaaS revenue by moving existing customers from their pre-production journey into production applications. To broaden our reach and potential customer footprint with these key verticals and use cases, we are increasing our focus on partners and resellers. We currently sell with or through a group of large professional services and technology firms including Deloitte, PWC, NEC, Davidson Technologies (who hosts a system node), Unisys, Carahsoft, and Staque, and we are in active discussions with other large professional services and technology firms to scale our go-to-market efforts.
- *Prioritize key vertical markets*: Foundational to driving sales growth in the commercial sector is a focus on key industry verticals where we identify the best solution and market fit. The first vertical markets identified are manufacturing, retail, logistics, financial services, telecommunication services, life sciences and pharmaceuticals, and the public sector. We have a focus on use cases that have shown the effectiveness of our quantum and quantum-hybrid solvers to provide competitive solutions to complex optimization problems that exist within those vertical markets. We are pursuing a go-to-market growth strategy designed to increase sales and expedite customer applications moving into production. We believe this go-to-market approach will better position us to serve markets that are ready to capitalize on the tangible benefits of our quantum computing solutions. Early adopter customers are on the forefront of massive digitization efforts, as they incorporate cutting-edge technologies designed to optimize their operations and identify new processes and products that fuel operational efficiencies, cost savings and increased revenue. As part of our go-to-market strategy, we are focusing on use cases with the broadest near-term applicability including workforce scheduling, production scheduling, logistics routing, resource allocation, marketing offer allocation, maintenance, repair and overhaul optimization, and portfolio optimization. In parallel with this verticalized go-to-market focus, we continue to identify and implement new and existing use cases across multiple industries as opportunities arise. New use cases and verticals will be added as they become mature, such as the examples discussed above in the bullet point paragraph "Expand into cutting-edge and high-growth markets via blockchain and AI".

- *Expanding the existing base and landing new customers*: With our verticalized focus at the forefront, our direct sales strategy involves: (1) expanding our advanced computing business by increasing our sales of systems or placement of Leap nodes in customer and partner environments, creating expanded geographical coverage and reach; (2) growing our existing customer base by accelerating the path from pre-production to in-production application deployment on our Leap service. This is achieved through a focused customer success program to ensure successful migration to QCaaS production usage, ongoing renewals, and the identification of additional use-case areas; and (3) acquiring net new customers using the D-Wave Launch program, a services-enabled journey to the adoption of quantum technology. For direct-to-enterprise sales, we regularly initiate customer relationships through the D-Wave Launch engagement model. These engagements typically start with our professional services organization working with the customer to build out an actual proof-of-concept software implementation running on the Leap service to test if the implementation works correctly and identifies business value to the customer. On occasion, a quicker, lighter model is built first, as a proof-of-technology, to identify use case applicability before engaging in a more rigorous proof-of-concept development. Following a successful proof-of-concept implementation, we work with our customers to integrate the full quantum-hybrid solution into their day-to-day workflow and surrounding systems' infrastructure. The goal of this work is to put the quantum hybrid application into production pilots and full production. At this point, our customers typically run the problem in their environment while connected to the Leap service, at full scale, and derive additional business benefits beyond those identified in the earlier development stages. All engagements up until full production are considered non-recurring revenue per application. At full production, the Leap service access provided to run the final application represents recurring revenue as it consumes QCaaS resources on a continuous basis. As an application consumes QCaaS resources, D-Wave recognizes the revenue. See "Our Quantum Computers, Developer Tools and Quantum Hybrid Solvers Delivered via QCaaS—D-Wave Launch™ on-board to quantum computing program" for additional information.
- *Reduce time to production:* As an independent, full-stack quantum computing platform and solutions provider, D-Wave is unique in having many commercial customers with a steadily increasing proportion of those using D-Wave quantum-hybrid solutions within their day-to-day production workflow. As more customers enter into production usage, our focus now shifts to reducing the time it takes to get more D-Wave quantum-hybrid solutions into daily workflows. We are doing this by focusing on the Launch process and leveraging any best practices or additional efficiencies that can be implemented across all projects. As more and more solutions successfully proceed through our Launch program, we will take advantage of the lessons learned, improving and refining the process as we go. We expect these changes will drive better efficiency and reduce project length and time to production. We are also creating standardized templates for certain use cases and industries. We expect this will allow us to have repeatable formulations and solutions for standard business problems and put solutions in place for new customers with those problems in less time using our standard offerings. These offerings would allow for some minor modifications or customizations for client-specific requirements but reduce the time to production, as we expect we will have an established partial solution in place that can be leveraged and built upon. We intend that these standard templates will both take into consideration the industry-specific regulatory and compliance requirements and eliminate the need for each new project to have to account for these important factors.
- *Engage partners for increased breadth and speed:* We also intend to expand our SI and ISV partner and reseller relationships to identify new geographies, customers, verticals, and use cases, all of which could potentially use our products and services. We continue to develop, implement and manage a comprehensive partner program to ensure that the most appropriate and productive partner relationships are initiated, enabled and managed, across solution providers, system integrators and referral / reseller partners.

- *Pursue government sales and grants*: We see increasing interest from governments in building quantum applications and their support for both annealing quantum computing, quantum-classical hybrid technologies, and continued research and development for gate-model quantum computing systems. In Japan, the government has funded application development for a variety of different public sector problems including optimized tsunami evacuation routes and lowering CO2 emissions. In Australia, the government announced an interest in building applications to optimize transportation networks. In Canada, the National Quantum Strategy includes a pillar aimed at commercialization, and the United Kingdom's SparQ programs explicitly include quantum annealing along with gate-model systems. In the U.S., there are many policy initiatives that are explicitly inclusive of the different quantum technologies, as well policies aimed at identifying the right use cases and developing near-term quantum applications. Government quantum programs also continue to provide funds for enhanced research and development efforts. D-Wave will continue to work directly and through appropriate partnerships to pursue these opportunities. Outside of government funding programs, we are also seeing an increased interest in direct engagements across the public sector, including transportation, telecommunications, energy, emergency services, defense, and homeland security. To support growing government adoption of quantum computing, in addition to our partnership with Carahsoft, a trusted government IT solutions provider, and the achievement of "awardable" status through the Chief Digital and Artificial Intelligence Office's Tradewinds Solutions Marketplace, D-Wave has increased its capabilities in support of United States government customers by (1) making an Advantage2 system operational in Huntsville, Alabama at Davidson Technologies, a mission-driven technology company supporting the U.S. government and aerospace customers; and (2) the formation of a new business unit dedicated to driving the adoption of quantum computing products and services with the U.S. government, led by a seasoned public sector business executive.

Advance the science: We advance the science through the pursuit and creation of new knowledge in the quantum space, with the goal of demonstrating customer value and quantum supremacy (i.e., a computational quantum outcome that cannot be achieved by any existing classical computation system) in a growing portfolio of problems. The key elements of this strategy are:

- *Demonstrate the power of our quantum technology through benchmarking:* Our annealing quantum computers have outperformed the best classical computers in several specific use cases. As noted in a peer-reviewed paper published in Nature Communications (2021), our systems demonstrated a solution to a problem three million times faster than the best-known classical approaches on an application in quantum materials simulation. In another peer-reviewed paper published in Nature (2023), we showed the power of coherent quantum annealing in delivering a scaling advantage over classical approaches, as a function of computation time, in solving certain types of problems. In the context of real-world applications, our customers have shown material efficiency improvements in solving business problems (for example, up to 500 times faster for Pattison Food Group, as described above). In March 2025, D-Wave became the first in the world to demonstrate quantum supremacy on a useful, real-world problem. This groundbreaking work was published in a peer-reviewed paper in the esteemed journal, *Science*, showing that D-Wave's quantum computer performed the complex simulation in minutes and with a level of accuracy that would take nearly one million years using one of the world's most powerful supercomputers.
- *Pursue the cutting edge and push the boundaries of quantum knowledge*: We plan to continue to create new knowledge in the quantum space that shows the power of our scientific and technological approaches and pushes the frontiers of quantum information science. We have an active research program that focuses on quantifying the increases in performance we achieve with increasingly coherent quantum systems. Furthermore, we have seen promising new results on interesting physics problems, currently in peer-review, because of even greater coherence in our systems.

Improve the technology: We improve the technology through continuous innovation in annealing and gate-model quantum computing development, hybrid algorithm advancement, and leveraging customer and market feedback to inform our product innovations and lifecycle. The key elements of this strategy are:

- *Continue to invest in our differentiated annealing quantum computing technology*: As discussed above, while our technological approach encompasses both annealing and gate-model architectures, we are the first company to build and commercially deliver production-scale annealing quantum computers. Our extensive intellectual property portfolio around our annealing quantum computing systems and ten-year head start in superconducting quantum technology development give us a first-mover advantage, making it difficult for others to enter this space. Quantum annealing is the only quantum computing approach that, as part of the hybrid solver service, can efficiently solve large combinatorial optimization problems at enterprise scale.
- *Develop a scaled, error corrected gate-model technology:* We are developing superconducting dual-rail gate-model processors. A key differentiator for our development effort is the cryogenic on-chip qubit control and readout we have developed for our six generations of annealing processors that is now being developed to control and readout our gate-model qubits. The dual-rail superconducting qubit technology allows us to encode logical qubits with significantly fewer physical qubits than other superconducting approaches.
- *Build and deliver a unified quantum platform that offers solutions for broad quantum use cases for customers*: The intersection of systems, software, services, and tools is familiar to us. We are using our integrated engineering expertise to build a cross-platform quantum service with both annealing and gate-model systems that we believe will be the first and only quantum computing offering to impact full product lifecycles across multiple industries.
- *Extend our track record of continuous innovation, execution, and operational excellence*: We have a strong track record of innovation in building and delivering annealing quantum computing systems to the market. From the D-Wave One™, D-Wave Two™, D-Wave 2X™, D-Wave 2000Q™, D-Wave 2000Q Lower Noise, Advantage and Advantage Performance Update, to the newest Advantage2 system, we have demonstrated a relentless pursuit of increased device count, coherence (qubit quality), qubit connectivity, and computational performance. This has resulted in a rapid increase in the complexity of problems our customers are able to solve. We plan to continue this trajectory and focus on driving additional improvements in coherence, connectivity, and scale in our annealing quantum computing systems to further expand the universe of solvable problems, while using this expertise to build our gate-model system.

Our Technology Approach

Quantum computing technology landscape

There are two primary approaches to building quantum computers:

- *Annealing quantum computation:* Heavily inspired by physics and uniquely effective at solving challenging, ubiquitous optimization problems, annealing quantum computation is the first and only approach to date that delivers large scale commercial quantum computing and is a core of our product platform. Annealing quantum computing systems comprise qubit architectures with programmable interactions between qubits, and qubit controls that are continuously applied which allow users to prepare and then evolve quantum states that are harnessed to solve hard optimization problems.
- *Gate-model computation*: Heavily inspired by classical digital computation, gate-model computation replaces classical registers of bits with qubits and performs a series of single and multi-qubit operations, or gates, on the registers to run a computation. There are superconducting, ion trap, neutral atom, photonics, and spin qubits-based approaches to building gate-model quantum computing architectures.

Our quantum systems approach

In 2004, D-Wave made a singular strategic choice, guided both by analysis of the market for potential quantum applications and the state of available technology. Our decision to first develop a large-scale annealing quantum computing technology for optimization remains prescient today. Challenging optimization problems are found across all areas of business, and a growing body of theoretical and empirical evidence identifies annealing quantum computing as the best approach for solving them. Exploiting the natural tendency of systems to remain in ground or low energy configurations, this model of quantum computing is more error-tolerant than gate-model architectures and therefore easier to develop into a large-scale technology.

We have a multidisciplinary team of scientists, technicians, software developers, and engineers of all types working together on all aspects of our technology, systems, and software. Wherever possible, we leverage third-party technology and expertise to accelerate our core technology development. We build our qubits with superconducting circuits in a multilayer integrated circuit process. A multilayer fabrication stack is composed of multiple alternating layers of superconducting metals, dielectric insulators, as well as other superconducting device layers that allow for a dense implementation of complex circuitry. This approach allows us to integrate control and readout circuitry into the fabric of the quantum processor unit and facilitates scaling to large processor sizes. Our fabrication is done with mature, proven, reliable, and readily available industry-standard technology, processes, and components wherever possible. As a result, we can work with existing third-party foundries without the need to invest capital in a new fabrication facility.

At the same time, some critical elements of the technology are fabricated and tested with our own equipment, in our own facilities. We have an in-house team of superconducting application-specific integrated circuit designers, and we design all our own superconducting circuitry. All testing and characterization of superconducting circuits is performed in-house at our facilities by a team of scientists trained in cryogenic characterization and operation of superconducting circuits and devices. By collocating, co-developing, and controlling both design and testing, we maximize speed of development and control product quality.

With our current product fabrication at very large-scale integration ("*VLSI*"), we also benefit from the ability to integrate on-chip superconducting control circuitry. This can serve to tune and control qubits and implement scalable readout. "Scalable" in this context means that many tens of thousands of devices can be controlled and read with only hundreds of wires—a characteristic rare in the quantum computing world. Our superconducting VLSI control circuitry has enabled us to scale our systems from a handful of qubits to over 5,000 qubits in the current Advantage system.

Control electronics are an integral part of all quantum computing architectures, and we have designed and built more than seven generations of semiconductor-based electronic systems for control and readout of superconducting quantum processors. Co-developing the cryogenic superconducting and room-temperature semiconducting-based electronics is essential to optimizing performance.

Our Burnaby facility in British Columbia, Canada, hosts system development and manufacturing along with our gate-model-focused R&D center in New Haven, Connecticut. In addition, in January 2026, we announced plans to open an additional R&D center in Boca Raton, Florida for key development work and to provide bicoastal redundancy for disaster recovery. To ensure that we have an efficient and sustainable manufacturing process that can continue to scale, we have capacity to expand across all our core technology areas:

- In fabrication, our existing foundry can scale to a level significantly higher than our current throughput.
- Our wiring and input/output manufacturing is in-house and we can scale this capability by adding production staff and resources.
- Room-temperature semiconductor electronic systems have been designed in-house and built by third-party vendors; with additional investment, electronics manufacturing can easily be scaled.

In April 2022, D-Wave announced the general availability of a 500+ qubit prototype of the Advantage2 system, notable in its substantial improvement over the previous Advantage system in qubit connectivity. On February 12, 2024, D-Wave announced the release and general availability of a 1200+ qubit prototype of the Advantage2 system, notable in its substantial improvements over the previous Advantage system, including a doubling of the qubit coherence time, an increase in qubit energy scale, and the same increase in connectivity as the prototype made available in 2022: each qubit now connected to 20 others. In May 2025, the full-scale Advantage2 product was launched and made available through the Leap service. As of February 2026, almost 62 million jobs have been submitted to our Advantage2 systems and prototypes, which we believe highlights the strong customer desire to access these improved features.

Our development philosophy emphasizes systems engineering to maximize customer benefit. This means that we design the qubit, from the beginning, in a way that allows us to control, operate, and read many thousands of qubits, not just tens of qubits. This approach has supported scaling our system through six generations of quantum computers, and with it, the complexity of problems our quantum computers can handle. Notable improvements we made while transitioning from the D-Wave Advantage to the Advantage2 annealing quantum computing system (released in May 2025) include:

- Increasing the energy scale of the processor by 40% resulting in higher quality solutions.
- Increasing connectivity between qubits from 15 to 20 allowing more complex problems to be solved.
- Increasing coherence by a factor of two, resulting in faster time to solution.

Expansion into gate-model: Our early focus on annealing quantum computing directly lends itself to our gate-model efforts. Many of the lessons learned in building a superconducting annealing quantum computing system are transferable to building a scalable superconducting gate-model quantum computer. Scale, superconducting chip fabrication, materials design, cryogenics, and intellectual property are all necessary and relevant for delivering a commercial, scalable gate-model system to the market. Our deep experience and built-from-the-ground-up commercial-scale design strategy give us a first-mover advantage over companies in the early stages of merely developing the building blocks of gate-model systems.

We launched our gate-model technology development program because:

- Gate-model quantum computing ("*GMQC*") theory has matured considerably since 2004.
- Gate-model and annealing computing are complementary, and our dual-platform approach allows us to address the full range of customer problems and the entire TAM.
- Over the past 20 years, we have accrued considerable experience and intellectual property in quantum systems engineering, including cryogenics, environmental control, input/output and filtering, and scalable control and readout of superconducting devices. This can be directly brought to bear on building scalable GMQC technology.
- We have a mature superconducting VLSI design and manufacturing capability that we are employing for our gate-model program. This is the only physical implementation of a quantum computing technology that can be utilized for both annealing and gate-model quantum computers.
- The Quantum Circuits acquisition brought dual-rail qubit technology to D-Wave. This technology combines the high gate speed of superconducting modalities with the high gate fidelities of trapped-ion modalities.

We believe the combination of our quantum systems engineering, high reliability cryogenic platforms, scalable on-chip qubit control, and dual-rail technology puts D-Wave in a leading position to deliver scaled, error-corrected gate-model quantum computing systems.

D-Wave's track record of reliable operation: We have been delivering quantum computers for longer than many of our competitors have been in existence. Our experience allows us to operate a field-tested service and support organization that can anticipate many technical challenges of quantum system deployment.

Power consumption and refrigeration: Our annealing quantum computers draw 12.5 kilowatts of system power and we have used the same cryogenic platforms, drawing the same 12.5 kilowatts of power, since the 2010 release of the original D-Wave One system. However, we have achieved a 50 time increase in the number of qubits since that first product. The refrigerators' cryocoolers require the bulk of this power to provide cooling to 4 Kelvin (approximately 452 degrees below zero in Fahrenheit). While the computational power of our annealing systems has dramatically increased with each product generation, the power requirements have remained the same and are expected to do so for at least the next two system product generations. This contrasts with competitors who are using and developing massive dilution refrigerators, which will require increasingly more power to continue with their technology development.

Our software, tools, and cloud services approach

Software development: Our software teams use Agile and Scrum methodologies to ensure customer requirements are met and that the highest priority features are included in each release to maximize the utility of our system. The development process for Ocean developer tools follows best practices for open-source products, and we use GitHub for all open-source code. As a result, developers can edit the code in their own repository and merge it with the original repository when it is ready for release, and external users can contribute to the codebase.

Ocean software development kit: Available on the D-Wave GitHub repository, the Ocean SDK is a suite of open-source tools for solving challenging problems with quantum computers and quantum hybrid solvers. The Ocean software stack provides a chain of tools that implements the steps needed to solve problems on D-Wave solvers.

Leap quantum cloud service: We are the first quantum computing company to offer secure, real-time access to quantum computers and quantum hybrid solvers via the cloud. D-Wave has multiple QPUs online, and the Leap service is multiregional, which means we have physical systems available in different geographical locations, including at our Quantum Center of Excellence in Burnaby, British Columbia, at the University of Southern California's Information Sciences Institute (ISI) and at Davidson Technologies in Huntsville, Alabama.

Secure access and data protection: We implement industry-accepted controls and technology and combine enterprise-grade security features with comprehensive audits of our applications, systems, and networks to ensure customer data is protected. As of December 22, 2023, the Leap service became SOC 2 Type 2 compliant. We successfully completed our third SOC 2 Type 2 audit in November 2025 and received a comprehensive report from a third-party auditor that contains no exceptions for the third year in a row.

Leap hybrid solver service: Launched in 2020, the hybrid solver service ("*HSS*") within our Leap service provides a combination of quantum and classical computation resources and advanced algorithms to solve problems of enterprise scale with up to two million variables. Several hybrid solvers are available within the HSS today to support different problem formulations. The Leap service's hybrid solvers enable customers to benefit from D-Wave's deep investment in researching, developing, optimizing, and maintaining quantum hybrid algorithms.

Key Strategic Relationships

AWS: In October 2022, we officially launched in AWS Marketplace, expanding and extending the reach of our quantum computing solutions. AWS Marketplace customers can purchase access to our Leap service as well as our professional services offerings. We believe that D-Wave was the first pure-play quantum computing company with offerings available in AWS Marketplace.

Davidson Technologies: Since November 2025, Davidson Technologies hosts the second U.S.-based D-Wave Advantage2 quantum computer at its global headquarters in Huntsville, Alabama. The system will eventually run sensitive applications using quantum computing technology.

Jülich Supercomputing Centre: In October 2021, we completed the installation of an Advantage performance update quantum system with 5,000-plus qubits and 15-way connectivity at the Jülich Supercomputing Centre at Forschungszentrum Jülich ("*FZJ*"). This installation is the cornerstone of the Jülich Unified Infrastructure for Quantum Computing lab. This quantum system is the first installation of a D-Wave quantum computer outside of North America and provided cloud access to the first practically usable quantum computer for researchers, governments, and enterprise customers in Europe. Most recently, in February 2025, D-Wave announced that FZJ has purchased this quantum computer, becoming the first high-performance computing center in the world to own a D-Wave Advantage annealing quantum computing system. This system was upgraded to an Advantage2 quantum computer throughout 2025.

NEC: We entered into a strategic investment and subsequent global re-seller agreement with NEC in April 2019 and December 2021, respectively. The relationship includes reselling our Leap service and professional services in NEC's core markets, primarily Japan and Australia.

USC: USC has been at the forefront of quantum computing research since 2011, when it established the Quantum Computing Center ("*QCC*") at the USC Information Sciences Institute. The center has housed several generations of D-Wave's quantum systems, enabling researchers to explore the capabilities of annealing quantum computing for a wide range of applications. Since May 2022, the QCC has been home to the first U.S.-based D-Wave Advantage quantum computer. In May 2024, D-Wave announced a renewed multiyear partnership with USC, under which the USC Viterbi School of Engineering will continue to house a D-Wave Advantage quantum computer, facilitating ongoing exploration and adoption of annealing quantum computing solutions for businesses, researchers, and government.

SQT and Q-Alliance: In October 2025, we entered into an agreement with Swiss Quantum Technology SA ("*SQT*") to deploy a D-Wave Advantage2 annealing quantum computer in Europe, with an option for SQT to subsequently purchase the hosted system. SQT will support the efforts of the Q-Alliance, an initiative of the Italian government to further the development of the government's strategic framework for digital and quantum technologies. The Q-Alliance includes several Italian universities, research institutions and government affiliates and D-Wave is a founding member.

Florida Atlantic University: In January 2026, we announced that Florida Atlantic University ("*FAU*") signed an agreement to purchase and install an Advantage2 annealing quantum computer at its Boca Raton campus. The Advantage2 system deployment, expected later in 2026, will serve as the foundation of a new collaboration with D-Wave and FAU to advance quantum computing education, research, and applied innovation in Florida. Under the terms of a separate Memorandum of Understanding, the collaboration could include the creation of a D-Wave Quantum Applications Academy at FAU and support for research, training and workforce development initiatives.

While strategically significant to our long-term goals, we have determined that our current agreements or other arrangements with each of these respective parties are not material to our business, financial condition, or results of operations.

Operation Agreement

D-Wave uses SkyWater Technology Foundry, Inc.'s ("*SkyWater*") services for the purposes of manufacturing wafers, as well as other services related to the use of SkyWater's semiconductor line. The Semiconductor Line Operation Agreement between D-Wave and SkyWater, as amended from time to time, renews automatically annually for an additional one-year period, unless either party provides the other party with a six-month prior written notice of its intention to terminate the agreement. Either party may also terminate the agreement for convenience upon providing the other party with a 1-year prior written notice.

Competition

The quantum computing market is highly competitive. With new technologies and entrants into the market, we expect competition to continue to increase. Our competitive differentiators include being the only provider in the world building both annealing quantum computing and gate-model quantum computing systems, being the first commercial quantum computing company, our long-term proven track record of delivering increasingly mature higher-performance quantum systems that scale, and our use cases with demonstrable business value.

In addition to being the first commercial supplier of annealing quantum computing systems, we are also building gate-model quantum computing systems. At the same time, we will continue to invest in our Advantage annealing quantum computing program with a focus on future generations of increasingly more powerful and connected annealing quantum computing systems. Other companies, including Rigetti Computing, IBM, Google, IonQ, Quantinuum, QuEra, Atom, Pasqal, PsiQuantum, and Xanadu, are pursuing gate-model quantum computing, each using different technologies for the qubits and control, and each at different levels of technical maturity. Approaches include superconducting, ion traps, neutral atoms, photonics, and spin qubits. A brief summary of a few of the approaches follows:

- Our superconducting gate-model approach uses the same basic underlying technology as that found in our annealing qubits. Superconducting qubits contain one or more Josephson junctions and sometimes additional circuit elements. There are significant differences in the details of the superconducting qubit implementations, levels of integration, and the performance achieved to date, particularly in optimization and material simulation applications.
- The ion trap approach uses the states of ions trapped in electric fields as qubits. Gates are performed by manipulating ions with electric fields or lasers**.** Current ion trap systems are in the range of about 35 to 100 qubits. While technologies such as optical interconnects have been proposed to connect many ion-trap QPUs with high connectivity, this level of integration has not yet been demonstrated at a large enough scale to be used for business-sized problems, and early customer comparisons suggest that such technology is not commercially viable.
- The neutral atom approach uses the states of neutral atoms that are arranged and stabilized in an optical trap. Gates are performed by manipulating the atoms with lasers. Current neutral atom efforts are at the several hundred physical qubit scale.
- The photonic approach uses photons of light as qubits and nonlinear optics or atomic interactions to produce entangled pairs of photons. These technologies are in the development stage.
- The spin qubit approach uses the spin states of single electron or nuclei as qubits. Examples include quantum dots with trapped electronics or spin impurities embedded into silicon crystals. Gates are typically performed by manipulating spins with microwave pulses. These technologies are in the development stage.

All the above gate-model approaches are in the noisy intermediate-scale quantum era. This means that these architectures are not yet fully error corrected and have limitations on the number of 1- and 2-qubit gates that can be performed.

Our successful technological offering and trusted commercial readiness are evident as objectively assessed by U.S. National Institute of Standards and Technology ("*NIST*"), which analyzed the quantum technology readiness levels ("*TRL*") across multiple quantum technologies in 2021. Using a scale from one to nine, NIST rated our annealing quantum computing technology at TRL 8 (mature technology) and gate-model superconducting technologies from TRL 1 to TRL 3 (basic and feasibility research).

Quantum cloud access offerings from large technology companies, including Amazon Braket and Microsoft Azure, do not currently have the full-featured benefits and real-time access of D-Wave's real-time Leap service or quantum hybrid offerings. The quantum systems to which they offer access are developed by others, such as IonQ, Rigetti, or Quantinuum, and are significantly smaller in scale and capability when compared to D-Wave's systems and our Leap and hybrid services.

We believe competitive analysis of the quantum industry should be viewed through the lens of what advantage customers can realize when addressing real-world commercial applications. With our extensive intellectual property portfolio, record of commercial execution, peer-reviewed speed-ups on real-world quantum chemistry simulations, and emerging use cases demonstrating practical value to enterprise customers, we believe we are well positioned to compete, grow, and capture a significant share of the quantum computing market.

The classical optimization market is also very competitive and there are multiple vendors and technologies that compete with us in providing solvers for optimization problems. Commercial products like ILOG CPLEX, Gurobi Optimizer, and Hexaly Optimizer offer classical-based mathematical optimization solvers. Toshiba and Fujitsu offer "quantum-inspired" technology based on classical heuristics like simulated annealing and parallel tempering. These classical optimization products are limited because they can only leverage classical resources in performing the computations supporting optimization use cases.

Intellectual Property

Development, know-how, and engineering skills are an essential component of our business, resulting in the creation of our broad intellectual property portfolio. We rely on a combination of patents, trademarks, and trade secrets, as well as contractual provisions and restrictions, to establish and protect our intellectual property and other proprietary rights in the United States, Canada, and other jurisdictions.

We pursue patent protection when we believe it is consistent with our overall intellectual property strategy and is cost effective. We have accumulated a broad patent portfolio that covers all the main aspects of our technology, including systems and software, and we intend to protect our innovative inventions.

As of December 31, 2025, we owned more than 550 granted and pending patents worldwide, including more than 260 issued U.S. patents, which will expire between 2026 and 2043. Over 60% of our patent portfolio applies to both annealing and gate-model quantum computing technologies. Our pending and issued patents target both the hardware and software elements of our business, including systems, qubits and other devices, fabrication, architecture, system software, cryogenics, hybrid quantum computing, and applications of quantum computing. As of December 31, 2025, we owned four registered U.S. trademarks and seven registered foreign trademarks. We have also registered domain names for websites we use in our business, such as dwavequantum.com, dwavesys.com, qubits.com, and similar variations.

As a result of the acquisition of Quantum Circuits on January 20, 2026, we own or license, on an exclusive basis, more than 250 additional granted and pending patents worldwide, which will expire between 2026 and 2043, as well as one pending U.S. trademark application and several registered domain names used by Quantum Circuits.

Quantum Circuits entered into a license agreement with the Yale University ("*Yale*") on November 8, 2016 (as amended from time to time, the "*License Agreement*") under which Yale granted to Quantum Circuits, subject to the payment of certain royalties, (i) an exclusive license to a substantial patent portfolio and certain hardware devices, as well as to improvements to such exclusively licensed intellectual property that are developed using Yale facilities and involving Yale personnel, and (ii) a non-exclusive license to certain unpatented proprietary information and technology. We are responsible for the prosecution and maintenance of the exclusively licensed patents, at our own expense. Additionally, we must use reasonable commercial efforts to implement certain plans directed at developing products covered by the licensed patents. The exclusive license on the Yale patent portfolio remains in effect until the later of (on a country-by-country basis): (i) expiry of the licensed patent, or (ii) 15 years after the date of the first sale of a licensed product, subject to early termination. The licensed rights to unpatented proprietary information and technology survive in perpetuity. We may terminate the License Agreement at any time for any reason with six months' notice to Yale. Yale may only terminate the License Agreement upon certain events of default that remain uncured, as applicable. The License Agreement will terminate automatically if we enter into an insolvency-related event.

In addition to the above, we protect our intellectual property and other proprietary rights by entering into confidentiality and invention assignment agreements (or similar agreements) with our employees, consultants, collaborators, contractors, and other third parties.

Leadership

D-Wave is led by Dr. Alan Baratz, who became Chief Executive Officer in 2020. Previously, as executive vice-president of research and development and chief product officer, he drove the development, delivery, and support of all of D-Wave's products, technologies and applications. Dr. Baratz has more than 25 years of experience in product development and bringing new products to market at leading technology companies and software startups. As the first president of JavaSoft at Sun Microsystems, Dr. Baratz oversaw the growth and adoption of Java from its infancy to a robust platform supporting mission-critical applications in nearly 80 percent of Fortune 1000 companies. He has also held executive positions at Symphony, Avaya, Cisco, and IBM; served as chief executive officer and president of Versata, Zaplet, and NeoPath Networks; and was a managing director at Warburg Pincus. Dr. Baratz holds a doctorate in computer science from the Massachusetts Institute of Technology.

In addition, D-Wave has built an executive team that brings breadth and depth in diverse areas of expertise, including technology leadership, corporate strategy, go-to-market execution (both with commercial customers and government customers), cybersecurity, and risk management. In particular, our executive team excels at building product roadmaps, delivering leading-edge technology products through the development and commercialization of technology, enabling companies to achieve successful outcomes, driving technology adoption in the market, new market creation, growing revenue, and implementing world-class security and compliance practices. Team members also draw from experience in raising capital, taking companies public and scaling private and public companies.

Corporate History

D-Wave Systems, incorporated in British Columbia, Canada, in 1999 through its predecessor company, is a pioneer in the quantum industry. D-Wave Systems was the first company to deliver an annealing quantum computing system to a customer, to enable early complex optimization applications on quantum computers, to demonstrate peer-reviewed quantum mechanical effects within a quantum annealer, and to deliver real-time quantum access via the cloud.

On February 7, 2022, D-Wave Systems entered into a transaction agreement (the "*Transaction Agreement*") with DPCM Capital, Inc. ("*DPCM*"), D-Wave, DWSI Holdings Inc. ("*Merger Sub*"), DWSI Canada Holdings ULC, and D-Wave Quantum Technologies Inc., pursuant to which, among other things: (a) Merger Sub merged with and into DPCM, with DPCM surviving as a direct, wholly-owned subsidiary of D-Wave, and (b) D-Wave indirectly acquired all of the outstanding share capital of D-Wave Systems and D-Wave Systems became an indirect subsidiary of D-Wave, with D-Wave becoming a public company and an SEC registrant as successor to DPCM (the "*Merger*").

D-Wave was incorporated as a corporation organized and existing under the Delaware's General Corporation Law on January 24, 2022 and is headquartered in the U.S. The Company was formed for the purpose of effecting a merger between DPCM, D-Wave, and certain other affiliated entities through a series of transactions constituting the Merger pursuant to the Transaction Agreement. The closing of the Merger occurred on August 5, 2022. Upon the closing, DPCM and D-Wave Systems became wholly-owned subsidiaries of, and are operated by, D-Wave. Upon the completion of the Merger, D-Wave succeeded to all of the operations of its predecessor, D-Wave Systems.

On August 8, 2022, our Common Shares and Public Warrants commenced trading on the NYSE under the ticker symbols "QBTS" and "QBTS.WT," respectively. We completed the redemption of all unexercised Public Warrants, and delisted the Public Warrants from the NYSE, on November 19, 2025.

Acquisition of Quantum Circuits, Inc.

On January 20, 2026, we completed the acquisition (the "*Acquisition*") of all of the issued and outstanding equity of Quantum Circuits, pursuant to the terms of the Acquisition Agreement. The aggregate consideration (the "*Acquisition Consideration*") delivered at the closing of the Acquisition consisted of 10,430,444 Common Shares (the "*Stock Consideration*") and $250,000,000 in cash, subject to a net debt adjustment and such other adjustments as set forth in the Acquisition Agreement. The issuance and sale of the Stock Consideration was made in reliance on the private offering exemption of Section 4(a)(2) of the Securities Act, Regulation D and/or Regulation S promulgated under the Securities Act. In accordance with the Acquisition Agreement, we assumed outstanding unvested options to purchase shares of Quantum Circuits common stock and adjusted such assumed options into options to purchase our Common Shares. Vested options and warrants to purchase Quantum Circuits common stock were cancelled in exchange for a pro rata portion of the Acquisition Consideration, subject to the adjustments described in the Acquisition Agreement.

Concurrently with the execution and delivery of the Acquisition Agreement, we entered into a lock-up agreement (each, a "*Lock-Up Agreement*") with specified key employees of Quantum Circuits (each, a "*Key Employee*") with respect to a portion of the Common Shares received as Acquisition Consideration, pursuant to which, subject to certain exceptions, each Key Employee may not transfer 50% of the Common Shares received by such Key Employee as Acquisition Consideration for a period of five years, subject to the terms and conditions of the Lock-Up Agreement, including accelerated release in specified events.

In addition, we and the former securityholders of Quantum Circuits (the "*Securityholders*") entered into a Registration Rights Agreement under which the Securityholders have specified registration rights relating to the Stock Consideration. On January 20, 2026, we filed a Registration Statement on Form S-3ASR and a related prospectus supplement with the SEC, relating to the resale from time to time of up to 10,430,444 Common Shares by the Securityholders identified as selling stockholders in the prospectus supplement.

Governmental Regulations

Environmental regulations

We are subject to numerous federal, state, provincial, local, and international environmental laws and regulations, including requirements regarding the protection of the environment and human health. There are significant capital, operating, and other costs associated with compliance with environmental laws and regulations related to solid and hazardous waste storage, treatment and disposal, and remediation of releases of hazardous materials. In addition, various authorities also regulate health, safety, and permitting. Laws and regulations may become more stringent in the future, which could increase costs of compliance or require us to make material changes to our operations, resulting in significant increases in the cost of production.

Privacy and data protection regulations

We may receive, store, and otherwise process personal information and other data from and about our customers, employees, and from other stakeholders such as our vendors. There are numerous federal, state, provincial, local, and international laws and regulations regarding privacy, data protection, information security, and the storing, sharing, use, 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, or conflict with other legal requirements. We strive to comply with applicable laws, regulations, policies, and other legal obligations relating to privacy, data protection, and information security.

The United States, Canada, the European Union, the United Kingdom, and other countries in which we operate are increasingly adopting or revising 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, as well as any other third-party information we receive, and some of our current or planned business activities.

We expect that there will continue to be new or changing laws, regulations, and industry standards concerning privacy, data protection, and information security proposed and enacted in other jurisdictions in which we operate. Such new or revised laws could impact our current and planned practices or business activities; they may also impact the computing services and software industry platforms and data providers we utilize, and thereby indirectly impact our business. For example, uncertainty in the laws and regulations affecting cross border transfers of personal data may affect the demand and functionality of our services and require us to implement substantial changes to our information technology infrastructure. In addition, laws affording consumers expanded privacy protections and control over their personal information may require us to modify our data processing practices and policies, and to incur substantial costs and expenses in an effort to comply.

Human Capital Resources

Our employees are key to D-Wave's success. As of February 5, 2026, we had approximately 388 employees across our systems, software, sales, marketing, and corporate teams, including 382 full-time employees (including employees who joined D-Wave as a result of the acquisition of Quantum Circuits). Approximately 58 percent of our employees are based near our research and development and manufacturing facilities located in Burnaby, British Columbia, Canada and New Haven, Connecticut, United States. We continue to grow our U.S. presence, primarily in the fabrication, software, professional services, and go-to-market areas, and have a small presence in Japan and the United Kingdom. We also engage a small number of consultants and contractors to supplement our permanent workforce. The majority of our employees are engaged in research and development and related functions, with approximately 27 percent having earned a Ph.D., many from the world's top ranked universities. Our go-to-market leaders have a track record of building and growing new markets, which we believe will facilitate our ability to continue to build and capture the quantum computing market.

To date, we have not experienced any work stoppages, and none of our employees are subject to a collective bargaining agreement or represented by a labor union.

Available Information

Our Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K (including exhibits), and any amendments to these reports are filed with the SEC. Such reports and other information filed by us with the SEC and are available free of charge on our website at www.dwavequantum.com as soon as reasonably practicable after we electronically file that material with or furnish it to the SEC. For the avoidance of doubt, information contained on, or accessible through, our website is not incorporated into, and does not form a part of, this Form 10-K or any other report or document we file with the SEC.

Item 1A. Risk Factors

In this section, unless otherwise specified, the terms the "Company," "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 our business, cash flows, financial condition and results of operations. 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 our business or financial condition.

Risks Related to Our 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. In addition, our ability to generate revenue will depend on our ability to develop, produce and commercialize gate-model quantum computers. We have commercialized annealing quantum computers, and plan to make an initial gate-model quantum computer generally available in 2026. However, 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 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. As of December 31, 2025 and 2024, we had an accumulated deficit of $982.0 million and $626.9 million, respectively. For the years ended December 31, 2025 and 2024, we incurred net losses of $355.1 million and $143.9 million, respectively, and had net cash outflows from operating activities of $72.0 million and $42.6 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 operating activities as we continue to expand our commercial operations and research and development programs. 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 market price of our Common Shares, and we cannot assure you that we will 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 in legal and accounting expenses related to public company compliance, continued compliance and various regulations applicable to 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, and may cause the market price of our Common Shares to decline.

If we do not adequately fund our research and development efforts or use research and development teams effectively or build a sufficient number of 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 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 estimates of the TAM are made in good faith and are based on assumptions and estimates we believe to be reasonable under the circumstances, these estimates may not prove to be accurate. Further, even if the estimates of our market opportunity 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 "Risks Related to Our Business and Industry—*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*" 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 Our Business and Industry

The immature market for quantum computing may lead to us 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.

The failure to successfully integrate Quantum Circuits could adversely affect our operations.

On January 20, 2026, we completed the acquisition of all of the issued and outstanding equity of Quantum Circuits, a leading developer of error-corrected superconducting gate-model quantum computing systems, pursuant to the Acquisition Agreement.

Following the Acquisition, we and Quantum Circuits will need to successfully integrate and streamline overlapping functions. While the costs associated with this combination of operations have not been identified, any such costs associated with this type of integration may have an adverse effect on our operating results in the periods in which they are incurred. We and Quantum Circuits have different systems and procedures in many operational areas that must be rationalized and integrated. There may be substantial difficulties associated with integrating two separate companies, and there can be no assurance that such integration will be accomplished expeditiously or successfully. The integration of certain operations following an acquisition will require the dedication of management resources that may temporarily detract attention from our day-to-day business. Failure to accomplish the integration of our operations and those of Quantum Circuits could have a material adverse effect on our business, financial condition and results of operations.

The market price of our Common Shares could decline as a result of the Acquisition.

The market price of our Common Shares may decline significantly as a result of the Acquisition if we do not experience the benefits of the Acquisition as quickly as anticipated, the costs of or operational difficulties arising from the Acquisition are greater than anticipated, our development and commercialization plans and/or the synergies between annealing and gate-model computing methods fail to materialize, or the impact of the Acquisition on our financial results is not in line with our expectations or those of financial analysts or others.

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. 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, the United Kingdom and Switzerland, 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, delays or interruption in supply, including due to technological problems, a supplier's decision to re-prioritize their business with us or failure to perform satisfactorily under their agreement with us, 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 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 solutions do 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.

Initially, we 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 solutions. Negative publicity concerning our solutions or the quantum computing industry as a whole could limit market acceptance of our solutions. 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 solutions, or if our solutions do 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 or 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 reach 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 deployment, 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 quantum annealing 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 superconducting gate-model 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 introduction of new products, 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 at a competitive disadvantage and our offerings could become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer. 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. 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 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), ransomware, and employee theft or misuse, which may evade detection for extended periods. In addition to our own security measures, due to our use of third-party cloud infrastructure, we depend in part on third-party security measures to protect against cybersecurity-related attacks. Despite efforts to create security barriers to such threats, it is not feasible, as a practical matter, for us to entirely mitigate these risks, as the techniques used to obtain unauthorized access to or compromise our systems change frequently. A breach of our networks, or 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 through impaired customer relationships, loss of sales and customers, potential fines and lawsuits, significant legal and remediation costs, and damage to our brand.

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 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.

Our use of generative AI tools may introduce security, privacy, intellectual property, and operational risks that could adversely affect our business.

We use, and expect to continue using, generative AI tools primarily to support internal productivity and development activities.

Generative AI technologies are evolving rapidly, and while they offer efficiency benefits, they may also generate output that appears accurate but is incomplete, misleading, or incorrect, which could introduce downstream security or operational risks. Our use of third-party generative AI tools may also present security, privacy, and operational risks, including limited visibility into training data sources, model behavior, vendor controls, and the potential introduction of defects or security vulnerabilities through AI-generated outputs.

We use generative AI tools in limited and controlled contexts and prohibit the use of AI technologies in areas that we deem to create high risks that cannot be mitigated related to cybersecurity, confidentiality, privacy, intellectual property, legal compliance, and/or ethical standards. In addition, we employ practices designed to evaluate, track, and mitigate the risks associated with the use of generative AI. However, such controls, prohibitions and measures cannot provide absolute security and may not prevent or mitigate all of the evolving risks presented by the use of generative AI that could adversely affect our business, operations or reputation.

Our future growth and success depends in part on our ability to sell our products and services effectively to U.S. and international government entities.

U.S. and international governments have demonstrated increasing interest in building quantum applications. In December 2025, we announced the formation of a new business unit dedicated to driving the adoption of our quantum computing products and services with the U.S. government, and we also plan to pursue further sales to international governments. Our future growth and success will depend in part on our ability to effectively sell our products and services to additional domestic and international government entities.

As described further under "*—Contracts with government entities subject us to risks, including early termination, audits, investigations, sanctions and penalties*" below, contracts with U.S. and international government entities are subject to a number of challenges and risks. Sales to government customers involve risks that are present to a lesser extent in sales to commercial customers, such as: (i) increased purchasing power and leverage held by government customers in negotiating contractual arrangements with us and (ii) longer sales cycles and the associated risk that substantial time and resources may be spent on a potential government customer that elects not to purchase our products or services. We also must comply with both U.S. and international laws and regulations relating to the formation, administration, and performance of contracts with government entities.

In addition, other parties' perceptions of our relationship with the U.S. government could adversely affect our business prospects in certain non-U.S. geographies or with certain non-U.S. governments. Conversely, other parties' perceptions of our relationship with non-U.S. governments or government entities could adversely affect our business prospects with the U.S. government.

Accordingly, our business, financial condition, and results of operations could be harmed by numerous factors associated with doing business with government customers, such as:

- government spending changes or constraints, such as shifting priorities due to the results of elections or economic uncertainty;
- delays in program activities or contracting due to government shutdowns, partial shutdowns, or changing funding timelines;
- changes in U.S. federal or other governmental compliance requirements;
- influence by, or competition from, third parties with respect to pending, new, or existing contracts with government customers; and
- increased or unexpected costs or unanticipated delays caused by other factors outside of our control.

Any such event or activity could cause government customers or potential government customers to delay or refrain from entering into contracts with us or purchasing our products or services in the future, reduce the size or timing of payment with respect to our services to or purchases from existing or new government customers, or otherwise have an adverse effect on our business, results of operations, financial condition, and growth prospects.

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 U.S. federal and state, and international, government entities, which subjects our business to the statutes and regulations applicable to companies doing business with each such government entity.

Government contracts customarily contain provisions that give the government substantial rights and remedies, many of which are not typically found in commercial contracts. 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. For example, the U.S. Department of Defense requires contractors to comply with the Cybersecurity Maturity Model Certification (CMMC), a framework implemented to ensure that all parties in the defense supply chain maintain adequate cybersecurity practices, and the U.S. federal government requires any cloud service provider handling federal data to meet stringent data security and protection requirements under the Federal Risk and Authorization Management Program (FedRAMP), and may also mandate the application of government pricing models and provisions, such as "most favored nation" status. Additional requirements could include, for example, specialized disclosure, accounting, financial, compliance and audit requirements; certain rights to inventions, data, software codes and related material developed under government-funded contracts and subcontracts, which may permit the government to disclose or license this information to third parties; public disclosures of certain contract and company information; and mandatory socioeconomic compliance requirements.

Government contracts are also generally subject to greater scrutiny by the government than commercial contracts are by commercial customers. For example, in the United States, 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. Similar procurement, budgetary, contract, and audit risks may also apply to our doing business with international government 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 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 imposition of 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 additional acquisitions, divestitures, strategic investments or strategic partnerships and fail to achieve favorable results, our business, financial condition and operating results could be harmed.

On January 20, 2026, we completed the acquisition of Quantum Circuits, and are subject to risks associated with the Acquisition. See "Risks Related to Our Business and Industry—*The failure to successfully integrate Quantum Circuits could adversely affect our operations" and "—The market price of our Common Shares could decline as a result of the Acquisition."* We may in the future make additional acquisitions, divestitures or certain investments. Any such 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, except for our acquisition of Quantum Circuits, 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, changes in interest rates and monetary policy, 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, the Middle East, Venezuela 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 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 may accelerate in the U.S., Canada and globally due to global supply chain issues, the Ukraine-Russia war, the Israel-Hamas war, other geopolitical tensions, increases in energy prices, strong consumer demand, and other macroeconomic factors. 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. Increases in interest rates or changes in monetary policy in response to inflation 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 laws and regulations related to privacy, information security, and data protection could adversely impact our results, operations, or brand.

We are subject to an increasingly complex, and sometimes conflicting, set of legal obligations related to privacy, data protection, information security in the United States, Europe, Canada, and other countries where we do business, and there will continue to be new proposed laws and regulations and changes to existing legal frameworks 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, employee, and other third-party information we receive, 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, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws. The California Consumer Privacy Act ("*CCPA*"), as amended by the California Privacy Rights Act, is the most stringent state privacy law. It 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 them, the right to request deletion of such personal information, the right to request to opt-out of certain sales of such personal information, the right to correct such personal information if it is inaccurate, the right to limit the use and disclosure of sensitive personal information collected about them, 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 enacted the UK General Data Protection Regulation and the Data Protection Act 2018 (which implements the GDPR into UK law); all of which 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, the Personal Information Protection and Electronic Documents Act ("*PIPEDA*"), and various provincial laws require companies to give detailed privacy notices to consumers; obtain consent to use personal information, with limited exceptions; allow individuals to access and correct their personal information; and report certain data breaches.

Any significant change to applicable privacy, data protection, and/or information security laws, regulations or industry practices 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 products or platform in certain jurisdictions or to certain customers. In addition, the export of our products and services 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 products or 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 products or platform by customers or in our decreased ability to offer our products or 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 and changes to trade policies, including tariff rates and customs duties, could adversely impact our business. Specifically, 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 based on the country of origin, and in response to the actions of the United States, other countries have imposed tariffs on products from the U.S. For example, the U.S. administration has imposed tariffs and proposed additional 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. In addition, the supply chain of our technology could be impacted by these actions, as we have global suppliers for parts of our hardware. 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 or other countries could have a material adverse effect on our business. To the extent our technology is deemed a matter of national security, or our gate-model technology advances to a level identified under export control laws, 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 our 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. 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, the nature of the U.S. business, and the foreign person and its level of interest or governance rights. 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) that pose a national security concern may be subject to CFIUS jurisdiction. CFIUS also has excepted investor rules and excepted foreign states, including Canada, exempting certain investments from certain investors from CFIUS jurisdiction. There are certain transactions that trigger mandatory CFIUS filings and others that are voluntary.

We have previously and in the future may enter into transactions that result in investments in our Common Shares 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 resulted in a covered control transaction presenting national security concern. Proposed transactions may also be reviewed, either at the request of the parties or upon CFIUS' demand. CFIUS may grant a safe harbor, propose mitigation or block an investment or require divestiture if it presents national security concerns that cannot be mitigated.

Risks Related to Our 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 us to lose our 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.

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 our continuing 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 company. We have hired additional employees to support our operations as a public company, and may be required to further expand our employee base, increasing our operating costs.

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 2, 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 continued to be listed and traded on the NYSE during the period allowed to regain compliance, subject to our compliance with other listing standards. On November 1, 2024, the NYSE notified us that we had regained compliance. This was the third time that we were notified of non-compliance with NYSE listing requirements due to the average closing price of our Common Shares falling below the $1.00 threshold. While we regained compliance with the NYSE listing requirements within the six-month window for recompliance on 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 would likely make it more difficult for us to raise capital on favorable terms in the future, would likely have a negative effect on the price of our securities and would impair our stockholders' ability to sell or purchase our securities when they 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 we fail to maintain an effective system of internal controls over financial reporting and disclosure controls and procedures, our ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely affected.

As a public company, we operate in a 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 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.

The process of building our accounting and financial functions and infrastructure as a public company 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 our previously reported and remediated material weaknesses referred to 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 identified material weaknesses in our internal controls over financial reporting in prior fiscal years. If we experience future material weaknesses or significant deficiencies in our internal controls over financial reporting, we may not be able to remedy such weaknesses or deficiencies in a timely manner and may fail to meet our financial reporting obligations.

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. The material weaknesses 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*"). We have implemented measures designed to improve our internal control over financial reporting to remediate future material 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.

As of December 31, 2024, the material weaknesses referred to above had been remediated, however, 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 market price of our Common Shares.

We incur increased costs as a result of our operation as a public company, and our management is required to devote substantial time and resources to employing new compliance initiatives in order to comply with the regulatory requirements applicable to public companies.

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private 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.

Information available in public media published by third parties, including blogs, articles, message boards and social and other media, may include statements about us or the quantum computing market or industry that are not attributable to us and may not be reliable or accurate.

We have received, and may continue to receive, a high degree of media coverage about us or the quantum computing market or industry that is published or otherwise disseminated by third parties, including blogs, articles, message boards and social and other media. This includes third party coverage that is not attributable to statements made by our officers or other authorized spokespersons, or that misrepresents statements made by our officers or other authorized spokespersons. Information provided by third parties may not be reliable or accurate and could materially impact the trading price of our Common Shares.

Risks Related to Ownership of the Common Shares

Our management has broad discretion in the use of our cash, cash equivalents and investments, and may invest or spend such amounts in ways with which you may not agree or in ways which may not yield a return.

Our management has considerable discretion in the application of our cash, cash equivalents and investments, and our stockholders do 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 our business, our stock price could decline. Pending their use, we may invest our cash, cash equivalents and investments in a manner that does not produce income or that loses value.

We may be required to take write-downs or write-offs, or may be subject to restructuring, impairment or other charges that could have a significant negative effect on our financial condition, results of operations and the price of our Common Shares, which could cause you to lose some or all of your investment.

As a result of factors outside of our control that may arise at any time, we may be forced to write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. 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 expectations. Even though these charges may be non-cash items and therefore not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all.

We may be subject to securities litigation, which is expensive and could divert management attention.

The price of our Common Shares has been and may continue to be volatile. For example, the reported sales prices of our Common Shares ranged from $3.74 to $46.75 per share in 2025. 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. We 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 our business, financial condition, and results of operations. Any adverse determination in litigation could also subject us to significant liabilities.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research about our business, the market price and trading volume of our Common Shares could decline.

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

- actual or anticipated fluctuations in its revenue or other operating metrics;
- changes in the financial guidance provided to the public or our failure to meet this guidance;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow us, or our 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 our industry;
- rumors and market speculation involving us or other companies in its industry;
- announcements by us or our 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 our 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 any contractual lock-up or market standoff agreements that may be in effect at a given time; and
- sales of additional Common Shares by us or our 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 reported sale prices of our Common Shares ranged from $3.74 to $46.75 per share in 2025. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, we could be subjected to substantial costs, resources and the attention of our management could be diverted from our business, and our business could be harmed.

Our Charter contains anti-takeover provisions that could adversely affect the rights of our stockholders.

Our Charter contains provisions to limit the ability of others to acquire control of us or cause us to engage in change-of-control transactions, including, among other things:

- provisions that authorize our board of directors, without action by our stockholders, to issue additional Common Shares and preferred stock with preferential rights determined by our board of directors;
- provisions that permit only a majority of our 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 supermajority vote to remove a director; and
- provisions requiring certain amendments to our governing documents to be made by a two-thirds supermajority 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 us in a tender offer or similar transaction.

Our 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 our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our Charter requires, to the fullest extent permitted by law, that, unless we consent in writing to the selection of an alternative forum, (a) any derivative action or proceeding brought on behalf of us; (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 ours to us or our stockholders; (c) any claim or cause of action against us or any current or former director, officer or other employee of ours, arising out of or pursuant to any provision of the DGCL, our Charter or 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 our Charter or our 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 us 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 us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in our Charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

Because we have no current plans to pay cash dividends on our Common Shares for the foreseeable future, you may not receive any return on investment unless you sell your Common Shares for a price greater than that which you paid for them.

We have not paid any dividends to our stockholders and have no intention to pay dividends on our Common Shares for the foreseeable future. Our 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, our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that our board of directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness that we or our subsidiaries incur. As a result, you may not receive any return on an investment in our Common Shares unless you sell your Common Shares for a price greater than that which you paid for them. 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. 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 Common Shares may decline.

If we do not meet the expectations of investors or securities analysts, the market price of our Common Shares may decline. In addition, fluctuations in the price of our Common Shares could contribute to the loss of all or part of your investment. The trading price of our Common Shares 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 Common Shares and our Common Shares may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our Common Shares may not recover and may experience a further decline.

Factors affecting the trading price of our Common Shares may include:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- 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 us or the industries in which we operate;
- operating and share price performance of other companies that investors deem comparable to us;
- our 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 us;
- changes in our 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, changes in interest rates and monetary policy, international currency fluctuations and acts of war or terrorism. See "—Risks Related to Our Business and Industry."

Broad market and industry factors may materially harm the market price of our Common Shares 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 Common Shares, may not be predictable. A loss of investor confidence in the market for quantum computing company stocks or the stocks of other companies which investors perceive to be similar to ours could depress our share price regardless of our business, prospects, financial condition or results of operations. A decline in the market price of our Common Shares also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

We no longer qualify as an "emerging growth company" or a "smaller reporting company" and, as a result, we will no longer be able to avail ourselves of certain reduced disclosure requirements applicable to emerging growth companies and smaller reporting companies.

From October 2022 until the end of 2025, we were an "emerging growth company," as defined in Section 2(a)(19) of the Securities Act, as modified by the JOBS Act. As such, we were eligible for and took advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies, including:

- the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act;
- the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards, as provided under Section 107 of the JOBS Act.

We ceased to qualify as an emerging growth company as of December 31, 2025, because the fifth anniversary of the date of the first sale of common equity securities pursuant to an effective Securities Act registration statement applicable to us occurred in October 2025. Although we will continue to be deemed a "non-accelerated filer" for filings due in 2026, and therefore exempt from the auditor attestation requirements with respect to internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act, we are no longer able to take advantage of various exemptions from reporting requirements that are available to emerging growth companies. When we are no longer eligible for an exemption from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, 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.

In addition, from October 2022 until the end of 2025, we were a “smaller reporting company,” as defined in Rule 12b-2 under the Exchange Act. Similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations, such as an ability to provide simplified executive compensation information and only two years of audited financial statements in an Annual Report on Form 10-K, with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure. Beginning with our Quarterly Report on Form 10-Q for the quarterly period ending March 31, 2026, we will be ineligible to take advantage of the scaled disclosures available to smaller reporting companies.

We expect that the loss of our emerging growth company and smaller reporting company statuses and compliance with various additional reporting requirements will increase our legal and financial compliance costs. If these additional reporting requirements divert the attention of our management and personnel from other business concerns, or if we fail to comply with these additional requirements in a timely manner, or at all, our business and results of operations could be harmed and the trading price of our Common Shares may decline.

Item 1B. Unresolved Staff Comments

Not Applicable.

Item 1C. Cybersecurity

Risk management and strategy

We have adopted certain policies and are continuously updating our policies and procedures to evaluate, identify, and handle material risks associated with cybersecurity threats to align with industry and regulatory expectations, including the U.S. Department of Defense's Cybersecurity Maturity Model Certification (CMMC) program. These protocols are integrated into a comprehensive risk register dedicated to our cloud-based platform and internal systems access. The register undergoes a review, at least annually, conducted by the internal information technology ("*IT*") department, overseeing cybersecurity protection for our on-premises systems, and the DevOps department, responsible for cybersecurity protection in the cloud, and is updated upon material changes, acquisitions, or significant threat activity.

We also conduct regular risk assessments to identify threats to our information security systems. These risk assessments include identification of reasonably foreseeable internal and external risks, the likelihood and potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, and safeguards in place to manage such risks. We assess the risks facing us after our controls are accounted for, and then determine mitigation measures for each such risk. Our risk management processes also assess third party risks, and we perform third-party risk management to identify and mitigate risks from third parties such as vendors, suppliers, and other business partners.

Following these risk assessments, we re-examine our systems and processes to ensure that reasonable safeguards are in place to minimize identified risks and address any issues that arise. Our Chief Information Security Officer works with management to continuously evaluate and address cybersecurity risks in alignment with our business objectives and operational needs.

As part of our overall risk management system, we monitor and test our safeguards and train our employees on these safeguards, in collaboration with IT and management. Personnel at all levels receive regular mandatory training on our cybersecurity policies and practices. Key safeguards include, but are not limited to, access controls, authentication, third-party security obligations, and other technical and organizational measures. In addition, we maintain policies and procedures for backups, business continuity, and disaster recovery, and regularly test our policies and procedures to ensure they allow for timely recovery and restoration of backups and the availability of critical resources.

We enlist third-party service providers to support us in conducting information security reviews of our infrastructure, and the evaluation of our company policies. These providers undertake comprehensive evaluations that delineate potential risks, categorized by criticality and associated level of effort. Subsequently, we undertake a meticulous examination of the risks to potentially recalibrate the likelihood of identified risks, taking into consideration the vulnerabilities unearthed by the third-party assessment. As noted above, this register is reviewed at least annually and updated upon material changes, acquisitions, or significant threat activity.

Depending on the type of services required, the sensitivity of the relevant IT systems and data, and the identity of the provider, our vendor management process may involve different levels of assessment designed to help identify cybersecurity risks associated with a provider and impose contractual obligations related to cybersecurity on the provider. We conduct due diligence prior to engaging a vendor to provide services and require the vendor to contractually commit to appropriate data protection measures, depending on the nature of the services provided. As part of the software request and vendor evaluation process, we ensure there is a secure method for transmitting data. This includes verifying that encryption is in place both in transit and at rest. Additionally, we require key vendors to provide a SOC 2 Type 2 report, which we review to confirm that security controls have been audited and validated. These measures help ensure that third-party vendors maintain appropriate safeguards for handling and sharing confidential information.

Upon identifying vulnerabilities, we commit to addressing them promptly, prioritizing based on their criticality. High-priority remediation efforts will be coordinated with the collaboration of Enterprise IT and DevOps teams to ensure swift and effective resolution. While our Leap quantum cloud system holds SOC 2 Type 2 compliance, it is noteworthy that the correlation extends to all our IT systems, even though they are not explicitly within the defined scope. As a result, these interconnected IT systems align with SOC 2 Type 2 standards. Similarly, our policies regarding cybersecurity and IT systems are relevant for SOC 2 Type 2 compliance, but also apply to everyone in the entire organization.

We have not currently identified any cybersecurity challenges that have materially impaired our operations or financial standing. For additional information regarding risks from cybersecurity threats, please refer to Item 1A, “Risk Factors,” in this Form 10-K.

Governance

Our board of directors addresses our cybersecurity risk management as part of its general oversight function. While the board of directors’ audit committee is responsible for overseeing management's risk assessment and risk management policies generally, to enhance oversight and governance in this area, the board of directors in 2025 established a standing committee that advises on cybersecurity matters and provides strategic guidance and direction for our cybersecurity program (the “*Cybersecurity Committee*”). The Cybersecurity Committee convenes as necessary to address critical or emerging cybersecurity concerns and to ensure alignment on approach. In the event of an incident, we have developed an incident response plan, which we are continuously updating and which sets forth the steps to be followed from incident detection and assessment to mitigation, recovery and notification and reporting, including notifying functional areas (e.g. legal), as well as senior leadership and the Board, as appropriate. The incident response plan includes escalation thresholds, decision authorities, and post-incident review processes.

Our Chief Information Security Officer, who is primarily responsible for managing our cybersecurity risks, mitigation strategies and responses to any such issues that may arise, collaborates with the Cybersecurity Committee and reports to the entire Board on a quarterly basis, or more frequently as needed. Our Chief Information Security Officer oversees our IT department and has extensive experience in managing IT organizations and securing cybersecurity insurance coverages, which we currently maintain. Our Chief Information Security Officer drives our strategic IT initiatives and cybersecurity risk assessments, drawing upon over two decades of enterprise technology management expertise.

Our Chief Information Security Officer oversees our cybersecurity policies and processes, including those described above. Our overall risks and assessments are monitored by a cross-functional team composed of members of senior management and the security, legal, information technology and financial reporting departments, which evaluates risks associated with assets such as infrastructure, software, people, processes, and data. A partnership exists between these aforementioned individuals and departments so that identified issues are addressed in a timely manner and incidents are escalated to the appropriate parties as required. Our incident response plan, which includes escalation thresholds, decision authorities, and post-incident review processes, is tested and adjusted regularly or in response to a particular incident or significant threats where appropriate.

Item 2. Properties

We operate four facilities in North America. Our Canadian operations and the Quantum Engineering Center of Excellence is located in Burnaby, British Columbia, outside of Vancouver, where we lease approximately 42,000 square feet of space under an agreement that expires in December 2033. Most of the facility is used for research and development and manufacturing. We also lease approximately 7,000 square feet of space in Richmond, British Columbia, outside of Vancouver, under an agreement that expires in December 2028. That facility is used to develop and manufacture proprietary superconducting circuit boards for internal consumption, and for customer sales. As of February 2026, we also lease approximately 18,000 square feet of space for our gate-model focused research and development center in New Haven, Connecticut.

Our in-house fabrication activities are performed in a facility in Palo Alto, California, where we lease approximately 6,000 square feet of space under an agreement that expires in June 2027. However, we plan to transition our corporate headquarters before the end of 2026 from Palo Alto, California to Boca Raton, Florida, and open a key U.S. R&D facility in Boca Raton, under a new lease agreement.

We believe our current and planned facilities are adequate for the foreseeable future.

Item 3. Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of business. There are currently no pending or threatened legal proceedings or claims against us that, in our opinion, are likely to have a material adverse effect on our business, operating results, financial condition or cash flows. Defending such proceedings is costly and can impose a significant burden on management and team members. The results of any future litigation cannot be predicted with certainty, but regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Common Shares began trading on the NYSE under the symbol "QBTS" on August 8, 2022. Prior to that, there was no public trading market for our Common Shares.

Holders of Record

On February 25, 2026, the last reported sale price of the Common Shares was $19.65. As of February 25, 2026, there were approximately 132 holders of record of our Common Shares and approximately 15 holders of record of our Exchangeable Shares. Such numbers do not include beneficial owners holding our securities through nominee names.

Dividend Policy

We have never declared or paid any cash dividends on our Common Shares to our stockholders and we do not currently intend to pay any cash dividends on our Common Shares for the foreseeable future. We currently intend to retain all available funds and any future earnings to support operations and to finance the growth and development of our business. Any future determination to pay dividends will be made at the discretion of our board of directors, subject to applicable laws and will depend upon, among other factors, our results of operations, financial condition, contractual restrictions and capital requirements.

Equity Compensation Plan Information

Information required by Item 5(a) of Form 10-K regarding our equity compensation plans to be contained in the Proxy Statement (as defined below).

Stock Performance Graph

Not applicable to Smaller Reporting Companies.

Recent Sales of Unregistered Securities

On August 1, 2025, we issued ten-year warrants to purchase an aggregate of 21,563 Common Shares at an exercise price of $16.05 per share, equal to $337,909 of value or 2.4% of the total conditional commitment of $13.8 million, to the lender under the Equipment Financing Agreement. We relied on exemptions from registration under the Securities Act provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the Securities Act with respect to the issuance of such warrants.

There were no other unregistered sales of equity securities which have not been previously disclosed in a Quarterly Report on Form 10-Q or a Current Report on Form 8-K during the fiscal year ended December 31, 2025.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with the consolidated financial statements and related notes included elsewhere in this Form 10-K. The following discussion contains forward-looking statements based upon current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those risk factors applicable to D-Wave and its business referenced under the section titled "Risk Factors" elsewhere in this Form 10-K. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. In this section, unless otherwise specified, the terms "we", "our", "us", D-Wave" or the "Company" refer to D-Wave Quantum Inc. and its subsidiaries following the Closing while "D-Wave Systems" refers to D-Wave Systems Inc. prior to the Closing. All other capitalized terms have the meanings ascribed thereto elsewhere in this Form 10-K. All dollar amounts are expressed in thousands of United States dollars ("$"), unless otherwise indicated.

Overview

We are focused on the development and delivery of quantum computing systems, software, and services. We are the world's first commercial supplier of quantum computers, and the first to offer dual-platform quantum computing products and services, spanning both annealing and gate-model quantum computing technologies. Our superconducting quantum computers provide sub-second response times and can be deployed on-premises or accessed through our Leap quantum cloud service, which offers 99.9% availability and uptime. Customers apply our technology to address use cases spanning optimization, artificial intelligence, research and more. Our current sixth-generation annealing quantum computing system is named Advantage2.

Our business model is focused on generating revenue from providing customers access to our quantum computing systems via the cloud in the form of quantum computing as a service ("*QCaaS*") products, from providing professional services wherein we assist our customers in identifying and implementing quantum computing applications, as well as selling our quantum computer systems to customers. We have four operating facilities, which we lease, in North America. These facilities are located in Burnaby, British Columbia, Richmond, British Columbia, Palo Alto, California, and New Haven, Connecticut. In addition, we plan to transition our corporate headquarters before the end of 2026 from Palo Alto, California to Boca Raton, Florida, and open a key U.S. R&D facility in Boca Raton, Florida under a new lease agreement.

During the years ended December 31, 2025 and 2024, we generated revenue totaling $24.6 million and $8.8 million, respectively. We have incurred significant operating losses since inception. For the years ended December 31, 2025 and 2024, our operating losses were $100.4 million and $77.2 million, respectively, and our net losses were $355.1 million and $143.9 million, respectively. The differences between operating and net losses were principally due to $270.5 million and $68.2 million, respectively, of mark-to-market charges related to the value of our publicly traded warrants. We expect to continue to incur significant losses for the foreseeable future as we continue to invest in a number of research and development programs as well as a variety of go-to-market initiatives. As of December 31, 2025, we had an accumulated deficit of $982.0 million.

Macroeconomic Environment

Unfavorable conditions in the economy in the United States, Canada and abroad, including conditions resulting from changes in inflationary pressure, gross domestic product growth, financial and credit market fluctuations, banking collapses and related uncertainty, international trade relations, political turmoil, natural catastrophes, outbreaks of contagious diseases, warfare and terrorist attacks on the United States, Europe or elsewhere, including military actions affecting Russia, Ukraine, Israel, Venezuela, the Middle East, or elsewhere, could cause a decrease in business investments in our products and negatively affect the growth of our business and our results of operations. However, to date, these unfavorable conditions have not affected our business.

On July 4, 2025, the One Big Beautiful Bill Act ("*OBBBA*") was enacted, which includes permanent extensions of most expiring Tax Cuts and Jobs Act provisions and international tax changes. The Company has assessed the provisions of the OBBBA and determined that the tax changes will not have a material effect on its financial statements for the 2025 fiscal year and are not expected to have a material effect on its financial statements for future periods.

Key Components of Results of Operations

Revenue

We currently generate our revenue through subscription sales to access our QCaaS cloud platform, professional services related to the development and implementation of quantum computing applications and delivery of quantum computing application training. The Company also sells its superconducting annealing quantum computer systems to customers. QCaaS revenue is recognized on a ratable basis over the contract term, which generally ranges from one month to two years. Professional services revenue is recognized over time on a percentage of completion basis using the costs incurred input measure of progress.

Revenue from quantum computing system sales is recognized over time during the installation period using an input method, with progress measured based on costs incurred to date relative to total estimated costs, as the Company concludes that the criteria for over-time revenue recognition under ASC 606 are met. Revenue from system upgrade projects is also recognized over time using an input method, measuring progress based on costs incurred to date relative to total estimated costs. This approach is applied to system sales and upgrade projects that span multiple reporting periods and meet the criteria for over-time revenue recognition in accordance with ASC 606. Both revenue from quantum computing system sales and revenue from system upgrade projects are classified within system sales in our financial statements.

While we expect that QCaaS revenue would increase both in dollar terms and as a share of total revenue (excluding system sales), as of the end of the period covered by this Form 10-K, professional services revenue has grown more rapidly—both in dollar terms and as a share of total revenue (excluding system sales). This increase reflects our continued efforts to promote our QCaaS cloud platform by supporting customers through the development and deployment of quantum applications. Customers often engage with our professional service team to gain the knowledge and support needed to effectively use our QCaaS cloud platform. We continue to view professional services as a strategic enabler for long-term QCaaS growth. Meanwhile, quantum computing system revenue may impact our overall product mix in periods when recognized, although this revenue is expected to remain irregular and intermittent.

Cost of Revenue

Our cost of revenue consists of all direct and indirect expenses related to providing our QCaaS offering and delivering our professional services, such as personnel-related expenses, including stock-based compensation, costs associated with maintaining the cloud platform on which we provide the QCaaS product and depreciation and amortization related to our quantum computing systems and related software.

Cost of revenue for quantum computing systems includes direct manufacturing costs, such as materials and labor for system production, as well as expenses related to installation, maintenance, and support. Additionally, it includes shipping and handling costs associated with delivering the systems. These costs are also expensed as incurred.

We expect our total cost of revenue to trend upward in absolute dollars in future periods, corresponding to our anticipated growth in revenue and the higher costs that are necessary to support our customers, maintain the QCaaS cloud offering, operate our quantum computing systems, and deliver our professional services. Over the long term, as QCaaS becomes a larger component of our revenue mix, we expect gross margin to improve, reflecting the lower delivery costs of QCaaS relative to professional services.

Operating Expenses

Our operating expenses consist of research and development, general and administrative, and sales and marketing expenses.

Research and Development

Research and development expenses consist primarily of personnel-related expenses, including salaries, benefits and stock-based compensation for personnel, fabrication costs, lab supplies, and cloud computing resources and allocated facility costs for our research and development functions. Unlike a standard computer, design and development efforts continue throughout the useful life of our quantum computing systems to ensure proper calibration and optimal functionality. Research and development expenses also include purchased hardware components, fabrication and software costs related to quantum computing systems constructed for research purposes that do not have a high probability of providing near-term future economic benefits, and may have no alternate future use. We currently do not capitalize any research and development expenses.

We expect our research and development expenses will trend upward on an absolute dollar basis for the foreseeable future as we continue to invest in research and development efforts to enhance the performance of our annealing quantum computers, further develop our gate-model quantum computer, advance our superconducting bump bond process, upgrade our printed circuit board packaging manufacturing, and broaden the functionality and improve the reliability, availability and scalability of our QCaaS cloud platform. If in the future we receive government grants and research incentives, which have historically offset a portion of research and development costs, these costs could decrease in absolute dollars. Also, non-cash stock-based compensation expenses may cause upward and downward fluctuations in these costs from time to time.

General and Administrative

General and administrative expenses consist primarily of personnel-related expenses, including salaries, benefits and stock-based compensation for personnel and outside professional services expenses including legal, audit and accounting services, insurance, other administrative expenses and allocated facility costs for our administrative functions.

We expect our general and administrative expenses to increase in absolute dollars for the foreseeable future as we continue to invest in more comprehensive compliance and governance functions, increased IT security and compliance, and expanded internal controls over financial reporting in accordance with the Sarbanes-Oxley Act. However, non-cash stock-based compensation expenses may cause upward and downward fluctuations in these costs from time to time.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel-related expenses, including salaries, benefits and stock-based compensation for personnel, direct advertising, marketing and promotional material costs, sales commission expense, consulting fees and allocated facility costs for our sales and marketing functions. We intend to continue to make significant investments in our sales and marketing organization to drive additional revenue, expand our global customer base, and broaden our brand awareness. We expect our sales and marketing expenses to continue to increase in absolute dollars for the foreseeable future. However, non-cash stock-based compensation expenses may cause upward and downward fluctuations in these costs from time to time.

Results of Operations

Comparison of the Year Ended December 31, 2025 and 2024

The following table sets forth our results of operations for the periods indicated (in thousands):

(In thousands, except share and per share data)	Year Ended December 31, 2025	Year Ended December 31, 2024	Variance Amount	Variance %
Revenue	$ 24,587	$ 8,827	$ 15,760	179 %
Cost of revenue	4,281	3,264	1,017	31 %
Total gross profit	20,306	5,563	14,743	265 %
Operating expenses:				
Research and development	50,734	35,300	15,434	44 %
General and administrative	41,186	32,422	8,764	27 %
Sales and marketing	28,754	15,064	13,690	91 %
Total operating expenses	120,674	82,786	37,888	46 %
Loss from operations	(100,368)	(77,223)	(23,145)	30 %
Other income (expense), net:				
Interest income	24,115	1,738	22,377	1,288 %
Interest expense	(4,013)	(3,897)	(116)	3 %
Change in fair value of Term Loan	—	(645)	645	(100)%
Gain (loss) on investment in marketable securities, net	(159)	1,495	(1,654)	(111)%
Change in fair value of warrant liabilities	(270,540)	(68,245)	(202,295)	296 %
Other income (expense), net	(4,097)	2,898	(6,995)	(241)%
Total other income (expense), net	(254,694)	(66,656)	(188,038)	282 %
Net loss	$ (355,062)	$ (143,879)	$ (211,183)	147 %
Foreign currency translation adjustment	1,335	7	1,328	18,971 %
Net comprehensive loss	$ (353,573)	$ (143,872)	$ (209,701)	146 %

Revenue

Revenue increased by $15.8 million, or 179%, to $24.6 million for the year ended December 31, 2025 as compared to $8.8 million for the year ended December 31, 2024. The increase was primarily driven by system sales of $16.2 million and an increase in professional service revenue of $0.8 million, partially offset by a decrease in QCaaS revenue of $1.2 million.

Cost of Revenue

Cost of revenue increased by $1.0 million, or 31%, to $4.3 million for the year ended December 31, 2025 as compared to $3.3 million for the year ended December 31, 2024. The increase in cost of revenue was primarily due to an increase in infrastructure costs of $0.5 million and system sales-related costs of $0.4 million.

Operating Expenses

Research and Development Expenses

Research and development expenses increased by $15.4 million, or 44%, to $50.7 million for the year ended December 31, 2025 compared to $35.3 million for the year ended December 31, 2024. The increase was primarily driven by an increase in fabrication costs of $5.7 million, personnel costs of $5.3 million and stock-based compensation expense of $2.8 million.

General and Administrative Expenses

General and administrative expenses increased by $8.8 million, or 27%, to $41.2 million for the year ended December 31, 2025 as compared to $32.4 million for the year ended December 31, 2024. The increase was primarily driven by increases in personnel expenses of $4.5 million, professional fees of $4.1 million and stock-based compensation expense of $1.9 million, partially offset by a decrease in bad debt expenses of $2.3 million, due primarily to a $1.3 million credit loss recorded in 2024, compared to a $1.0 million recovery of the Zapata Note recorded in 2025 (as defined in *Note 5 - Balance sheet details* to the accompanying consolidated financial statements) (see *Note 5 - Balance sheet details* to the accompanying consolidated financial statements).

Sales and Marketing Expenses

Sales and marketing expenses increased by $13.7 million, or 91%, to $28.8 million for the year ended December 31, 2025 as compared to $15.1 million for the year ended December 31, 2024. The increase was primarily driven by increases in personnel costs of $7.2 million, marketing expenses of $2.9 million and stock-based compensation expense of $2.2 million.

Other Income (Expense), net

Interest income

Interest income increased by $22.4 million, or 1,288%, to $24.1 million for the year ended December 31, 2025 as compared to $1.7 million for the year ended December 31, 2024. The increase was driven primarily by interest earned on higher cash and cash equivalent balances and the Company’s investment in short-term government debt.

Interest Expense

Interest expense increased by $0.1 million, or 3%, to $4.0 million for the year ended December 31, 2025 as compared to $3.9 million for the year ended December 31, 2024.

Change in fair value of Term Loan

Change in fair value of Term Loan was zero for the year ended December 31, 2025 as compared to $0.6 million for the year ended December 31, 2024. On April 13, 2023, the Company entered into a Term Loan with PSPIB Unitas Investments II Inc. ("*PSPIB*"). The Company opted for the fair value option for accounting for the Term Loan (see *Note 2 - Basis of Presentation and Summary of Significant Accounting Policies* to the accompanying consolidated financial statements). Changes in the fair value of the Term Loan, excluding changes due to the Company's own credit risk, were recorded as gains or losses in the Company’s consolidated statements of operations and comprehensive loss in each reporting period. The fair value of the Term Loan varied primarily based on the market yield rate, market yield volatility and the probabilities of various settlement scenarios. The Company fully repaid and extinguished the Term Loan on October 22, 2024; as a result, no fair value change was recorded for the year ended December 31, 2025.

Gain (loss) on investment in marketable securities, net

Gain (loss) on investment in marketable securities, net was a loss of $0.2 million for the year ended December 31, 2025 as compared to a gain of $1.5 million for the year ended December 31, 2024. The loss for the year ended December 31, 2025 was attributable to an impairment charge of $1.0 million recognized with respect to one of the Company's investees, offset by a gain of $0.8 million related to the achievement of an earnout provision by one of the Company's former investees that had been acquired. Under the earnout provision, the Company received additional cash and stock consideration related to its interest in the acquired former investee (see *Note 5 - Balance sheet details* to the accompanying consolidated financial statements). There was no similar activity for the year ended December 31, 2024.

On January 5, 2024, the same former investee of the Company was acquired for a combination of cash and stock in an observable orderly transaction. Consequently, the carrying value of the Company's investment was adjusted based on the consideration received, resulting in a net gain of $1.7 million, partially offset by a loss associated with the fair value of the conversion feature of the Zapata Note. There was no similar activity for the year ended December 31, 2025.

Change in fair value of warrant liabilities

The change in fair value of warrant liabilities was an increase of $270.5 million for the year ended December 31, 2025 as compared to an increase of $68.2 million for the year ended December 31, 2024. The fair value of the warrant liabilities varied primarily with the trading price of the Public Warrants, which were listed on the New York Stock Exchange (see *Note 2 - Basis of Presentation and Summary of Significant Accounting Policies* and *Note 11 - Warrant Liabilities* to the accompanying consolidated financial statements). The trading price of the Public Warrants increased during the year ended December 31, 2025, generally in line with the appreciation of the trading price of the Common Shares, resulting in a corresponding increase in the fair value of the warrant liabilities. The Company had no Public Warrants outstanding following the redemption of the remaining 270,820 Public Warrants on November 19, 2025 pursuant to the Warrant Agreement.

Other income (expense), net

Other income (expense), net decreased by $7.0 million or 241%, to a net other expense of $4.1 million for the year ended December 31, 2025 as compared to a net other income of $2.9 million for the year ended December 31, 2024. The decrease was primarily driven by the impact of net foreign exchange loss of $6.9 million driven by depreciation of the U.S. Dollar against certain foreign currencies.

Liquidity and Capital Resources

Lincoln Park Purchase Agreement

In conjunction with the Merger with DPCM, the Company and D-Wave Systems entered into a purchase agreement with Lincoln Park Capital Fund, LLC ("*Lincoln Park*") on June 16, 2022 (the "*Purchase Agreement*") which provided D-Wave the sole right, but not the obligation, to direct Lincoln Park to buy specified dollar amounts up to $150 million of Common Shares through November 1, 2025. The Purchase Agreement provided the Company with additional liquidity to fund the business, subject to the conditions set forth in the agreement, including volume limitations tied to periodic market prices, ownership limitations restricting Lincoln Park from owning more than 9.9% of the then total outstanding Common Shares and a floor price of $1.00 at or below which the Company could not sell any Common Shares to Lincoln Park. For Common Shares sold by the Company to Lincoln Park, Lincoln Park may resell all, some, or none of those Common Shares at any time or from time to time in its sole discretion. In order for the Company to issue Common Shares under the Purchase Agreement, the Company's share price was required to be above the floor price of $1.00. During the year ended December 31, 2025, the Company issued 3,873,113 Common Shares to Lincoln Park under the Purchase Agreement, resulting in $37.8 million of net proceeds. As of December 31, 2025, D-Wave had completed 100% of the issuances available under the Purchase Agreement.

At-the-Market Offerings

On May 24, 2024, the Company entered into an at-the-market sales agreement (the "*$100M ATM*") with Needham & Company, LLC, B. Riley Securities, Inc., and Roth Capital Partners, LLC (the "*$100M ATM Agents*"). Under this agreement, the Company could sell Common Shares with an aggregate offering price of up to $100.0 million through or to the $100M ATM Agents. During the year ended December 31, 2024, the Company received $97.2 million in net proceeds through the issuance of 49,812,287 Common Shares. As of December 31, 2025, D-Wave had completed 100% of the issuances available under the $100M ATM.

On December 9, 2024, the Company entered into its second at-the-market sales agreement (the "*$75M ATM*"), with Needham & Company, LLC, Roth Capital Partners, LLC, B. Riley Securities, Inc., and Craig-Hallum Capital Group, LLC (the "*$75M ATM Agents*"). Under this agreement, the Company could sell Common Shares with an aggregate offering price of up to $75.0 million through or to the $75M ATM Agents. During the year ended December 31, 2024, the Company received $72.9 million in net proceeds through the issuance of 15,576,628 Common Shares. As of December 31, 2025, D-Wave had completed 100% of the issuances available under the $75M ATM.

On January 10, 2025, the Company entered into its third at-the-market sales agreement (the "*$150M ATM*"), with Needham & Company, LLC, Stifel, Nicolaus & Company, Incorporated, B. Riley Securities, Inc., Roth Capital Partners, LLC, The Benchmark Company, LLC, and Craig-Hallum Capital Group, LLC (the "*$150M ATM Agents*"). Under this agreement, the Company could sell Common Shares with an aggregate offering price of up to $150.0 million through or to the $150M ATM Agents. During the three months ended March 31, 2025, the Company received $146.1 million in net proceeds through the issuance of 24,604,021 Common Shares. As of December 31, 2025, D-Wave had completed 100% of the issuances available under the $150M ATM.

On June 10, 2025, the Company entered into its fourth at-the-market sales agreement (the "*$400M ATM*"), with Needham & Company, LLC, Evercore Group L.L.C., TD Securities (USA) LLC, Canaccord Genuity LLC, Mizuho Securities USA LLC, Piper Sandler & Co., Craig-Hallum Capital Group LLC and Rosenblatt Securities Inc. (collectively, the "*$400M ATM Agents*"). Under this agreement, the Company could sell Common Shares with an aggregate offering price of up to $400.0 million through or to the $400M ATM Agents. During the three months ended June 30, 2025, the Company received $390.6 million in net proceeds through the issuance of 26,344,831 Common Shares. As of December 31, 2025, D-Wave had completed 100% of the issuances available under the $400M ATM.

Sales under these agreements are classified as "at-the-market" equity offerings under Rule 415(a)(4) of the Securities Act and may be conducted on the NYSE or other trading platforms. The $100M ATM Agents, $75M ATM Agents, $150M ATM Agents and $400M ATM Agents (collectively, the "*Agents*") used commercially reasonable efforts to sell Common Shares based on the Company's instructions. The compensation to the Agents was up to 3.0% of the gross sales price, along with expense reimbursements. The Company also agreed to provide indemnification against certain liabilities under the Securities Act.

The Company was not obligated to sell Common Shares under any of these sales agreements. Each agreement could have been terminated by: (a) the election of the applicable Agents upon the occurrence of certain adverse events, (b) five business days' advance notice from the Company to the applicable Agents or five days' advance notice from any of the applicable Agents to the Company or (c) otherwise by mutual agreement of the parties pursuant to the terms of the applicable sales agreement.

Warrant Exercises

During the year ended December 31, 2025, 17,645,147 Public Warrants were exercised by holders in accordance with the Warrant Agreement. As a result of these exercises, during the year ended December 31, 2025, the Company issued 25,658,383 Common Shares. In connection with the exercises, during the year ended December 31, 2025, the Company received cash proceeds of $202.9 million. The Company had no Public Warrants outstanding following the redemption of the remaining 270,820 Public Warrants on November 19, 2025 pursuant to the Warrant Agreement.

Repayment of the Term Loan

The Term Loan, outlined in *Note 8 - Loans payable, net* to the consolidated financial statements, provided for $50.0 million in three tranches, subject to certain terms and conditions. The Company drew down two tranches totaling $30.0 million and, on October 22, 2024, the Company had prepaid the entire Term Loan, including $30.0 million in principal and $4.3 million in accrued payable in kind interest.

Equipment Financing Agreement

On August 1, 2025, we entered into an equipment financing agreement that provides a conditional commitment of $13.8 million to finance certain capital equipment purchases. Refer to *Note 8 - Loans payable, net* to the consolidated financial statements for full details.

This financing arrangement strengthens our liquidity position and provides flexible, long-term capital to support equipment purchases while minimizing near-term dilution.

Cash Flows

The following table sets forth our cash flows for the periods indicated (in thousands):

	Year Ended December 31,	
	2025	2024
Net cash provided by (used in):		
Operating Activities	$ (71,982)	$ (42,643)
Investing Activities	(251,135)	(3,141)
Financing Activities	779,149	182,450
Effect of exchange rate changes on cash and cash equivalents	1,335	7
Net increase in cash and cash equivalents	$ 457,367	$ 136,673

Cash Flows Used in Operating Activities

Our cash flows from operating activities are significantly affected by the growth of our business, and are primarily related to research and development, sales and marketing and general and administrative activities. Our operating cash flows are also affected by our working capital needs to support growth in personnel-related expenditures and fluctuations in accounts payable, accounts receivable and other current assets and liabilities.

For the year ended December 31, 2025, net cash used in operating activities was $72.0 million, an increase of $29.3 million from $42.6 million for the year ended December 31, 2024. The change is primarily due to an increase in net loss of $211.2 million and an increase in cash absorbed by working capital of $35.5 million (primarily related to recognition of deferred revenue), offset by an increase in noncash items added back to net loss of $217.4 million. The increase in noncash items was primarily due to an increase in change in fair value of warrant liabilities of $202.3 million, an increase in stock-based compensation of $7.0 million, an increase in non-cash interest expense of $5.4 million and an increase in unrealized foreign exchange loss of $5.1 million, partially offset by an increase in non-cash interest income of $3.9 million. The increase in cash absorbed by working capital was primarily driven by a decreased change in deferred revenue of $32.6 million, an increased change in other non-current assets, net of $2.6 million and an increased change in inventories of $2.2 million, partially offset by an increased change in accrued expenses and other current liabilities of $1.4 million and a decreased change in prepaid expenses and other current assets of $1.0 million.

Cash Flows Used in Investing Activities

Net cash used in investing activities during the year ended December 31, 2025 was $251.1 million, an increase of $248.0 million from $3.1 million for the year ended December 31, 2024. The increase primarily reflects purchases of marketable debt securities of $247.8 million during the year ended December 31, 2025, which did not occur during the year ended December 31, 2024.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities during the year ended December 31, 2025 was $779.1 million, an increase of $596.7 million from $182.5 million for the year ended December 31, 2024. The increase is primarily due to an increase in proceeds from the issuance of Common Shares pursuant to at-the-market offerings of $366.8 million, an increase in proceeds from issuance of Common Shares upon exercise of Warrants of $202.9 million, the non-recurrence of $30.0 million in debt repayments related to the Term Loan and an increase in proceeds from the issuance of Common Shares upon exercise of stock options of $10.1 million, partially offset by a decrease in proceeds from the issuance of Common Shares pursuant to the Purchase Agreement with Lincoln Park of $6.5 million.

Contractual Obligations and Commitments

The Company has various operating leases of real estate and equipment. See *Note 9 - Leases* to the accompanying consolidated financial statements for further discussion of the nature and timing of cash obligations due under these leases.

Critical Accounting Estimates

Our consolidated financial statements included in this Form 10-K have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. We also make estimates and assumptions that affect the reported amounts and related disclosures for the periods presented. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ significantly. Additionally, changes in assumptions, estimates or assessments due to unforeseen events or otherwise could have a material impact on our financial position or results of operations.

The critical accounting estimates, assumptions and judgments we believe to have the most significant impact on our audited annual consolidated financial statements are described below. See *Note 2 - Basis of Presentation and Summary of Significant Accounting Policies* to the audited consolidated financial statements included elsewhere in this Form 10-K for additional information related to critical accounting estimates and significant accounting policies.

Revenue recognition

We recognize revenue from the sale of our services and products. Our contracts with customers often include multiple performance obligations. Our performance obligations are as follows:

- Subscription sales to access our QCaaS cloud platform;
- Professional services related to the development and implementation of quantum computing applications;
- Quantum computing systems;
- Quantum computing application training;
- Application support and maintenance; and
- Printed circuit boards.

Our contracts with customers may include renewals or other options at fixed prices, which typically do not represent a significant discount. Based on our assessment of standalone selling prices, we determined that there were no significant material rights provided to our customers requiring separate recognition.

When we determine that our contracts with customers contain multiple performance obligations, for these arrangements, we allocate the transaction price based on the relative standalone selling price ("*SSP*") method by comparing the SSP of each distinct performance obligation to the total value of the contract. We use the SSP for products and services sold together in a contract to determine whether there is variable consideration (e.g. discount) to be allocated based on the relative SSP of the various products and services. In instances where SSP is not directly observable, such as when we do not sell the product or service separately, we determine the SSP by considering overall pricing objectives and market conditions, including cost plus a reasonable margin. Significant pricing practices taken into consideration include our discounting practices, the customer demographic, price lists, our go-to-market strategy, historical and current sales and contract prices. In instances where we do not sell or price a product or service separately, we maximize the use of observable inputs by using information that may include market conditions.

Sales of future revenues

On November 20, 2020, the Company entered into an agreement with the Canada Strategic Innovation Fund ("*SIF*"), wherein SIF committed to providing a conditionally repayable loan to the Company in the amount of up to C$40.0 million (the "*SIF Loan*"). The SIF Loan is conditionally repayable according to a revenue-based formula. See *Note 8 - Loans payable, net* to the audited consolidated financial statements included elsewhere in this Form 10-K for additional information concerning the SIF Loan.

The accounting treatment for the SIF Loan considers the "sale of future revenues" guidance outlined in ASC 470-10-25. The debt arising from the SIF Loan was recorded at face value and will be amortized using the effective interest method, leading to the accrual of interest expenses over the estimated term of the SIF Loan. The amortization schedule is based on projected cash flows derived from the Company's long-term revenue forecast. Subsequent changes in forecasted cash flows will be accounted for under the catch-up method, which entails adjusting the accrued interest portion of the principal balance through earnings to reflect the effective interest rate. The liability is classified as non-current, as the current forecast indicates that repayments will not commence within the 12 months following the balance sheet date.

As the SIF Loan is originated through a government program, a market rate of interest is not imputed in accordance with the scope limitations of ASC 835.

Recently Issued and Adopted Accounting Standards

A discussion of recent accounting pronouncements is included in *Note 2 - Basis of Presentation and Summary of Significant Accounting Policies* to our audited consolidated financial statements included elsewhere in this Form 10-K.

JOBS Act Accounting Election

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” may take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards, delaying the adoption of certain accounting standards until those standards would otherwise apply to private companies. We qualified as an emerging growth company from October 2022 through December 31, 2025, and irrevocably elected to avail ourselves of this extended transition period during that time period. As a result, from October 2022 through December 31, 2025, we did not adopt new or revised accounting standards on the relevant dates on which adoption of such standards was required for other public companies. In addition, as an emerging growth company from October 2022 through December 31, 2025, we were permitted to take advantage of, and availed ourselves of, certain reduced disclosure and other requirements otherwise applicable generally to public companies.

We ceased to qualify as an emerging growth company as of December 31, 2025, because the fifth anniversary of the date of the first sale of common equity securities pursuant to an effective Securities Act registration statement applicable to us occurred in October 2025. Although we will continue to be deemed a "non-accelerated filer" for SEC filings due in 2026, and therefore exempt from the auditor attestation requirements with respect to internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act, we are no longer able to take advantage of various exemptions from reporting requirements that are available to emerging growth companies.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable to Smaller Reporting Companies.

Item 8. Financial Statements and Supplementary Data

Reference is made to the financial statements, the notes thereto, and the report thereon, commencing on page 109 of this report, which financial statements, notes, and report are incorporated herein by reference.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Annual Report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2025, our disclosure controls and procedures were effective in providing reasonable assurance that information required to be disclosed in our reports filed under the Exchange Act was recorded, processed, summarized and reported within the time periods prescribed by SEC rules and regulations, and that such information was accumulated and communicated to our management to allow timely decisions regarding required disclosure. Accordingly, we believe that the consolidated financial statements included in this Annual Report do fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. We conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on our evaluation, we have concluded that our internal control over financial reporting was effective as of December 31, 2025.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act), during the year ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Securities Trading Plans of Directors and Executive Officers

From time to time, some of the Company's directors or executive officers may determine that it is advisable to diversify their investments for personal financial planning reasons or may seek liquidity for other reasons and may sell Common Shares of the Company. To effect such sales, from time to time, some of the Company's directors or executive officers may enter into trading plans that are designed to comply with the Company's Amended and Restated Securities Trading Policy and intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act.

During the fourth quarter ended December 31, 2025, the following director of the Company adopted a "Rule 10b5-1 trading arrangement", as such term is defined under Item 408 of Regulation S-K:

Name and Title of Director or Executive Officer	Date of Adoption	Expiration Date of Trading Arrangement[1]	Aggregate Number of Securities to be Sold
Kirstjen Nielsen, Director	December 17, 2025	December 15, 2026	Up to 6,000 Common Shares

[1] The trading arrangement may end earlier if all transactions under the trading arrangement are completed prior to the expiration date.

During the fourth quarter ended December 31, 2025, none of the Company's other directors or executive officers adopted a "Rule 10b5-1 trading arrangement", and none of the Company's directors or executive officers modified or terminated a "Rule 10b5-1 trading arrangement" or adopted, modified, or terminated a "non-Rule 10b5-1 trading arrangement", as such terms are defined under Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Certain information required by Part III is omitted from this report because we will file with the SEC a definitive proxy statement pursuant to Regulation 14A (the "*Proxy Statement*"), no later than 120 days after the end of our fiscal year, and certain information included therein is incorporated herein by reference.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be contained in the Proxy Statement and is incorporated in this Annual Report on Form 10-K by reference.

Item 11. Executive Compensation

The information required by this item will be contained in the Proxy Statement and is incorporated in this Annual Report on Form 10-K by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be contained in the Proxy Statement and is incorporated in this Annual Report on Form 10-K by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item will be contained in the Proxy Statement and is incorporated in this Annual Report on Form 10-K by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item will be contained in the Proxy Statement and is incorporated in this Annual Report on Form 10-K by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements and Financial Statement Schedules

(1) **Financial Statements.** Financial Statements are listed in the Index to Consolidated Financial Statements on page F-1 of this report.

(2) **Financial Statement Schedules.** No financial statement schedules are included because such schedules are not applicable, are not required, or because required information is included in the consolidated financial statements or notes thereto.

(3) **Exhibits.** See Item 15(b) below.

(b) Exhibits

Exhibit No.	Description	Incorporated by Reference Exhibits			
		Filer	Form	Exhibit	Filing Date
2.1	Transaction Agreement, dated February 7, 2022, by and among DPCM Capital, Inc., D-Wave Quantum Inc., DWSI Holdings Inc., DWSI Canada Holdings ULC, D-Wave Quantum Technologies Inc. and D-Wave Systems Inc.	D-Wave Quantum Inc.	S-4	2.1	March 15, 2022
2.2	Amendment to Transaction Agreement, dated June 16, 2022, by and among DPCM Capital, Inc., D-Wave Quantum Inc., DWSI Holdings Inc., DWSI Canada Holdings ULC, D-Wave Quantum Technologies Inc. and D-Wave Systems Inc.	D-Wave Quantum Inc.	S-4/A	2.2	June 23, 2022
2.3+	Agreement and Plan of Merger by and among D-Wave Quantum Inc., Quantum Circuits, Inc., Quest Acquisition Merger Sub I, Inc., Quest Acquisition Merger Sub II Inc. and Shareholder Representative Services LLC, dated January 6, 2026.	D-Wave Quantum Inc.	8-K	2.1	January 7, 2026
3.1	Amended and Restated Certificate of Incorporation of D-Wave Quantum Inc.	D-Wave Quantum Inc.	S-4	3.4	March 15, 2022
3.2	Amended and Restated Bylaws of D-Wave Quantum Inc.	D-Wave Quantum Inc.	S-4	3.5	March 15, 2022
3.3	Certificate of Designations of Special Voting Preferred Stock of D-Wave Quantum Inc.	D-Wave Quantum Inc.	S-4/A	3.6	May 27, 2022
4.1	Specimen Common Stock Certificate of D-Wave Quantum Inc.	D-Wave Quantum Inc.	S-4/A	4.1	May 27, 2022
4.2*	Description of Securities of D-Wave Quantum Inc.				
4.3	Exchangeable Share Provisions.	D-Wave Quantum Inc.	S-4/A	4.7	May 27, 2022
10.1	Exchangeable Share Support Agreement.	D-Wave Quantum Inc.	8-K	10.4	August 10, 2022
10.2	Voting and Exchange Trust Agreement.	D-Wave Quantum Inc.	8-K	10.5	August 10, 2022

10.3†	Agreement, dated as of September 22, 2005, between Her Majesty the Queen in Right of Canada as represented by the Minister of Industry and D-Wave Systems Inc., as amended.	D-Wave Quantum Inc.	S-4	10.16	March 15, 2022
10.4	Contribution Agreement, dated as of July 10, 2018, between Canada Foundation for Sustainable Development Technology and D-Wave Systems Inc.	D-Wave Quantum Inc.	S-4	10.17	March 15, 2022
10.5†	Amendment No. 1 to Contribution Agreement, dated as of May 25, 2020, between Canada Foundation for Sustainable Development Technology and D-Wave Systems Inc.	D-Wave Quantum Inc.	S-4/A	10.18	May 27, 2022
10.6†	Agreement, dated as of November 20, 2020, among D-Wave Systems Inc., DWSI Holdings Inc., each as recipients, and Her Majesty the Queen in Right of Canada as represented by the Minister of Industry.	D-Wave Quantum Inc.	S-4/A	10.19	May 27, 2022
10.7	Amendment Agreement No. 1 to Agreement, dated as of August 24, 2021, between D-Wave Systems Inc., (resulting from the amalgamation of D-Wave Systems Inc. with its parent company DWSI Holdings Inc.) and Her Majesty the Queen in Right of Canada as represented by the Minister of Industry.	D-Wave Quantum Inc.	S-4	10.20	March 15, 2022
10.8	Triple Net Lease, dated as of January 15, 2013, by and between Embarcadero Joint Venture and D-Wave Systems Inc.	D-Wave Quantum Inc.	S-4	10.21	March 15, 2022
10.9	First Amendment to Lease, dated as of January 29, 2018, by and between Embarcadero Joint Venture and D-Wave Commercial Inc.	D-Wave Quantum Inc.	S-4	10.22	March 15, 2022
10.10	Second Amendment to Lease, dated September 9, 2022, by and between Embarcadero Joint Venture and D-Wave Commercial Inc.	D-Wave Quantum Inc.	8-K	10.1	December 28, 2022
10.11†	Third Amendment to Lease, dated February 14, 2024, by and between Embarcadero Joint Venture and D-Wave Commercial Inc.	D-Wave Quantum Inc.	10-K	10.67	March 29, 2024
10.12*	Fourth Amendment to Lease, dated January 7, 2025, by and between Embarcadero Joint Venture and D-Wave Commercial Inc.				
10.13*	Fifth Amendment to Lease, dated November 20, 2025, by and between Embarcadero Joint Venture and D-Wave Commercial Inc.				
10.14	Lease Agreement, dated as of July 25, 2012, among 0727219 Ltd., PCI Beta Holdings Inc. and D-Wave Systems Inc.	D-Wave Quantum Inc.	S-4	10.23	March 15, 2022
10.15	Amendment of Lease, dated as of October 11, 2012, among 0727219 Ltd., PCI Canada Way Limited Partnership and D-Wave Systems Inc.	D-Wave Quantum Inc.	S-4	10.24	March 15, 2022
10.16	Lease Extension and Modification Agreement, dated as of November 8, 2021, between Redstone Enterprises Ltd. and D-Wave Systems Inc.	D-Wave Quantum Inc.	S-4	10.25	March 15, 2022
10.17†	Lease Agreement, dated as of December 15, 2017, between 0937847 B.C. Ltd. and Omni Circuit Boards Ltd.	D-Wave Quantum Inc.	S-4	10.26	March 15, 2022

10.18†	Lease Renewal Agreement, dated as of October 14, 2022, to the Lease Agreement, dated as of December 15, 2017, between 0937847 B.C. Ltd. and Omni Circuit Boards Ltd.	D-Wave Quantum Inc.	8-K	10.1	December 21, 2022
10.19†	Agreement for Pilot Line Operation, dated as of July 31, 2006, by and between Cypress Semiconductor Corporation and D-Wave Systems Inc., as amended.	D-Wave Quantum Inc.	S-4	10.27	March 15, 2022
10.20†	Agreement for Semiconductor Line Operation, dated as of December 23, 2012, by and between Cypress Semiconductor Corporation and D-Wave Systems Inc., and First through Twelfth Amendments thereto.	D-Wave Quantum Inc.	S-4	10.28	March 15, 2022
10.21†	Thirteenth Amendment, dated March 1, 2023, between D-Wave Systems Inc. and SkyWater Technology Foundry, Inc. to the Agreement for Semiconductor Line Operation, dated as of December 23, 2012, by and between Cypress Semiconductor Corporation and D-Wave Systems Inc., as amended and assigned to SkyWater Technology Foundry, Inc.	D-Wave Quantum Inc.	8-K	10.1	March 3, 2023
10.22†	Fourteenth Amendment, dated December 26, 2023, between D-Wave Systems Inc. and SkyWater Technology Foundry, Inc. to the Agreement for Semiconductor Line Operation, dated as of December 23, 2012, by and between Cypress Semiconductor Corporation and D-Wave Systems Inc., as amended and assigned to SkyWater Technology Foundry, Inc.	D-Wave Quantum Inc.	10-K	10.65	March 29, 2024
10.23†*	Fifteenth Amendment to the Semiconductor Line Operation Agreement, dated as of January 14, 2025, amending the Semiconductor Line Operation Agreement, dated December 23, 2012, by and between SkyWater Technology Foundry, Inc. and D-Wave Systems Inc.				
10.24†*	Sixteenth Amendment to the Semiconductor Line Operation Agreement, effective as of February 21, 2025, amending the Semiconductor Line Operation Agreement, dated December 23, 2012, by and between SkyWater Technology Foundry, Inc. and D-Wave Systems Inc.				
10.25†*	Seventeenth Amendment to the Semiconductor Line Operation Agreement, effective as of March 31, 2025, amending the Semiconductor Line Operation Agreement, dated December 23, 2012, by and between SkyWater Technology Foundry, Inc. and D-Wave Systems Inc.				
10.26#†	Full-Time Amended and Restated Employment Agreement, dated as of January 1, 2020, between D-Wave Commercial Inc. and Alan Baratz.	D-Wave Quantum Inc.	S-4	10.29	March 15, 2022
10.27#†	Form of DWSI Holdings Inc. 2020 Equity Incentive Plan Award Agreement-Option between Alan Baratz and DWSI Holdings Inc.	D-Wave Quantum Inc.	S-4	10.30	March 15, 2022
10.28#†	Full-time Employment Agreement dated as of August 20, 2021, between D-Wave Commercial Inc. and John Markovich.	D-Wave Quantum Inc.	S-4	10.31	March 15, 2022
10.29#†	Form of D-Wave Systems Inc. 2020 Equity Incentive Plan Award Agreement-Option between John Markovich and D-Wave Systems Inc.	D-Wave Quantum Inc.	S-4	10.32	March 15, 2022

10.30#	DWSI Holdings Inc. 2020 Equity Incentive Plan.	D-Wave Quantum Inc.	S-4	10.35	March 15, 2022
10.31	Form of Indemnification Agreement of D-Wave Quantum Inc.	D-Wave Quantum Inc.	S-4/A	10.36	May 27, 2022
10.32#	2022 Equity Incentive Plan.	D-Wave Quantum Inc.	8-K	10.29	August 10, 2022
10.33#	2022 Employee Stock Purchase Plan.	D-Wave Quantum Inc.	8-K	10.30	August 10, 2022
10.34	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.	D-Wave Quantum Inc.	S-4/A	10.39	March 15, 2022
10.35	DWSI Holdings Inc. Warrant Certificate for Purchase of Preferred Shares dated as of November 24, 2020 held by Amazon.com NV Investment Holdings LLC.	D-Wave Quantum Inc.	S-4/A	10.40	March 15, 2022
10.36	Form of Performance Guarantee of D-Wave Quantum Inc. to Her Majesty the Queen in Right of Canada as represented by the Minister of Industry.	D-Wave Quantum Inc.	S-4/A	10.41	May 27, 2022
10.37	Purchase Agreement, dated as of June 16, 2022, among D-Wave Quantum Inc., D-Wave Systems Inc., DPCM Capital, Inc. and Lincoln Park Fund, LLC.	D-Wave Quantum Inc.	S-4/A	10.43	June 23, 2022
10.38	Registration Rights Agreement, dated as of June 16, 2022, among D-Wave Quantum Inc., D-Wave Systems Inc., DPCM Capital, Inc. and Lincoln Park Fund, LLC.	D-Wave Quantum Inc.	S-4/A	10.44	June 23, 2022
10.39	Amended and Restated Side Letter Agreement, dated as of September 26, 2022, among D-Wave Quantum Inc. and Public Sector Pension Investment Board.	D-Wave Quantum Inc.	8-K	10.1	September 27, 2022
10.40#†	Amendment No. 1 to the Full-Time Amended and Restated Employment Agreement, dated as of January 1, 2020, between D-Wave Commercial Inc. and Alan Baratz, dated October 27, 2022.	D-Wave Quantum Inc.	8-K	10.2	November 2, 2022
10.41#†	Form of D-Wave Quantum Inc. 2022 Equity Incentive Plan Restricted Stock Unit Award Agreement (Executive Officer)	D-Wave Quantum Inc.	8-K	10.3	November 2, 2022
10.42#	Form of D-Wave Quantum Inc. 2022 Equity Incentive Plan Option Award Agreement.	D-Wave Quantum Inc.	S-1	10.38	February 13, 2023
10.43#†	Amendment No. 1 to the Full-Time Employment Agreement, dated as of August 20, 2021, between D-Wave Commercial Inc. and John Markovich, dated September 20, 2022	D-Wave Quantum Inc.	10-K	10.42	April 18, 2023
10.44#	Form of D-Wave Quantum Inc. 2022 Equity Incentive Plan Restricted Stock Unit Award Agreement (CEO)	D-Wave Quantum Inc.	10-K	10.43	April 18, 2023

10.45#†	D-Wave Quantum Inc. 2022 Equity Incentive Plan Restricted Stock Unit Award Agreement - John Markovich	D-Wave Quantum Inc.	10-K	10.44	April 18, 2023
10.46#†	D-Wave Quantum Inc. 2022 Equity Incentive Plan Restricted Stock Unit Award Agreement - Alan Baratz 2022(1)	D-Wave Quantum Inc.	10-K	10.45	April 18, 2023
10.47#†	D-Wave Quantum Inc. 2022 Equity Incentive Plan Restricted Stock Unit Award Agreement - Alan Baratz 2022(2)	D-Wave Quantum Inc.	10-K	10.46	April 18, 2023
10.48†	Loan and Security Agreement, dated as of April 13, 2023, by and among PSPIB Unitas Investments II, Inc., D-Wave Quantum Inc., and its subsidiaries.	D-Wave Quantum Inc.	8-K	10.1	April 19, 2023
10.49	Amendment No. 2 to Agreement, dated as of April 19, 2023, between D-Wave Quantum Inc., D-Wave Systems Inc., and His Majesty the King in Right of Canada as represented by the Minister of Industry.	D-Wave Quantum Inc.	8-K	10.1	April 24, 2023
10.50	Consent and Waiver Agreement, dated as of May 26, 2023, by and among PSPIB Unitas Investments II Inc. and D-Wave Quantum Inc. and its subsidiaries.	D-Wave Quantum Inc.	8-K	10.1	June 2, 2023
10.51	First Amendment to Loan and Security Agreement, dated as of June 16, 2023, by and among PSPIB Unitas Investments II Inc. and D-Wave Quantum Inc.	D-Wave Quantum Inc.	10-Q	10.4	August 10, 2023
10.52	Limited Waiver and Second Amendment to Loan and Security Agreement, dated as of July 13, 2023, by and among PSPIB Unitas Investments II Inc. and D-Wave Quantum Inc.	D-Wave Quantum Inc.	8-K	10.1	July 20, 2023
10.53	Third Amendment to Loan and Security Agreement, dated as of July 20, 2023, by and among PSPIB Unitas Investments II Inc. and D-Wave Quantum Inc.	D-Wave Quantum Inc.	8-K	10.1	July 21, 2023
10.54	Limited Waiver to Loan and Security Agreement, dated as of July 28, 2023, by and between D-Wave Quantum Inc. and PSPIB Unitas Investments II Inc.	D-Wave Quantum Inc.	10-Q	10.7	August 10, 2023
10.55†	DWSI Holdings Inc. 2020 Equity Incentive Plan Award Agreement - Option, between Diane Nguyen and DWSI Holdings Inc., dated May 8, 2020.	D-Wave Quantum Inc.	10-Q	10.9	August 10, 2023
10.56†	D-Wave Systems Inc. 2020 Equity Incentive Plan Award Agreement - Option, between Diane Nguyen and D-Wave Systems Inc., dated March 29, 2021.	D-Wave Quantum Inc.	10-Q	10.10	August 10, 2023
10.57†	D-Wave Systems Inc. 2020 Equity Incentive Plan Award Agreement - Option, between Diane Nguyen and D-Wave Systems Inc., dated September 30, 2021.	D-Wave Quantum Inc.	10-Q	10.11	August 10, 2023
10.58†	Full-Time Employment Agreement, between Diane Nguyen and D-Wave Commercial Inc., dated March 4, 2022, as amended.	D-Wave Quantum Inc.	10-Q	10.12	August 10, 2023
10.59†	Promotion Letter between Diane Nguyen and D-Wave Commercial Inc., dated July 10, 2023.	D-Wave Quantum Inc.	10-Q	10.13	August 10, 2023

10.60	Fourth Amendment to Loan and Security Agreement, dated as of October 6, 2023, by and between PSPIB Unitas Investments II Inc. and D-Wave Quantum Inc.	D-Wave Quantum Inc.	8-K	10.1	October 11, 2023
10.61†	Limited Waiver to Loan and Security Agreement dated as of November 7, 2023, by and between PSPIB Unitas Investments II Inc. and D-Wave Quantum Inc.	D-Wave Quantum Inc.	10-K	10.63	March 29, 2024
10.62†	Amendment No. 3 to Agreement, dated as of November 20, 2023, between D-Wave Quantum Inc., D-Wave Systems Inc., and His Majesty the King in Right of Canada as represented by the Minister of Industry.	D-Wave Quantum Inc.	10-K	10.64	March 29, 2024
10.63†	Fifth Amendment to Loan and Security Agreement, dated as of February 7, 2024, by and between PSPIB Unitas Investments II Inc. and D-Wave Quantum Inc.	D-Wave Quantum Inc.	10-K	10.66	March 29, 2024
10.64	Sixth Amendment to Loan and Security Agreement, dated as of April 16, 2024, by and between PSPIB Unitas Investments II Inc. and D-Wave Quantum Inc.	D-Wave Quantum Inc.	8-K	10.1	April 19, 2024
10.65	Amendment to the Full-Time Employment Agreement, dated as of August 20, 2021, between D-Wave Commercial Inc. and John Markovich, dated April 19, 2024.	D-Wave Quantum Inc.	8-K	10.2	April 19, 2024
10.66	Amendment to the Full-Time Employment Agreement, dated as of August 20, 2021, between D-Wave Commercial Inc. and Diane Nguyen, dated April 17, 2024.	D-Wave Quantum Inc.	8-K	10.3	April 19, 2024
10.67	Limited Waiver Agreement, dated as of August 7, 2024, by and among PSPIB Unitas Investments II Inc. and D-Wave Quantum Inc.	D-Wave Quantum Inc.	10-Q	10.2	August 7, 2024
10.68†	Lease Renewal Agreement, dated as of July 23, 2024, by and between Omni Circuit Boards Ltd. and 0937847 B.C. Ltd.	D-Wave Quantum Inc.	10-Q	10.1	November 14, 2024
10.69#	D-Wave Quantum Inc. Severance Policy.	D-Wave Quantum Inc.	8-K	10.1	May 7, 2025
10.70#	Form of Participation Agreement pursuant to the D-Wave Quantum Inc. Severance Policy.	D-Wave Quantum Inc.	8-K	10.2	May 7, 2025
10.71#	Second Amendment to Amended and Restated Employment Agreement, effective May 6, 2025, by and between D-Wave Quantum Inc. and Alan Baratz.	D-Wave Quantum Inc.	8-K	10.3	May 7, 2025
10.72#	Third Amendment to Employment Agreement, effective May 6, 2025, by and between D-Wave Quantum Inc. and John Markovich.	D-Wave Quantum Inc.	8-K	10.4	May 7, 2025
10.73#	Third Amendment to Amended and Restated Employment Agreement effective May 6, 2025, by and between D-Wave Quantum Inc. and Diane Nguyen.	D-Wave Quantum Inc.	8-K	10.5	May 7, 2025
10.74#	Fourth Amendment to Amended and Restated Employment Agreement effective July 31, 2025, by and between D-Wave Quantum Inc. and Diane Nguyen.	D-Wave Quantum Inc.	8-K	10.1	August 4, 2025
10.75	Form of Lock-Up Agreement, dated as of January 6, 2026.	D-Wave Quantum Inc.	8-K	10.1	January 7, 2026

10.76	Registration Rights Agreement, dated as of January 20, 2026, by and between D-Wave Quantum Inc. and the Securityholders identified therein.	D-Wave Quantum Inc.	8-K	10.1	January 20, 2026
10.77†*	Office Lease, dated as of January 27, 2026, by and between G&I X BRIC Fee Owner LLC and D-Wave Commercial Inc.				
19.1*	Amended & Restated Securities Trading Policy.				
21.1*	List of Subsidiaries of D-Wave Quantum Inc.				
23.1*	Consent of Grant Thornton LLP, independent registered public accounting firm of D-Wave Systems Inc.				
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended.				
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended.				
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
97	D-Wave Quantum Inc.'s Clawback Policy.	D-Wave Quantum Inc.	10-K	97	March 29, 2024
101.INS*	Inline XBRL Instance Document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

* Filed herewith.

** Furnished with this report in accordance with Item 601(b)(32) of Regulation S-K, this exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act, except to the extent that the registrant specifically incorporates it by reference.

# Indicates management contract or compensatory plan or arrangement.

† Certain portions of this exhibit (indicated by "[*****]") have been redacted pursuant to Regulation S-K, Item 601(a)(6).

+ Certain portions of this exhibit (indicated by "[*****]") have been redacted pursuant to Regulation S-K, Item 601(a)(5).

Item 16. Form 10-K Summary

The Company has elected not to provide summary information.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

D-Wave Quantum Inc.

February 26, 2026

By: */s/ Alan Baratz*

Alan Baratz

Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ Alan Baratz Alan Baratz	Chief Executive Officer and President (Principal Executive Officer) and Director	February 26, 2026
/s/ John M. Markovich John M. Markovich	Chief Financial Officer (Principal Financial and Accounting Officer)	February 26, 2026
/s/ Steven M. West Steven M. West	Chairman of the Board, Director	February 26, 2026
/s/ Roger Biscay Roger Biscay	Director	February 26, 2026
/s/ John D. DiLullo John D. DiLullo	Director	February 26, 2026
/s/ Rohit Ghai Rohit Ghai	Director	February 26, 2026
/s/ Sharon Holt Sharon Holt	Director	February 26, 2026
/s/ Kirstjen Nielsen Kirstjen Nielsen	Director	February 26, 2026

Part I - Financial Information

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
D-Wave Quantum Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of D-Wave Quantum Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2023.

Bellevue, Washington
February 26, 2026

D-Wave Quantum Inc.
Consolidated Balance Sheets

(In thousands, except share and per share data)	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 635,347	$ 177,980
Marketable investment securities	249,134	—
Trade accounts receivable, net of allowance for credit losses of $1 and $176	1,587	1,420
Inventories	2,776	1,686
Prepaid expenses and other current assets	7,388	3,954
Total current assets	896,232	185,040
Property and equipment, net	7,841	4,133
Operating lease right-of-use assets	6,518	7,261
Intangible assets, net	915	490
Other non-current assets, net	4,307	2,929
Total assets	$ 915,813	$ 199,853
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	$ 950	$ 815
Accrued expenses and other current liabilities	15,838	8,784
Current portion of operating lease liabilities	1,448	1,512
Loans payable, net, current	134	348
Deferred revenue, current	2,778	18,686
Total current liabilities	21,148	30,145
Warrant liabilities	—	69,875
Operating lease liabilities, net of current portion	6,050	6,389
Loans payable, net, non-current	35,825	30,128
Deferred revenue, non-current	560	670
Total liabilities	63,583	137,207
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Common stock, par value $0.0001 per share; 675,000,000 shares authorized at both December 31, 2025 and December 31, 2024; 358,741,605 shares and 266,595,867 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively.	35	27
Additional paid-in capital	1,843,218	700,069
Accumulated deficit	(982,002)	(626,940)
Accumulated other comprehensive loss	(9,021)	(10,510)
Total stockholders' equity	852,230	62,646
Total liabilities and stockholders' equity	$ 915,813	$ 199,853

The accompanying notes are an integral part of these consolidated financial statements.

D-Wave Quantum Inc.
Consolidated Statements of Operations and Comprehensive Loss

(In thousands, except share and per share data)	Year Ended December 31, 2025	2024
Revenue	$ 24,587	$ 8,827
Cost of revenue	4,281	3,264
Total gross profit	20,306	5,563
Operating expenses:		
Research and development	50,734	35,300
General and administrative	41,186	32,422
Sales and marketing	28,754	15,064
Total operating expenses	120,674	82,786
Loss from operations	(100,368)	(77,223)
Other income (expense), net:		
Interest income	24,115	1,738
Interest expense	(4,013)	(3,897)
Change in fair value of Term Loan	—	(645)
Gain (loss) on investment in marketable securities, net	(159)	1,495
Change in fair value of warrant liabilities	(270,540)	(68,245)
Other income (expense), net	(4,097)	2,898
Total other income (expense), net	(254,694)	(66,656)
Net loss	$ (355,062)	$ (143,879)
Net loss per share, basic and diluted	$ (1.11)	$ (0.75)
Weighted-average shares used in computing net loss per share, basic and diluted	321,202,025	192,129,049
Comprehensive loss:		
Net loss	$ (355,062)	$ (143,879)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	1,335	7
Unrealized gains on available-for-sale securities	154	—
Total other comprehensive income (loss), net of tax	1,489	7
Net comprehensive loss	$ (353,573)	$ (143,872)

The accompanying notes are an integral part of these consolidated financial statements.

D-Wave Quantum Inc.
Consolidated Statements of Stockholders' Equity
For the Year Ended December 31, 2025

(In thousands, except share data)	Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' equity
	Shares	Amount				
Balances at December 31, 2024	266,595,867	$ 27	$ 700,069	$ (626,940)	$ (10,510)	$ 62,646
Issuance of common stock in connection with the Lincoln Park Purchase Agreement	3,873,113	—	37,787	—	—	37,787
Issuance of common stock in at-the-market offerings, net of issuance costs	50,948,852	5	536,736	—	—	536,741
Issuance of common stock in connection with the Employee Stock Purchase Plan	129,748	—	769	—	—	769
Issuance of common stock in connection with exercise of stock options and vesting of RSUs	11,535,642	1	11,431	—	—	11,432
Issuance of common stock in connection with exercise of warrants	25,658,383	2	543,674	—	—	543,676
Stock-based compensation	—	—	23,011	—	—	23,011
Tax withholding related to vesting of restricted stock units	—	—	(10,259)	—	—	(10,259)
Other comprehensive loss	—	—	—	—	1,489	1,489
Net loss	—	—	—	(355,062)	—	(355,062)
Balances at December 31, 2025	358,741,605	$ 35	$ 1,843,218	$ (982,002)	$ (9,021)	$ 852,230

The accompanying notes are an integral part of these consolidated financial statements.

D-Wave Quantum Inc.
Consolidated Statements of Stockholders' Equity (Deficit)
For the Year Ended December 31, 2024

(In thousands, except share data)	Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' equity (deficit)
	Shares	Amount				
Balances at December 31, 2023	161,113,744	$ 16	$ 469,081	$ (483,061)	$ (10,517)	$ (24,481)
Issuance of common stock in connection with the Lincoln Park Purchase Agreement	34,860,416	3	44,282	—	—	44,285
Issuance of common stock in connection with the ATM agreement, net of issuance costs	65,388,915	7	169,899	—	—	169,906
Issuance of common stock in connection with the Employee Stock Purchase Plan	487,782	1	424	—	—	425
Issuance of common stock in connection with exercise of stock options and vesting of RSUs	4,745,010	—	1,724	—	—	1,724
Stock-based compensation	—	—	17,801	—	—	17,801
Tax withholding related to vesting of restricted stock units	—	—	(3,142)	—	—	(3,142)
Foreign currency translation adjustment, net of tax	—	—	—	—	7	7
Net loss	—	—	—	(143,879)	—	(143,879)
Balances at December 31, 2024	266,595,867	$ 27	$ 700,069	$ (626,940)	$ (10,510)	$ 62,646

The accompanying notes are an integral part of these consolidated financial statements.

D-Wave Quantum Inc.
Consolidated Statements of Cash Flows

(in thousands)	Year Ended December 31, 2025	2024
Cash flows from operating activities:		
Net loss	$ (355,062)	$ (143,879)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	1,563	1,109
Stock-based compensation	22,657	15,661
Amortization of operating right-of-use assets	743	823
Provision for excess and obsolete inventory	9	134
Non-cash interest income	(3,947)	—
Non-cash interest expense	3,921	(1,441)
Change in fair value of warrant liabilities	270,540	68,245
Change in fair value of Term Loan	—	645
Loss (gain) on marketable equity securities	159	(1,495)
Unrealized foreign exchange loss (gain)	1,836	(3,307)
Other noncash items	267	—
Change in operating assets and liabilities:		
Trade accounts receivable	(204)	137
Inventories	(2,398)	(215)
Prepaid expenses and other current assets	(585)	(1,580)
Trade accounts payable	268	(570)
Accrued expenses and other current liabilities	6,940	5,520
Deferred revenue	(16,018)	16,608
Operating lease liability	(745)	293
Other non-current assets, net	(1,926)	669
Net cash used in operating activities	(71,982)	(42,643)
Cash flows from investing activities:		
Purchase of property and equipment	(3,862)	(2,106)
Purchases of marketable debt securities	(247,787)	—
Purchase of convertible note	—	(1,000)
Proceeds from recovery of previously written-off convertible note	959	—
Sales of marketable securities	—	254
Expenditures for internal-use software	(445)	(289)
Net cash used in investing activities	(251,135)	(3,141)
Cash flows from financing activities:		
Proceeds from the issuance of common stock pursuant to the Lincoln Park Purchase Agreement	37,787	44,285
Proceeds from the issuance of common stock in at-the-market offerings, net of issuance costs	536,741	169,906
Proceeds from issuance of common stock upon exercise of warrants	202,923	—
Proceeds from the issuance of common stock upon exercise of stock options	11,432	1,347
Proceeds from common stock issued under the Employee Stock Purchase Plan	769	424
Payment of tax withheld pursuant to stock-based compensation settlements	(10,259)	(3,142)
Debt payment for Term Loan	—	(30,000)
Repayments on TPC loan	(365)	(370)
Proceeds from equipment financing	412	—
Payments for debt issuance costs	(248)	—
Repayment of the equipment financing	(43)	—
Net cash provided by financing activities	779,149	182,450
Effect of exchange rate changes on cash and cash equivalents	1,335	7
Net increase in cash and cash equivalents	457,367	136,673
Cash and cash equivalents at beginning of period	177,980	41,307
Cash and cash equivalents at end of period	$ 635,347	$ 177,980
Supplemental disclosures of cash flow information:		
Cash Paid for Interest	$ 25	$ 5,183
Supplemental disclosure of non-cash investing and financing activities:		
Capitalized stock-based compensation	$ 354	$ 134
Inventory applied to capital projects	$ 1,299	$ 473
Reclassification of warrant liability to equity upon exercise	$ 340,411	$ —
Debt issuance costs settled by issuing freestanding warrants	$ 338	$ —
Operating lease right-of-use assets exchanged for new operating lease obligations	$ —	$ 796
Bonus settled in vested share based compensation awards	$ —	$ 2,006
Unrealized gains (losses) on available-for-sale securities included in other comprehensive loss	$ 154	$ —
Stock option exercise proceeds in transit	$ —	$ 377

The accompanying notes are an integral part of these consolidated financial statements.

1. DESCRIPTION OF BUSINESS

D-Wave Quantum Inc. ("D-Wave" or the "Company") was incorporated as a corporation organized and existing under the General Corporation Law of the State of Delaware on January 24, 2022. The Company was formed for the purpose of effecting a merger between DPCM Capital, Inc. ("DPCM"), D-Wave Systems Inc. ("D-Wave Systems"), and certain other affiliated entities through a series of transactions (the "Merger") pursuant to the definitive agreement entered into on February 7, 2022 (the "Transaction Agreement"). On August 5, 2022, in conjunction with the Merger, DPCM and D-Wave Systems became wholly-owned subsidiaries of, and are operated by, the Company. Upon the completion of the Merger, the Company succeeded to all of the operations of its predecessor, D-Wave Systems.

D-Wave is focused on the development and delivery of quantum computing systems, software, and services. The Company is the world's first commercial supplier of quantum computers, and the first to offer dual-platform quantum computing products and services, spanning both annealing and gate-model quantum computing technologies. The Company's superconducting quantum computers provide sub-second response times and can be deployed on-premises or accessed through its Leap quantum cloud service, which offers 99.9% availability and uptime. Customers apply D-Wave's technology to address use cases spanning optimization, artificial intelligence, research and more. The Company's current sixth-generation annealing quantum computing system is named Advantage2.

D-Wave has four operating facilities, which it leases, in North America. These facilities are located in Burnaby, British Columbia, Richmond, British Columbia, Palo Alto, California, and New Haven, Connecticut.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company has prepared the accompanying consolidated financial statements in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASUs") of the Financial Accounting Standards Board ("FASB") and pursuant to the regulations of the U.S. Securities and Exchange Commission ("SEC").

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in the consolidated financial statements upon consolidation.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the Company's consolidated financial statements and accompanying notes as of the date of the consolidated financial statements. The most significant estimates and assumptions are used in determining: (i) inputs used to recognize revenue over time relating to hours estimated to complete the remaining performance obligations, (ii) standalone selling prices, (iii) fair value of financial instruments, and (iv) long term revenue forecasts used in the accounting for the SIF Loan (see below and Note 8 for further information). These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. On an ongoing basis, management evaluates its estimates as there are changes in circumstances, facts, and experience.

The Company's accounting estimates and assumptions may change over time in response to risks and uncertainties, including uncertainty in the current economic environment due to inflation, tariffs, changes in interest rates and monetary policy, various geopolitical conflicts, and any evolutions thereof. The change could be material in future periods. As of the date of issuance of these consolidated financial statements, the Company is not aware of any specific event or circumstances that would require the Company to update estimates, judgments or revise the carrying value of any assets or liabilities. Actual results may differ from those estimates or assumptions.

Public Warrants and Private Warrants

The Company evaluated its outstanding warrants which were issued in exchange for (i) the warrants initially included in the DPCM Units (the "*Units*") issued in DPCM's initial public offering (the "*Public Warrants*"), and (ii) the warrants of DPCM held by CDPM Sponsor Group, LLC (the "*Sponsor*") that were issued to the Sponsor at the closing of DPCM's initial public offering (the "*Private Warrants*," and together with the Public Warrants, the "*Warrants*"), which are discussed in *Note 11 - Warrant liabilities*, in accordance with ASC 815-40, *"Derivatives and Hedging - Contracts in Entity's Own Equity*."

The Public Warrants and Private Warrants were evaluated under ASC 480 and ASC 815 and were classified as liability-classified derivative instruments. The Private Warrants did not qualify for the derivative scope exception because certain settlement provisions were dependent on the characteristics of the warrant holder, and the Public Warrants contained provisions that could limit the number of shares issuable in a cashless exercise under certain circumstances. Accordingly, the Warrants were not considered indexed to the Common Shares and were recorded as warrant liabilities at fair value, with changes in fair value recognized in the consolidated statements of operations at each reporting date. When a Warrant is exercised, the associated liability is remeasured at the exercise date and then reclassified to additional paid-in capital.

The Public Warrants were measured using quoted market prices and classified as Level 1 fair value measurements, while the Private Warrants were classified as Level 2 fair value measurements based on observable inputs. All the Private Warrants were converted into Public Warrants, all unexercised Public Warrants were redeemed and delisted during the year ended December 31, 2025, and no warrant liabilities remained outstanding as of December 31, 2025.

Operating segments

Operating segments are defined as components of an enterprise for which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's Chief Executive Officer, who is the chief operating decision maker ("CODM"), reviews financial information on an aggregate basis for allocating resources and evaluating financial performance. As such, the Company views its operations and manages its business in one operating and reportable segment. See *Note 17 - Segment and geographic information* for additional information.

Foreign currency translation and transactions

The Company's reporting currency is the U.S. Dollar. The functional currency of the Company's international subsidiaries is the currency of their primary economic environment. All balance sheet accounts of subsidiaries where the functional currency is not the U.S. dollar have been translated into U.S. dollars using the rate of exchange at the respective balance sheet date. Components of the consolidated statements of operation and comprehensive loss have been translated at the average exchange rate for the year or the corresponding period. Translation gains and losses are recorded in accumulated other comprehensive loss as a component of stockholders' equity. Gains or losses arising from currency exchange rate fluctuations on transactions denominated in a currency other than the local functional currency are included in the consolidated statements of operations and comprehensive loss. For the years ended December 31, 2025 and 2024, the Company recorded a foreign currency transaction loss of $3.9 million and a gain of $3.0 million, respectively, in other income in its consolidated statements of operations and comprehensive loss.

Comprehensive loss

Comprehensive loss consists of two components, net loss and other comprehensive loss. The Company's other comprehensive loss consists of foreign currency translation adjustments that result from consolidation of its foreign entities and unrealized gains on available-for-sale securities.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of 3 months or less to be cash equivalents. As of December 31, 2025 and 2024, cash consisted of demand deposits, money market funds with no fixed term and government bonds. The amortized cost of these investments approximates their fair value.

The Company regularly maintains deposits and money market funds with large and reputable financial institutions in excess of amounts insured by the U.S. Federal Deposit Insurance Corporation and the Canadian Deposit Insurance Corporation. These deposits and money market funds may be redeemed upon demand. The Company performs periodic evaluations of the relative credit standing of the financial institutions.

Marketable Investment Securities

Debt Securities

The Company holds investments in U.S. government bonds, which are classified as available-for-sale. See *Note 4 - Marketable investment securities* for additional information concerning the debt securities. Government bonds are carried at fair value, with unrealized gains and losses recorded in unrealized gains on available-for-sale securities in net comprehensive loss and accumulated in accumulated other comprehensive loss. Realized gains and losses are recorded in gain (loss) on investment in marketable securities, net in the consolidated statements of operations and comprehensive loss. Interest income earned on government bonds is recorded in other income (expense), net in the consolidated statements of operations and comprehensive loss.

The Company evaluates available-for-sale government bonds for other-than-temporary impairment based on the extent and duration of declines in fair value, market conditions affecting the securities, and the Company's intent and ability to hold the investments to maturity or until recovery. Impairments determined to be other-than-temporary are recorded in gain (loss) on investment in marketable securities, net in the consolidated statements of operations and comprehensive loss and establish a new cost basis for the investment.

Equity Securities

The Company holds investments in the equity securities of privately held companies, which are valued based on their original cost. See *Note 5 - Balance sheet details* for additional information concerning the equity securities. Adjustments are made for observable price changes in orderly transactions involving identical or similar securities of the same issuer, as there are no quoted market prices available. The Company also periodically assesses its equity investments for qualitative indicators of impairment. Gains and losses related to equity investments are recorded in gain (loss) on investment in marketable securities, net in the consolidated statements of operations and comprehensive loss.

Loan Receivable

The Company also held an investment in a convertible note. See *Note 5 - Balance sheet details* for additional information concerning the convertible note. Convertible debt instruments that did not meet the definition of a security were accounted for as loan receivables and recorded at amortized cost. Embedded conversion features were evaluated for bifurcation and, when required, were recorded at fair value with changes recognized in earnings.

Loan receivables were evaluated for expected credit losses, and credit losses were recognized when amounts were not expected to be collected. Recoveries of amounts previously written off were recognized when realized.

Gains and losses related to bifurcated conversion features were recorded in gain (loss) on investment in marketable securities, net. Credit loss provisions and recoveries were recorded within general and administrative expenses, and interest income was recorded within other income (expense), net in the consolidated statements of operations and comprehensive loss.

Trade accounts receivable, net

The Company's accounts receivable consists principally of billed and currently due from customers and represents our unconditional rights to consideration arising from our performance under our customer contracts. These receivables are generally due within 30 days of the period in which the corresponding sales occur and do not bear interest are classified as trade accounts receivable, net on the consolidated balance sheets. Trade accounts receivable are reported at their estimated net realizable value.

The Company maintains an allowance for doubtful accounts that is calculated under the current expected credit loss ("CECL") model. The CECL model applies to financial assets measured at amortized cost, and requires the Company to reflect expected credit losses over the remaining contractual term of the asset. As the large majority of the Company's receivables settle within 30 days, the forecast period under the CECL model is a relatively short horizon. The Company uses an aging method to estimate allowances for doubtful accounts under the CECL model as the Company has determined that the aging method adequately reflects expected credit losses, as corroborated by historical loss rates. Past due trade accounts receivable balances are written off when collection efforts have been exhausted.

Inventories

Inventories are stated at the lower of cost, determined using the weighted average cost method, or net realizable value. Inventory that is obsolete or in excess of forecasted usage is written down to its estimated net realizable value based on the assumptions about future demand and market conditions. Inventory write-downs are charged to research and development expenses and establish a new cost basis for the inventory. Inventories include raw materials, which consist of parts and supplies used in the Company's manufacturing process and research and development activities as well as service parts for the Company's quantum computer systems, work-in-process and finished goods.

Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is recognized using the straight-line method over the estimated useful lives of the depreciable property, or for leasehold improvements, the remaining term of the lease, whichever is shorter. Costs for capital assets not yet placed into service are capitalized as construction-in-progress and depreciated once placed into service. The Company's estimated useful lives of its property and equipment are as follows.

Quantum computer systems	5 years
Lab equipment	5 years
Computer equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of expected lease term or estimated useful life

Upon sale or retirement of the assets, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the statement of operations and comprehensive loss. Expenditures for general maintenance and repairs are expensed as incurred.

Intangible assets, net

The Company's intangible assets consist of acquired computer software, including off-the-shelf software applications as well as costs associated with systems' implementations. Computer software is stated at cost less accumulated amortization and impairment. Off-the-shelf software is amortized on a straight-line basis over three years while the costs of implementing systems are amortized over the initial license term. Annual license fees for off-the-shelf software are expensed as incurred.

Internally developed software

The Company capitalizes costs associated with customized internal-use software systems that have reached the application development stage. Such capitalized costs include external direct costs utilized in developing or obtaining the applications and payroll and payroll-related expenses for employees who are directly associated with applications development. Capitalization of such costs begins when the preliminary project stage is complete and it is probable that the project will be completed and the software will be used to perform the function intended. Capitalization ceases at the point in which the project is substantially complete and ready for its intended purpose. Amortization is computed using the straight-line method, generally over three years.

Costs related to the development of software for internal use in research and development activities are expensed as incurred to research and development on the consolidated statements of operations and comprehensive loss.

Capitalized internal-use software costs are reported on the consolidated balance sheets as part of intangible assets, net. The gross carrying amount, accumulated amortization, and any impairments are presented in *Note 7 - Intangible assets, net*.

Impairment of long-lived assets

Long-lived assets, such as property and equipment and other long-term assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent the carrying amount of the underlying asset exceeds its fair value.

The Company did not record any impairment loss on long-lived assets during the years ended December 31, 2025 and 2024.

Equipment financing

On August 1, 2025, the Company entered into an equipment financing agreement (the "Equipment Financing Agreement"). The agreement provides for a total conditional commitment of $13.8 million, with an initial draw of $0.5 million made upon execution. The remaining commitment is available until February 1, 2027, which may be extended to August 1, 2027 if at least $11.5 million is drawn by that date. See *Note 8 - Loans payable, net* for additional information concerning the equipment financing.

The Company evaluated the loan commitment, term loan, and associated warrants as separate instruments. No liability is recognized for the loan commitment until amounts are drawn, and term loans are recorded when drawn. The warrant, which is indexed to the Company's common stock and settled in shares, was recorded in additional paid-in capital at its fair value of $0.3 million, determined using a Black-Scholes option-pricing model. Expected volatility was estimated using a blended approach incorporating implied, historical, and peer volatilities.

Deferred issuance costs related to the Equipment Financing Agreement are recorded as deferred financing costs in other non-current assets, net in the consolidated balance sheets. These deferred issuance costs consist primarily of the 1% commitment fee paid to the financial institution providing the Equipment Financing Agreement (the "Lender") at signing, legal and documentation costs, and the fair value of the warrant issued in connection with the facility. These costs were incurred to obtain the overall financing commitment rather than any specific draw and, consistent with ASC 835-30, were initially recorded as deferred issuance costs. As funds are drawn under the facility, a proportionate amount of the deferred issuance costs is reclassified as a debt discount and amortized to interest expense over the term of the related draw using the effective interest method. The remaining unallocated balance continues to be carried as a deferred asset until additional draws occur or the facility expires. Any unamortized deferred issuance costs related to undrawn or canceled portions of the facility will be expensed immediately if the commitment is terminated. See *Note 5 - Balance sheet details* and *Note 8 - Loans payable, net* for additional information.

Sales of future revenues

On November 20, 2020, the Company entered into an agreement with the Canada Strategic Innovation Fund ("SIF"), wherein SIF committed to providing a conditionally repayable loan to the Company in the amount of up to C$40.0 million (the "SIF Loan"). The SIF Loan is conditionally repayable according to a revenue-based formula. See *Note 8 - Loans payable, net* for additional information concerning the SIF Loan.

The accounting treatment for the SIF Loan considers the "sale of future revenues" guidance promulgated by ASC 470-10-25. The debt arising from the SIF Loan was recorded at face value and will be amortized using the effective interest method, leading to the accrual of interest expenses over the estimated term of the SIF Loan. The amortization schedule is based on projected cash flows derived from the Company's long-term revenue forecast. Subsequent changes in forecasted cash flows will be accounted for under the catch-up method, which entails adjusting the accrued interest portion of the principal balance through earnings to reflect the currently projected effective interest rate. The liability is classified as non-current, as the current forecast indicates that repayments will not commence within the 12 months following the balance sheet date.

As the SIF Loan is originated through a government program, a market rate of interest is not imputed in accordance with the scope limitation provisions of ASC 835.

Term Loan fair value option election

On April 13, 2023 (the "Loan Closing Date"), the Company finalized a Term Loan and Security Agreement ("Term Loan") with PSPIB Unitas Investments II Inc. ("PSPIB"), a related party to the Company's largest shareholder. The Company determined that it is eligible for the fair value option election in connection with the Term Loan. The Term Loan meets the definition of a "recognized financial liability" which is an acceptable financial instrument eligible for the fair value option under ASC 825. At the date of issuance, the fair value of the Term Loan was derived from the instrument's implied discount rate at inception. The fair value option election was made to enhance the relevance and transparency of information presented related to the features embedded in the Term Loan.

Changes in the fair value of the Term Loan, other than changes associated with the Company's own credit risk, were recorded as gains or losses in the Company's consolidated statements of operations and comprehensive loss in each reporting period. Changes in fair value attributable to the Company's own credit risk were recorded in other comprehensive income or loss in the Company's consolidated statements of operations and comprehensive loss in each reporting period; there have been no such changes for the year ended December 31, 2024.

The Company fully repaid and extinguished the Term Loan on October 22, 2024.

Fair value of financial instruments

Certain assets and liabilities are carried at fair value under U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The categorization of a financial instrument within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. As of December 31, 2025, all the Private Warrants (as defined below), previously classified as Level 2 fair value measurements, had been converted into Public Warrants (as defined below). No assets or liabilities were classified as Level 3 during the year ended December 31, 2025 or 2024.

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2025 and indicates the place in the fair value hierarchy of the valuation inputs the Company utilized to determine each such fair value (in thousands):

Description	**Level**	**As of December 31, 2025**
Assets:		
Marketable investment securities	1	$ 249,134

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and current operating lease liabilities and operating lease liabilities, net of current portion on the Company's consolidated balance sheets. As of December 31, 2025 and 2024, the Company had no finance lease arrangements. The Company recognizes lease expense for its operating leases on a straight line basis over the term of the lease.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from a lease. ROU assets and operating lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Operating lease ROU assets also include the impact of any lease incentives. Amendments to a lease are assessed to determine if it represents a lease modification or a separate contract. Lease modifications are reassessed as of the effective date of the modification using an incremental borrowing rate based on the information available at the commencement date. For modified leases, the Company also reassesses the lease classification as of the effective date of the modification.

The interest rate used to determine the present value of the future lease payments is generally the Company's incremental borrowing rate, because the interest rate implicit in the Company's leases is usually not readily determinable. The incremental borrowing rate is estimated to approximate the Company's cost of borrowing on a collateralized basis with similar terms and payments, and in the economic environments where the leased assets are located.

The Company's lease terms include periods under options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option in the measurement of its ROU assets and liabilities. The Company considers contractual factors such as the nature and terms of the renewal or termination, asset-based factors such as physical location of the asset and entity-based factors such as the importance of the leased asset to the Company's operations to determine the lease term. The right-of-use assets are tested for impairment at least annually.

Revenue recognition

The Company recognizes revenue in accordance with Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and accounts for certain contract costs in accordance with FASB's Accounting Standards Codification ("ASC") *340-40, Other Assets and Deferred Costs-Contracts with Customers*.

The core principle of ASC 606 is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To support this core principle, the Company applies the following five step approach:

- *Step 1: Identify the contract with the customer*

The Company executes signed contracts with customers for services sold through either its direct sales force or various reseller channels. Payment terms on invoiced amounts are typically net 30 days or less. The Company does not offer rights of return for its services in the normal course of business.

In arrangements with re-sellers of the Company's services, the re-seller is considered the customer and the Company does not have any contractual relationships with the re-sellers' end users. For these arrangements, revenue is recognized at the amount charged to the re-seller.

Upon initiation of a customer contract, an assessment is conducted by the Company regarding the customer's ability to pay for the services rendered. This assessment encompasses various factors such as the customer's creditworthiness and past transaction history. Furthermore, periodic evaluations of customers' financial conditions are performed by the Company.

- *Step 2: Identify the performance obligations*

The Company's contracts with customers often include multiple performance obligations. The Company's revenue contracts typically include one or more of the following performance obligations:

- *Subscription access to its QCaaS cloud platform*
- *Professional services related to the development and implementation of quantum computing applications*
- *Quantum computing systems and related upgrades*
- *Quantum computing application training*
- *Application support and maintenance*
- *Printed circuit boards.*

Our contracts with customers may include renewals or other options at fixed prices, which typically do not represent a significant discount. Based on our assessment of standalone selling prices, we determined that there were no significant material rights provided to our customers requiring separate recognition.

- *Step 3: Determine the transaction price*

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. The price for the Company's offerings is fixed and stated in the contract with the customer. The Company has elected the practical expedient terms that permit an entity not to recognize a significant financing component if the time between the transfer of a good or service and payment is one year or less. The Company excludes from revenue government-assessed and imposed taxes on goods and services that are invoiced to customers.

- *Step 4: Allocate the transaction price to the performance obligations*

When the Company determines that its contracts with customers contain multiple performance obligations, for these arrangements, the Company allocates the transaction price based on the relative standalone selling price ("SSP") basis method by comparing the SSP of each distinct performance obligation to the total value of the contract. The Company uses SSP for products and services sold together in a contract to determine whether there is a variable consideration (e.g. discount) to be allocated based on the relative SSP of the various products and services. In instances where SSP is not directly observable, such as when the Company does not sell the product or service separately, the Company determines the SSP by considering its overall pricing objectives and market conditions, including cost plus a reasonable margin. Significant pricing practices taken into consideration include the Company's discounting practices, the customer demographic, price lists, the Company's go-to-market strategy, historical and current sales, and contract prices. In instances where the Company does not sell or price a product or service separately, the Company maximizes the use of observable inputs by using information that may include market conditions.

- *Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation*

The Company's QCaaS cloud platform and support and maintenance services are obligations that are satisfied over time by providing the customer with ongoing access to the Company's resources. The Company uses the straight-line measure of progress to recognize revenue as these performance obligations are satisfied evenly over the respective service periods. The Company's professional services constitute an activity that creates benefits that the customer receives as the work is being performed. Therefore, professional services revenue is recognized over time using the labor hours incurred as input measure of progress. Revenue from quantum computing system sales is recognized over time during the installation period using an input method, with progress measured based on costs incurred to date relative to total estimated costs, as the Company concludes that the criteria for over-time revenue recognition under ASC 606 are met. Revenue from system upgrade projects is also recognized over time using an input method, measuring progress based on costs incurred to date relative to total estimated costs. The Company's training and circuit board performance obligations are satisfied at a point in time when control of the goods or service transfers from the Company to the customer.

Contract assets and contract liabilities

The timing of revenue recognition, billings and cash collections may result in accounts receivable, contract assets, and contract liabilities (deferred revenue) on the Company's consolidated balance sheets. A receivable is recorded in the period in which the Company provides services when it has an unconditional right to payment. Contract assets primarily relate to the value of services transferred to the customer for which the right to payment is not dependent only on the passage of time, such as when unbilled receivables are recorded for revenue recognized for work completed under professional services contracts for which the related milestone billing has not yet occurred. Contract assets are transferred to accounts receivable when rights to payment become unconditional.

Deferred revenue primarily consists of billings or payments received in advance of revenue recognition from subscription access to the QCaaS cloud platform and maintenance services and is reduced as the revenue recognition criteria are met. Deferred revenue is classified as current or non-current on the consolidated balance sheets based on the expected timing of revenue recognition. The deferred revenue that will be recognized as revenue within the next twelve months is classified as current, and the deferred revenue that will be recognized thereafter is classified as non-current.

Our contract acquisition costs represent incremental direct costs of obtaining a contract, primarily consisting of sales incentives paid to employees. When these costs are determined to be recoverable, we defer and amortize them over the contract term. Unamortized contract acquisition costs are included in other non-current assets, net on the consolidated balance sheets, with related amortization expense recorded in sales and marketing expenses on the consolidated statements of operations and comprehensive loss. The Company has elected to apply the practical expedient to expense contract acquisition costs as incurred when the expected amortization period is one year or less.

Cost of revenue

Cost of revenue for services consists of expenses related to delivering the Company's services, consisting of direct labor costs, including stock-based compensation, direct services costs and depreciation and amortization related to the Company's quantum computing systems and related software. These costs are expensed as incurred, as they relate to performance obligations that are being simultaneously satisfied as the work is performed.

Cost of revenue for quantum computing systems includes direct manufacturing costs, such as materials and labor for system production, as well as expenses related to installation, warranty, and support. Additionally, it includes shipping and handling costs associated with delivering the systems. These costs are also expensed as incurred.

Research and development

Research and development expenses consist of personnel costs, including stock-based compensation expense, and allocated shared resource costs for the Company's hardware, software and engineering personnel who design and develop the Company's quantum computing systems and research new quantum computing technologies. Research and development expenses also include purchased hardware and software costs related to quantum computing systems constructed for research purposes that are not probable of providing future economic benefit and have no alternate future use.

Advertising costs

Advertising costs are expensed as incurred and are included in sales and marketing expenses in the consolidated statements of operations. These costs totaled $1.9 million and $0.5 million for the years ended December 31, 2025 and 2024, respectively.

Stock-based compensation

The Company accounts for its stock-based compensation in accordance with ASC 718, Compensation—Stock Compensation (ASC 718). ASC 718 requires all stock-based payments to employees and directors to be recognized as expense based on the estimated fair value of the awards as of the grant date. The Company uses the Black-Scholes option-pricing model to estimate the grant date fair value of its stock option awards, and the Company uses the quoted market closing price of its Common Shares as reported on the New York Stock Exchange as the grant date fair value for restricted stock units ("RSUs"). Stock-based compensation expense is recognized over the requisite service period using the straight-line method and is based on the value of the portion of stock-based payment awards that is ultimately expected to vest. As such, the Company's stock-based compensation is reduced for the estimated forfeitures at the grant date based on historical trends and actual forfeiture experience and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The Black-Scholes option-pricing model requires the use of subjective assumptions, which determine the estimated fair value of share-based awards, including the option's expected term, the price volatility of the underlying Common Shares, risk-free interest rates, and the expected dividend yield of the Common Shares. The assumptions used to determine the fair value of the stock awards represent management's best estimates. As there is limited quoted price history for the Common Shares, the Company has estimated the volatility of the Common Shares using comparable publicly-traded peer companies. The Company's estimates involve inherent uncertainties and the application of judgment.

Income taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the estimated future tax consequences of events that have been included in the consolidated financial statements or in the Company's tax returns. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax bases of assets and liabilities using the enacted tax rates and laws in effect for the years in when the differences are expected to reverse. Deferred income taxes are classified as current or non-current, based on the classification of the related assets and liabilities giving rise to the temporary differences. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. In assessing the need for a valuation allowance, the Company considers factors such as past operating results and expected future taxable income within each jurisdiction in which the Company operates.

To the extent that new information becomes available, which causes the Company to change its judgment regarding the adequacy of tax liabilities or valuation allowances, such changes will impact income tax expense in the period in which such determination is made. Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax expense.

Tax benefits related to uncertain tax positions are recognized when it is more likely than not that a tax position will be sustained during an audit. Interest and penalties related to unrecognized tax benefits are included within the provision for income tax.

Net loss per share

Basic net loss per common share is computed by dividing the net loss available to common stockholders (the numerator) by the weighted-average number of Common Shares outstanding (the denominator) during the period. Diluted net loss per common share is computed by dividing the net loss available to common stockholders adjusted by any preferred stock dividends declared during the period by the weighted average number of Common Shares and potential Common Shares outstanding when the impact is not antidilutive. Contingently issuable shares are included in basic Earnings Per Share ("EPS") only when there is no circumstance under which those shares would not be issued. Shares issuable for little or no cash consideration are considered outstanding Common Shares and included in the computation of basic EPS.

Recent accounting pronouncements issued and adopted

Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures, which requires disaggregated information about the Company's effective tax rate reconciliation as well as information on income taxes paid. The new guidance is effective for annual reporting periods beginning after December 15, 2024, and is applied on a prospective basis, with the option to apply retrospectively. The Company adopted ASU 2023-09 prospectively in this Form 10-K for the year ended December 31, 2025. The adoption impacted the Company's income tax disclosures but did not have a material impact on the Company's consolidated financial statements.

Recent accounting pronouncements not yet adopted

Expense Disaggregation Disclosures

In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, requiring public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2024-03.

Capitalized Internal-Use Software Costs

In September 2025, the FASB issued ASU 2025-06, Accounting for Internal-Use Software Costs (Subtopic 350-40): Clarifying the Application of Capitalization Guidance, which amends the guidance on capitalizing costs related to internal-use software. ASU 2025-06 requires public entities to apply the disclosure requirements in ASC 360-10, Property, Plant, and Equipment, to capitalized internal-use software costs, regardless of how those costs are presented in the financial statements. The update is effective for fiscal years beginning after December 15, 2025, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-06.

Government Grants

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities, which establishes comprehensive guidance for recognizing, measuring, presenting, and disclosing government grants received by business entities. Under this update, entities must apply specific recognition and measurement principles for both monetary and tangible non-monetary government grants, with the accounting outcome dependent on whether the grant is related to an asset or to income. ASU 2025-10 does not apply to not-for-profit entities and employee benefit plans and excludes certain types of transactions such as exchange transactions and government guarantees. The amendments are effective for fiscal years beginning after December 15, 2028, with early adoption permitted, and the Company is currently evaluating the impact of adopting ASU 2025-10.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

Nature of Products and Services

The following table depicts the disaggregation of revenue by type of products or services and timing of transfer of products or services (in thousands):

	Year Ended December 31,	
	2025	2024
Type of products or services		
System sales	$ 16,182	$ —
QCaaS	5,517	6,745
Professional services	2,720	1,938
Other revenue*	168	144
Total revenue	$ 24,587	$ 8,827
Timing of revenue recognition		
Revenue recognized over time	$ 11,598	$ 8,773
Revenue recognized at a point in time	12,989	54
Total revenue	$ 24,587	$ 8,827

*Other revenue includes support and maintenance and printed circuit board sales.

During the year ended December 31, 2025, the Company recognized revenue of $3.5 million from a system upgrade project, which was classified under system sales.

Geographic Information

The following table presents a summary of revenue by geography for the years ended December 31, 2025 and 2024, based on customer location (in thousands):

	Year Ended December 31,	
	2025	2024
Germany	$ 16,765	$ 1,894
United States	2,654	2,151
Japan	1,316	1,133
Switzerland	960	778
Canada	878	1,101
Other	2,014	1,770
Total revenue	$ 24,587	$ 8,827

"Other" includes the rest of Europe, the Middle East, the rest of Asia and Australia where the revenue from a single country is not greater than 10% of total consolidated revenue. In accordance with Company policy, the Company has not had any sales in China, Russia or Ukraine.

Significant customers

A significant customer is defined as one that comprises up to ten percent or more of total revenues in a particular year or ten percent of outstanding accounts receivable balance as of the period end.

The tables below present the significant customers on a percentage of total revenue basis for the years ended December 31, 2025 and 2024.

	Year Ended December 31,	
	2025	2024
Customer A	67 %	17 %

As of each of December 31, 2025 and 2024, there were five and three significant customers, respectively, that comprised ten percent or more of outstanding accounts receivable balances.

Contract balances

The following table provides information about accounts receivable, contract assets and liabilities as of December 31, 2025 and 2024 (in thousands):

	As of December 31, 2025	As of December 31, 2024
Trade accounts receivable and contract assets, net:		
Trade accounts receivable, net of allowance for credit losses and excluding unbilled receivables	$ 1,021	$ 867
Unbilled receivable contract asset	566	553
Contract acquisition costs	940	174
Total contract assets	$ 2,527	$ 1,594
Contract liabilities:		
Deferred revenue, current	$ 2,778	$ 18,686
Deferred revenue, non-current	560	670
Customer deposit[1]	—	48
Total contract liabilities	$ 3,338	$ 19,404

[1]Customer deposit is included in accrued expenses and other current liabilities on the consolidated balance sheets.

The allowance for credit losses related to trade accounts receivable was nominal and $0.2 million as of December 31, 2025 and 2024. During the years ended December 31, 2025 and 2024, the Company recorded $0.2 million and $0.1 million write-offs of accounts receivable deemed uncollectible, respectively.

The revenue recognized in the consolidated statements of operations and comprehensive loss that was included in the contract liability balance at the beginning of each period was $18.9 million and $2.7 million for the years ended December 31, 2025 and 2024, respectively.

Changes in deferred revenue from contracts with customers were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Balance at beginning of period	$ 19,356	$ 2,748
Deferral of revenue	8,582	25,435
Recognition of deferred revenue	(24,600)	(8,827)
Balance at end of period	$ 3,338	$ 19,356

Remaining performance obligations

A significant number of the Company's product and service sales are short-term in nature with a contract term of one year or less. For those contracts, the Company has utilized the practical expedient in ASC 606-10-50-14, exempting the Company from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

As of December 31, 2025, the aggregate amount of remaining performance obligations that were unsatisfied or partially unsatisfied related to customer contracts was $13.4 million, of which approximately 14% is expected to be recognized to revenue in the next 12 months, 33% is expected to be recognized to revenue in the next two years, and 52% is expected to be recognized within three years. Revenues allocated to remaining performance obligations represents the transaction price of noncancellable orders for which service has not been performed, which include deferred revenue and the amounts that will be invoiced and recognized as revenues in future periods from open contracts and excludes unexercised renewals.

4. MARKETABLE INVESTMENT SECURITIES

The Company holds investments in U.S. government bonds, which are classified as available-for-sale. The following table presents the components of the Company's available-for-sale debt securities as of December 31, 2025:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Available-for-sale debt securities:				
U.S. government bonds	$ 248,980	$ 154	$ —	$ 249,134

The Company did not hold any investments in U.S. government bonds as of December 31, 2024.

During the year ended December 31, 2025, there were no sales of available-for-sale debt securities.

As of December 31, 2025, the Company held $249.1 million of available-for-sale debt securities, all of which had contractual maturities of one year or less.

As of December 31, 2025, accrued interest receivable related to available-for-sale debt securities totaled $1.8 million, and was excluded from the disclosed amortized cost basis. Accrued interest receivable is recorded in prepaid expenses and other current assets on the consolidated balance sheets.

5. BALANCE SHEET DETAILS

Inventories

Inventories consisted of the following (in thousands):

	As of December 31, 2025	As of December 31, 2024
Raw materials	$ 2,746	$ 1,677
Work-in-process	30	9
Total inventories	$ 2,776	$ 1,686

Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	As of December 31, 2025	As of December 31, 2024
Interest receivable	$ 3,093	$ 339
Prepaid software	1,550	845
Prepaid services	1,339	977
Prepaid insurance	421	382
Prepaid rent	182	156
Other	804	1,255
Total prepaid expenses and other current assets	$ 7,388	$ 3,954

Other non-current assets, net

Other non-current assets, net consisted of the following (in thousands):

	As of December 31, 2025	As of December 31, 2024
Investment in equity securities	$ 2,391	$ 2,574
Deferred financing costs	725	—
Long-term deposits	251	181
Contract acquisition costs, net	940	174
Total	$ 4,307	$ 2,929

Equity Securities

On January 5, 2024, an entity the Company had invested in was acquired by another entity and the transaction was determined to result in an observable price change in the equity security. Consequently, the carrying value of the Company's investment was adjusted based on the consideration received, resulting in a net gain of approximately $1.7 million, recorded in gain (loss) on investment in marketable securities, net on the consolidated statements of operations and comprehensive loss during the year ended December 31, 2024.

During the year ended December 31, 2025, an earnout provision was triggered that resulted in the Company receiving additional cash and stock consideration for its interest in the acquired former investee. The Company recognized a gain of $0.8 million in gain (loss) on investment in marketable securities, net on the consolidated statements of operations and comprehensive loss.

Also during the year ended December 31, 2025, the Company received information from another of its equity investees indicating that the investee had experienced significant adverse changes to its business. The Company concluded that its investment was impaired and recognized a charge of $1.0 million in gain (loss) on investment in marketable securities, net on the consolidated statements of operations and comprehensive loss.

Zapata Note

On February 8, 2024, the Company entered into a collaboration arrangement with Zapata to develop and bring to market commercial applications that combine generative AI and quantum computing technologies. As part of the collaboration, the Company purchased a convertible note (the "Note") with a principal amount of $1.0 million from Zapata. The Note matures on December 15, 2026, and bears interest at 15% per annum. The Note is prepayable without penalty after December 15, 2025 or if the aggregate value of Zapata's convertible notes outstanding falls below $3.0 million. The Note was convertible into Zapata common stock at the Company's option at a conversion price of $8.50, subject to adjustment for stock splits, recapitalizations, and other similar corporate transactions.

On April 1, 2024 the conversion feature associated with the Note was bifurcated from the debt host instrument in connection with the underlying stock becoming readily convertible to cash as the result of a de-SPAC transaction. As a result, the fair value of the conversion feature of $0.2 million was given separate recognition. During the year ended December 31, 2024, the fair value of the conversion feature was immaterial, resulting in a loss of $0.2 million recorded to gain (loss) on investment in marketable securities, net on the consolidated statements of operations and comprehensive loss.

On October 11, 2024, Zapata announced that it was insolvent and would cease operations. Considering this and other financial information available prior to December 31, 2024, the Note was provisionally determined to be uncollectible, and the Company recognized a credit loss provision for the entire balance owed of $1.0 million during the year ended December 31, 2024. The charge was recorded within general and administrative expenses in the consolidated statements of operations and comprehensive loss.

The Company was one of two senior-most secured creditors to Zapata. The Note was secured by substantially all of Zapata's assets, including cash accounts, accounts receivables, inventory, contract rights and general intangibles, intellectual property, and equipment, as set forth in the security agreements pertaining to the Note.

Subsequent to the write-off of the Note, in June 2025, the Company recovered the full principal balance of the Note, along with $0.2 million in interest and $0.1 million in legal fees. The recovery was recorded within general and administrative expenses in the consolidated statements of operations and comprehensive loss, offsetting the previously recorded credit loss provision and legal expenses. The cash received for the principal balance of the Note is presented within investing activities in the statement of cash flows. The interest income earned on the Note was recorded within Other income (expense), net in the consolidated statements of operations and comprehensive loss.

Deferred financing costs

The deferred financing costs are deferred issuance costs related to the Equipment Financing Agreement. See *Note 8 - Loans payable, net* for additional information.

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	As of December 31, 2025	As of December 31, 2024
Accrued compensation and related benefits	$ 10,348	$ 5,499
Accrued professional services	4,086	529
Other accruals	1,404	2,756
Total accrued expenses and other current liabilities	$ 15,838	$ 8,784

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following (in thousands):

	As of December 31, 2025	As of December 31, 2024
Quantum computer systems	$ 15,028	$ 14,471
Lab equipment	7,555	6,862
Computer equipment	5,659	4,701
Leasehold improvements	2,407	1,889
Furniture and fixtures	541	381
Construction-in-progress	2,514	836
Total property and equipment	33,704	29,140
Less: Accumulated depreciation	(25,863)	(25,007)
Total property and equipment, net	$ 7,841	$ 4,133

Depreciation expense for the years ended December 31, 2025 and 2024 was $1.4 million and $1.0 million, respectively.

7. INTANGIBLE ASSETS, NET

Intangible assets, net consisted of the following (in thousands):

	As of December 31, 2025	As of December 31, 2024
Acquired software	$ 1,335	$ 1,309
Internally developed software	907	332
Other intangible assets	46	46
Total intangible assets	2,288	1,687
Less: Accumulated amortization	(1,373)	(1,197)
Total intangible assets, net	$ 915	$ 490

Amortization expense for the years ended December 31, 2025 and 2024 was $0.2 million and $0.1 million, respectively.

8. LOANS PAYABLE, NET

Loans payable, net consisted of the following (in thousands):

	Effective Interest Rate	As of December 31, 2025	As of December 31, 2024
Loans payable, net, current:			
TPC Loan, current	Interest free	$ —	$ 348
Equipment Financing Term Loan, current	16.45%	134	—
Total loans payable, net, current		$ 134	$ 348
Loans payable, net, non-current:			
SIF Loan	Variable[1]	$ 35,525	$ 30,128
Equipment Financing Term Loan, non-current		300	—
Total loans payable, net, non-current		$ 35,825	$ 30,128

[1]Refer below for additional information on the SIF Loan repayment period and effective interest rate.

TPC Loan

During the period spanning 2010 through 2021, the Company received funding totaling C$12.5 million from Technology Partnerships Canada (the "TPC Loan"). On November 23, 2020, an amendment forgave C$5.0 million of unpaid accrued debt principal and interest from prior years. Additionally, the amendment waived the interest charge on the remaining C$2.5 million of principal and revised the repayment schedule to C$0.5 million due annually on each April 30 through 2025. The TPC Loan was fully repaid on April 24, 2025.

SIF Loan

On November 20, 2020, the Company entered into the SIF Loan and subsequently received the full C$40.0 million in eight tranches between November 2020 and December 2023. Funds from the SIF Loan were used for various research and development projects.

Principal and interest amounts to be repaid under the SIF Loan are determined using a revenue-based formula, and are capped at 150% of the principal amount (the "Repayment Cap"). Repayments are due in up to 15 annual installments, commencing on April 30 of the second fiscal year following the fiscal year in which the Company first reports annual revenue of at least $70.0 million (the "Benchmark Year"). If the Company fails to reach $70.0 million in annual revenue after 14 years from origination, or if the total of the 15 revenue-based annual installments is less than the principal amount, any remaining repayment obligation will be forgiven.

Repayments of the SIF Loan can also be triggered upon default of the agreement, termination of the agreement, or upon a change of control that has not been approved by the Canadian government. As of December 31, 2025, the Company is not aware of any events that would trigger default or termination of the agreement.

The gross proceeds of the SIF Loan were recorded as a liability related to the sale of future revenues (see *Note 2 - Basis of Presentation and Summary of Significant Accounting Policies*). As of December 31, 2025 and 2024, the Company calculated a weighted average effective interest rate for all tranches of 2.61% based on the most recent revenue projections at each reporting date.

The estimated fair value of the SIF Loan (Level 3) at December 31, 2025 was $18.8 million. The fair value of SIF Loan was valued using a discounted cash flow model, with significant assumptions relating to the amount and timing of future revenues and the appropriate discount rate.

Term Loan

On April 13, 2023, the Company entered into the Term Loan and Security Agreement (the "Term Loan") with PSPIB Unitas Investments II Inc. ("PSPIB"), a related party to the Company's then largest shareholder. Under the Term Loan, term loans in aggregate principal amount of $50.0 million were to be made available to the Company in three tranches, subject to certain terms and conditions.

The Company fully repaid and extinguished the Term Loan on October 22, 2024, including $30.0 million in principal and $4.3 million in accrued payable in kind ("PIK") interest. The Term Loan, originally set to mature on March 31, 2027, was secured by a first-priority security interest in substantially all of the Company's assets and included certain operational and financial covenants. It bore interest at either 10.0% payable in cash or 11.0% PIK, with the latter added to the principal balance. For the years ended December 31, 2025 and 2024, the Company recognized nil and $3.2 million, respectively, in interest expense.

With the full repayment of the Term Loan, the Company has no remaining obligations under this facility.

Equipment Financing Term Loan

On August 1, 2025, the Company entered into the Equipment Financing Agreement. The agreement provides for a total conditional commitment of $13.8 million, with an initial draw of $0.5 million made upon execution. Amounts drawn under the agreement are recognized as a term loan (the "Equipment Financing Term Loan"). The remaining commitment is available until February 1, 2027, which may be extended to August 1, 2027 if at least $11.5 million is drawn by that date.

A commitment fee of 1% of the total conditional commitment was paid upon the initial draw. The Lender also received a ten-year warrant to purchase 21,563 Common Shares at an exercise price of $16.05 per share. A non-utilization fee of 3% will apply to the undrawn portion of the first $11.5 million as of the termination date (either February 1, 2027, or August 1, 2027, as applicable).

The interest rate for each draw is fixed upon execution and is based on a spread of approximately 3.4% over the Prime Rate (which was 7.5% at signing), subject to a minimum rate of 10.9%, which is the rate applied to the initial draw. The Lender holds a first-priority security interest in all financed equipment.

Debt issuance costs, including the commitment fee, legal and documentation costs, and the warrant value, are recorded as deferred issuance costs and reclassified to a contra-liability as draws are made. The End-of-Term Payment (4.0% of the total amount financed under the Equipment Financing Agreement) is accreted as part of the loan's effective interest rate. Deferred issuance costs are reviewed for recoverability, and any unamortized costs related to canceled draws or terminated facilities are expensed immediately. Cash payments for debt issuance costs are classified as financing activities in the consolidated statements of cash flows.

As of December 31, 2025, the Company had drawn $0.5 million under the Equipment Financing Agreement. The carrying amount of the outstanding equipment financing at December 31, 2025 was $0.4 million, measured at amortized cost. As of December 31, 2025, only a minimal portion of the deferred issuance costs had been reclassified to debt discount related to the initial draw and $0.7 million of deferred issuance costs remained unallocated.

The estimated fair value of the Equipment Financing Term Loan (Level 2) at December 31, 2025 was $0.4 million. The fair value of the Equipment Financing Term Loan was valued using a discounted cash flow model, with key inputs relating to terms, discount rate and expectations for defaults and prepayments.

9. LEASES

The Company leases real estate, including offices and manufacturing facilities and has entered into various other agreements with respect to assets used in conducting its business. The Company's leases have remaining lease terms ranging from 0.33 years to 8.01 years. Some of the lease agreements contain rent holidays and rent escalation clauses that were included in the calculation of the right of use of assets and lease liabilities.

The Company's building leases are subject to annual operating cost charges that may change from time to time during the lease term. The Company's lease liabilities are not remeasured as a result of changes to the operating costs; rather, these changes are treated as variable lease payments and recognized in the period in which the obligation for the payments was incurred. The annual operating costs are a non-lease component of the contracts; however, the Company has elected to adopt the practical expedient whereby such costs are not separated from the lease component.

The following table presents the components of lease cost (in thousands):

	Years ended December 31,	
	2025	2024
Operating lease cost	$ 1,520	$ 1,560
Variable lease cost	381	461
Total lease cost	$ 1,901	$ 2,021

The Company has entered into an agreement to lease additional mixed-use space adjacent to the Company's research and development headquarters in Burnaby, British Columbia. The lease is expected to commence in 2026, and it is expected to result in the recognition of right-of-use assets and lease liabilities of approximately $0.9 million.

The following table presents the weighted-average lease terms and discount rates for operating leases:

	As of December 31,	
	2025	2024
Weighted average remaining lease term, in years		
Operating leases	7.6	8.4
Weighted average discount rate[1]		
Operating leases	9.8 %	10.1 %

[1] For the lease contracts denominated in foreign currencies, the weighted average discount rate was calculated by converting the foreign currency amounts to equivalent amounts in USD.

Future minimum operating lease payment under non-cancelable leases as of December 31, 2025, were as follows (in thousands):

	Operating Leases
Year Ending December 31,	
2026	$ 1,456
2027	1,334
2028	1,356
2029	1,248
2030	1,279
Thereafter	4,024
Total future minimum lease payments	10,697
Less: Interest	(3,199)
Total lease liabilities	$ 7,498

10. INCOME TAXES

Income tax expense

The following table presents domestic and foreign components of loss before income taxes for the years ended December 31, 2025 and 2024 (in thousands):

	Years ended December 31,	
	2025	2024
Domestic	$ (294,554)	$ (113,553)
Foreign	(60,508)	(30,326)
Total net loss before income taxes	$ (355,062)	$ (143,879)

Significant components of the Company's deferred income tax assets and liabilities as of December 31, 2025 and 2024 are as follows:

	Years ended December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 80,603	$ 64,583
Research and development credit carryforward	22,205	18,531
Scientific research and experimental development deductions	39,771	36,155
Depreciation and amortization	7,286	6,684
Deferred revenue	37	—
Start-up costs	744	809
Stock-based compensation	3,781	1,939
Loan payable	1,775	0
Other accruals and reserves	669	1,431
Total deferred tax assets	156,871	130,132
Valuation Allowance	(156,225)	(129,107)
Total deferred tax assets, net	$ 646	$ 1,025
Deferred tax liabilities:		
Marketable securities	(646)	(695)
Loan payable	0	(330)
Total deferred tax liabilities	(646)	(1,025)
Net deferred tax assets (liabilities)	$ —	$ —

The effective tax rate differs from the statutory rate, primarily due to the Company's history of incurring losses, which have not been utilized, the foreign rate differential related to subsidiary earnings, and other permanent differences.

A summary reconciliation of the effective tax rate calculated at the U.S. federal rate for the year ended December 31, 2025 is as follows:

	Year ended December 31, 2025	
	Amount	Percent
U.S. Federal Statutory Tax Rate	$ (74,563)	21.0 %
State and Local Income Taxes, Net of Federal Income Tax Effect [1]	888	(0.3)%
Foreign Tax Effects:		
Canada		
Statutory tax rate difference between Canada and United States	(4,147)	1.2 %
Changes in valuation allowance	17,510	(4.9)%
Research and development tax credits	(3,942)	1.1 %
Other	2,077	(0.6)%
Other foreign jurisdictions	(49)	— %
Changes in Valuation Allowances	9,884	(2.8)%
Nontaxable or Non-deductible Items:		
Share-based payment awards	(25,182)	7.1 %
Fair market value adjustments to warrant liabilities	56,813	(16.0)%
Non-deductible compensation	25,770	(7.3)%
Other	2,460	(0.7)%
Other adjustments	(533)	0.2 %
Share-based payment prior year true-up	(6,986)	2.0 %
Effective Tax Rate	$ —	— %

[1] The states that contribute to the majority (greater than 50%) of the tax effect in this category include California, Florida, and Tennessee for 2025, and Florida for 2024.

A summary reconciliation of the effective tax rate calculated at the U.S. federal rate for the year ended December 31, 2024 is as follows:

	Year ended December 31, 2024
US federal tax rate	21 %
Foreign losses taxed at different rates	1 %
Return to provision adjustments	1 %
Stock-based compensation	(2)%
Research and development credits	2 %
Permanent differences	(11)%
Change in valuation allowance	(12)%
Effective tax rate	— %

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and the amount of which are uncertain.

As of December 31, 2025, the Company maintained a valuation allowance with respect to its subsidiaries' net operating losses that it believes is more likely than not that the deferred tax asset will not be realized. The Company will continue to reassess the valuation allowance annually and if future evidence allows for a partial or full release of the valuation allowance, a tax benefit will be recorded accordingly.

As of December 31, 2025, the Company has Canadian tax loss carryforwards of approximately $159.8 million expiring between 2033 and 2045 as well as Scientific Research and Experimental Development expenditures of approximately $147.4 million that can be carried forward indefinitely, which are available to be applied against future taxable income. In addition, the Company has investment tax credits of approximately $21.9 million expiring between 2028 and 2045 that are available to be applied against future Canadian federal income taxes payable. The Company has provincial investment tax credits of approximately $6.1 million expiring between 2032 and 2035 that are available to be applied against future Canadian provincial income taxes payable.

The Company also has U.S. tax loss carryforwards of approximately $131.1 million which may be applied against future taxable income, of which $15.6 million will expire between 2032 and 2037, while $115.5 million can be carried forward indefinitely. Future utilization of US tax loss carryforwards is subject to certain limitations under the Internal Revenue Code ("IRC"), including limitations under IRC section 382. The Company's U.S. tax loss carryforwards may be limited by IRC section 382. However, those limitations do not have a significant impact to the financial statements since there is no utilization of the tax loss carryforwards and a full valuation allowance exists against the net operating losses.

The Company files income tax returns in the U.S., Canada, and various foreign and state jurisdictions. The 2013 to 2025 tax years remain subject to examination by the U.S. federal and state tax authorities. The 2021 to 2025 tax years remain subject to examination by Canadian tax authorities.

The Company has unrecognized tax benefits of 0.7 million as of December 31, 2025. No amount of the unrecognized tax benefits would affect the effective tax rate because any tax benefits would result in adjustments to a related deferred tax asset that are offset by a valuation allowance. The Company has not accrued for any interest or penalties as of December 31, 2025.

The total gross unrecognized tax benefits remained unchanged throughout the year ended December 31, 2025.

Cash taxes paid by the Company, presented by geography, for the years ended December 31, 2025 and 2024 are as follows:

	Years ended December 31,	
	2025	2024
Germany	$ 18	$ —
Ireland	2	20
Japan	6	2
United Kingdom	—	14
Total income taxes paid, net of refunds	$ 26	$ 37

11. WARRANT LIABILITIES

Public and Private Warrants

In conjunction with the Merger, the Company assumed 10,000,000 Public Warrants and 8,000,000 Private Warrants. As part of the Merger, each Public Warrant and Private Warrant that was issued and outstanding immediately prior to the Merger was automatically and irrevocably converted into one warrant of the Company.

The Warrants were subject to the terms and conditions of the warrant agreement, dated October 20, 2020, by and between DPCM and Continental Stock Transfer & Trust Company ("Continental"), as warrant agent, as amended by that certain Assignment, Assumption and Amendment Agreement, dated as of August 5, 2022, by and among DPCM, the Company, Continental, Computershare Inc., a Delaware corporation and its affiliate, Computershare Trust Company, N.A., a federally chartered trust company (together, "Computershare"), and that certain Amendment Agreement, dated as of March 11, 2025, by and among the Company, Computershare and Equiniti Trust Company, LLC, a New York limited liability trust company, as successor warrant agent (as so amended, the "Warrant Agreement"). Effective as of March 11, 2025, Equiniti Trust Company, LLC served as the warrant agent under the Warrant Agreement.

Each such Warrant was exercisable at an exercise price of $11.50 (the "Warrant Exercise Price") for 1.4541326 Common Shares, or an approximate exercise price per Common Share of $7.91 (the "Per Share Exercise Price"), subject to adjustments. The Warrants were exercisable only for a whole number of Common Shares, and no fractional shares were issuable. The Warrants were originally scheduled to expire on August 5, 2027, unless earlier redeemed or liquidated.

Warrant Exercises

During the year ended December 31, 2025, 17,645,147 Warrants were exercised by holders in accordance with the Warrant Agreement. As a result of these exercises, during the year ended December 31, 2025, the Company issued 25,658,383 Common Shares. In connection with the exercises, during the year ended December 31, 2025, the Company received cash proceeds of $202.9 million and reclassified $340.4 million, representing the fair value of the warrant liabilities at the time of exercise, from warrant liabilities to additional paid-in capital. The fair value of the liability pertaining to the exercised Warrants was remeasured immediately prior to exercise, and the change in fair value was recognized within change in fair value of warrant liabilities in the consolidated statements of operations and comprehensive loss.

Redemption of Warrants

On November 19, 2025, the Company redeemed the 270,820 remaining outstanding Public Warrants at a redemption price of $0.01 per warrant. The redemption was effected pursuant to the terms of the Warrant Agreement following the Company's satisfaction of the applicable share price performance condition. As a result of the redemption, the Public Warrants ceased trading on the New York Stock Exchange prior to the redemption date and were subsequently delisted.

D-Wave Systems Warrant Transaction Agreements

In November 2020, contemporaneously with a revenue arrangement, D-Wave Systems entered into a contract pursuant to which D-Wave Systems agreed to cancel a previously issued warrant with a customer and replace it with a warrant to acquire up to 3,247,637 shares of its Class A Preferred Shares (the "Warrant Preferred Shares"), subject to certain vesting requirements. The warrant agreement was amended on August 5, 2022, contemporaneously with the closing of the Merger, to convert the Warrant Preferred Shares to a warrant to acquire up to 2,889,282 Common Shares of the Company in accordance with the conversion ratio of 0.889657 (the "Conversion Ratio") established in the Merger. The warrants vest based on various contractual milestones. The warrant agreement was terminated on November 28, 2022. As of the termination date of the agreement, approximately 40% of the warrants had vested, resulting in warrants exercisable into 1,155,713 Common Shares remaining after the termination date. The vested warrants will remain exercisable for up to 1,155,713 Common Shares at an exercise price of $2.16 per Common Share until November 29, 2026. As of December 31, 2025, no additional Warrant Preferred Shares were vested and/or were probable of vesting.

Warrants Issued in Connection with Equipment Financing

In connection with the Equipment Financing Agreement, the Company issued warrants to purchase 21,563 Common Shares, as further described in *Note 8 - Loans payable, net*.

12. STOCK-BASED COMPENSATION

2020 Equity Incentive Plan

In April 2020, the Board of Directors of D-Wave Systems approved the 2020 Equity Incentive Plan (the "2020 Plan") which provides for the grant of qualified incentive stock options ("ISO") and non-qualified stock options ("NSO"), restricted stock, RSUs or other awards to the Company's employees, officers, directors, advisors, and outside consultants. Following the Merger, awards outstanding under the 2020 Plan continued to be governed by the 2020 Plan; however, the Company will not grant any further awards under the 2020 Plan.

2022 Equity Incentive Plan

On August 5, 2022, the shareholders approved the D-Wave Quantum Inc. 2022 Equity Incentive Plan (the "2022 Plan"), which became effective immediately upon the closing of the Merger. The aggregate number of Common Shares reserved for future issuance under the 2022 Plan was 30,676,577 shares as of December 31, 2025, inclusive of shares reserved for outstanding awards. The number of shares reserved for issuance under the 2022 Plan automatically increases on January 1st of each year for a period of ten years commencing on January 1, 2023 and ending on (and including) January 1, 2032, in an amount equal to 5% of the fully-diluted Common Shares outstanding (as defined by the 2022 Plan) on December 31st of the preceding year; provided, however, that the Board of Directors of the Company may act prior to January 1st of a given year to provide that the increase for such year will be a lesser number of Common Shares. An automatic increase on the reserve of 20,200,821 shares became effective on January 1, 2026. While the 2022 Plan allows for the issuance of awards with a service condition, a performance condition, a market condition, or some combination of the three, to date, the Company has only issued awards subject to a service conditions. Awards issued under the 2022 Plan have vesting periods ranging from under 1 year to 4 years from the original grant date, and all awards issued to date under the 2022 Plan will expire 10 years from the original grant date.

Share-based compensation awards are settled by issuing new shares.

Stock option valuation

The Company estimates the fair value of stock options on the date of grant using the Black-Scholes option-pricing model and has used this method during the year ended December 31, 2024. The Black-Scholes option-pricing model requires estimates of highly subjective assumptions, which affect the fair value of each stock option.

- *Risk-Free Interest Rate*. The Company estimates its risk-free interest rate by using the yield on actively traded non-inflation-indexed U.S. treasury securities with contract maturities equal to the expected term.
- *Expected Term*. The expected term of the Company's options represents the period that the stock-based awards are expected to be outstanding.
- *Expected Volatility*. Given the limited quoted price history for the Common Shares, the expected volatility is based on the Company's historical stock price volatility and that of comparable publicly-traded companies.
- *Expected Dividend Yield*. The Company has not declared or paid dividends to date and does not anticipate declaring dividends.

The assumptions used to estimate the fair value of stock options granted during the year ended December 31, 2024 are as follows:

	Year ended December 31, 2024
Expected dividend yield	—
Expected volatility	103.0% - 107.0%
Expected term (years)	5.0 - 6.1
Risk free interest	4.0% - 4.2%

No stock options were granted during the year ended December 31, 2025.

Common stock option activity

The following table summarizes the Company's stock option activity during the periods presented (in thousands except share and per share data):

	Number of options	Weighted average exercise price ($)	Weighted average remaining contractual term (years)	Aggregate intrinsic value ($)
Outstanding as of December 31, 2024	10,984,738	1.67	6.64	75,270
Granted	—	—		
Exercised	(7,369,835)	1.55		
Forfeited and expired	(6,733)	4.30		
Outstanding as of December 31, 2025	3,608,170	1.90	6.36	87,511
Options exercisable as of December 31, 2025	2,841,910	1.80	5.90	69,201
Options unvested as of December 31, 2025	766,260	2.25	8.07	18,310

During the years ended December 31, 2025 and 2024, the total intrinsic value of options exercised was $140.0 million and $6.2 million, respectively.

During the year ended December 31, 2024, the weighted-average grant date fair value of stock options granted was $1.05 per share. No stock options were granted during the year ended December 31, 2025.

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Common Shares for those stock options that had exercise prices lower than the fair value of the Common Shares as of period end.

Restricted stock unit awards

The following table summarizes the RSU activity and related information under the 2022 Plan:

	Number of RSUs	Weighted average Grant Date Fair Value ($)
Unvested as of December 31, 2024	8,787,022	2.25
Granted	5,200,975	10.83
Forfeited and expired	(256,192)	5.34
Vested	(5,515,890)	3.77
Unvested as of December 31, 2025	8,215,915	6.56

During the years ended December 31, 2025 and 2024, the total fair value of RSUs vested was $123.4 million and $12.8 million, respectively.

Employee Stock Purchase Plan

In August 2022, the Company established the 2022 Employee Stock Purchase Plan (the "ESPP"), providing eligible employees of the Company and designated subsidiaries an opportunity to purchase the Common Shares at discounted rates. An eligible employee is defined as someone who: (i) is regularly employed by the Company or its designated subsidiaries for at least 20 hours per week and more than five months in a calendar year, and (ii) is classified as an employee for tax purposes. Regarding the Non-423 Component (as defined in the ESPP), any employee of the Company or its affiliates, as determined by a committee appointed by the Board, is eligible.

Management computes compensation expense by combining three components: (i) a 15% discount offered, (ii) a call option on 0.85 share of stock with an exercise price equal to the fair market value, and (iii) a put option on 0.15 share of stock with an exercise price equal to the fair market value. The requisite service period is the six-month purchase period. Any reductions in withholding amounts (or percentages) will be disregarded for compensation cost recognition. If a participant or the ESPP is terminated, management will reverse any expense accrued for unvested shares.

As of December 31, 2025, the maximum number of Common Shares remaining available to be issued under the ESPP was 11,783,518. During the year ended December 31, 2025, 129,748 Common Shares were issued under the ESPP, and compensation cost recognized related to the ESPP was $0.6 million.

Stock-based compensation expense

The following table summarizes the stock-based compensation expense classified in the consolidated statements of operations and comprehensive loss as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Cost of revenue	$ 772	$ 647
Research and development	7,916	5,089
General and administrative	10,021	8,166
Sales and marketing	3,948	1,759
Total stock-based compensation	$ 22,657	$ 15,661

During the years ended December 31, 2025 and 2024, total compensation cost capitalized as part of property and equipment and intangible assets was $0.4 million and $0.1 million, respectively.

As of December 31, 2025, total unrecognized stock-based compensation cost, net of estimated forfeitures, related to our unvested stock awards was $52.2 million. This amount is based on an estimated future forfeiture rate of 2.34% per year and will be recognized over a weighted-average period of approximately 3.2 years.

13. RELATED PARTY TRANSACTIONS

Term Loan

On April 13, 2023, the Company entered into the Term Loan, by and between the Company and PSPIB, a related party to the Company's largest shareholder. The Company fully repaid and extinguished the Term Loan on October 22, 2024. As of December 31, 2025 and 2024, PSPIB is no longer considered a related party to the Company. Refer to *Note 8 - Loans payable, net* for further description of the Term Loan.

14. COMMITMENTS AND CONTINGENCIES

Lease obligations

Refer to *Note 9 - Leases* for a description of the Company's lease obligations as of December 31, 2025.

Litigation

From time to time, the Company may become involved in various legal proceedings in the ordinary course of its business and may be subject to third-party infringement claims.

In the normal course of business, the Company may agree to indemnify third parties with whom it enters into contractual relationships, including customers, lessors, and parties to other transactions with the Company, with respect to certain matters. The Company has agreed, under certain conditions, to hold these third parties harmless against specified losses, such as those arising from a breach of representations or covenants, other third-party claims that the Company's products, when used for their intended purposes, infringe the intellectual property rights of such other third parties, or other claims made against certain parties. It is not possible to determine the maximum potential amount of liability under these indemnification obligations due to the Company's limited history of prior indemnification claims and the unique facts and circumstances that are likely to be involved in each particular claim.

As of December 31, 2025, the Company was not subject to any material litigation or pending litigation claims.

15. NET LOSS PER SHARE

The following tables set forth the computation of the basic and diluted net loss per share attributable to common stockholders for the years ended December 31, 2025 and 2024 (in thousands, except share and per share data):

	Year Ended December 31,	
	2025	2024
Numerator:		
Net loss attributable to common stockholders - basic and diluted	$ (355,062)	$ (143,879)
Denominator:		
Weighted-average common stock outstanding	321,202,025	192,129,049
Net loss per share attributable to common stockholders - basic and diluted	$ (1.11)	$ (0.75)

Since the Company was in a loss position for all periods presented, basic net loss per share is the same as diluted net loss per share for all periods as the inclusion of all potential Common Shares outstanding would have been anti-dilutive.

Potentially dilutive securities (upon conversion) that were not included in the diluted per share calculations because they would be anti-dilutive were as follows:

	Year Ended December 31,	
	2025	2024
Public Warrants as converted to Common Shares (Note 11)	—	14,419,918
Private Warrants as converted to Common Shares (Note 11)	—	11,633,060
D-Wave Systems Warrant Preferred Shares as converted to Common Shares (Note 11)	1,155,713	1,155,713
Equipment Financing Agreement Warrant – Common Shares (Note 8)	21,563	—
Stock options issued and outstanding	3,608,170	10,984,738
Unvested restricted stock unit awards	8,215,915	8,787,022
Total	13,001,361	46,980,451

16. STOCKHOLDERS' EQUITY

Preferred Stock

As of December 31, 2025, D-Wave Quantum Inc. is authorized to issue up to 20,000,000 shares of preferred stock. D-Wave Quantum Inc. has not issued any shares of preferred stock as of December 31, 2025 and 2024. As no shares have been issued, D-Wave Quantum Inc. preferred stock is not reflected on the consolidated balance sheet.

Equity Purchase Agreement

In conjunction with the Merger with DPCM, the Company and D-Wave Systems entered into a purchase agreement with Lincoln Park Capital Fund, LLC ("Lincoln Park") on June 16, 2022 (the "Purchase Agreement") which provided D-Wave the sole right, but not the obligation, to direct Lincoln Park to buy specified dollar amounts up to $150 million of Common Shares through November 1, 2025. The Purchase Agreement provided the Company with additional liquidity to fund the business, subject to the conditions set forth in the agreement, including volume limitations tied to periodic market prices, ownership limitations restricting Lincoln Park from owning more than 9.9% of the then total outstanding Common Shares and a floor price of $1.00 at or below which the Company could not sell any Common Shares to Lincoln Park. For shares sold by the Company to Lincoln Park, Lincoln Park may resell all, some, or none of those Common Shares at any time or from time to time in its sole discretion. In order for the Company to issue Common Shares under the Purchase Agreement, the Company's share price was required to be above the floor price of $1.00. During the year ended December 31, 2025, the Company issued 3,873,113 Common Shares to Lincoln Park under the Purchase Agreement, resulting in $37.8 million of net proceeds. As of December 31, 2025, the Company had completed 100% of the issuances available under the Purchase Agreement.

On May 24, 2024, the Company entered into an at-the-market sales agreement (the "$100M ATM") with Needham & Company, LLC, B. Riley Securities, Inc., and Roth Capital Partners, LLC (the "$100M ATM Agents"). Under this agreement, the Company could sell Common Shares with an aggregate offering price of up to $100.0 million through or to the $100M ATM Agents. During the year ended December 31, 2024, the Company received $97.2 million in net proceeds through the issuance of 49,812,287 Common Shares. As of December 31, 2025, the Company had completed 100% of the issuances available under the $100M ATM.

On December 9, 2024, the Company entered into its second at-the-market sales agreement (the "$75M ATM"), with Needham & Company, LLC, Roth Capital Partners, LLC, B. Riley Securities, Inc., and Craig-Hallum Capital Group, LLC (the "$75M ATM Agents"). Under this agreement, the Company could sell Common Shares with an aggregate offering price of up to $75.0 million through or to the $75M ATM Agents. During the year ended December 31, 2024, the Company received $72.9 million in net proceeds through the issuance of 15,576,628 Common Shares. As of December 31, 2025, the Company had completed 100% of the issuances available under the $75M ATM.

On January 10, 2025, the Company entered into its third at-the-market sales agreement (the "$150M ATM"), with Needham & Company, LLC, Stifel, Nicolaus & Company, Incorporated, B. Riley Securities, Inc., Roth Capital Partners, LLC, The Benchmark Company, LLC, and Craig-Hallum Capital Group, LLC (the "$150M ATM Agents"). Under this agreement, the Company could sell Common Shares with an aggregate offering price of up to $150.0 million through or to the $150M ATM Agents. During the three months ended March 31, 2025, the Company received $146.1 million in net proceeds through the issuance of 24,604,021 Common Shares. As of December 31, 2025, the Company had completed 100% of the issuances available under the $150M ATM.

On June 10, 2025, the Company entered into its fourth at-the-market sales agreement (the "$400M ATM"), with Needham & Company, LLC, Evercore Group L.L.C., TD Securities (USA) LLC, Canaccord Genuity LLC, Mizuho Securities USA LLC, Piper Sandler & Co., Craig-Hallum Capital Group LLC and Rosenblatt Securities Inc. (collectively, the "$400M ATM Agents"). Under this agreement, the Company could sell Common Shares with an aggregate offering price of up to $400.0 million through or to the $400M ATM Agents. During the three months ended June 30, 2025, the Company received $390.6 million in net proceeds through the issuance of 26,344,831 Common Shares. As of December 31, 2025, the Company had completed 100% of the issuances available under the $400M ATM.

Sales under these agreements are classified as "at-the-market" equity offerings under Rule 415(a)(4) of the Securities Act and may be conducted on the NYSE or other trading platforms. The $100M ATM Agents, $75M ATM Agents, $150M ATM Agents and $400M ATM Agents (collectively, the "Agents") used commercially reasonable efforts to sell shares based on the Company's instructions. The compensation to the Agents was up to 3.0% of the gross sales price, along with expense reimbursements. The Company has also agreed to provide indemnification against certain liabilities under the Securities Act.

The Company was not obligated to sell shares under any of these sales agreements. Each agreement could have been terminated by: (a) the election of the applicable Agents upon the occurrence of certain adverse events, (b) five business days' advance notice from the Company to the applicable Agents or five days' advance notice from any of the applicable Agents to the Company or (c) otherwise by mutual agreement of the parties pursuant to the terms of the applicable sales agreement.

Warrant Exercises and Redemption

During the year ended December 31, 2025, 17,645,147 Warrants were exercised by holders in accordance with the terms of the Warrant Agreement. Refer to *Note 11 - Warrant liabilities* for further description of the Warrant exercises and redemption.

Common Shares

As of December 31, 2025, the Company had 358,741,605 shares of common stock outstanding, comprised of 3,176,096 Exchangeable Shares and 355,565,509 Common Shares. At any time and at their election, holders of Exchangeable Shares can exchange their shares for Common Shares on a one-for-one basis. In addition, holders of Exchangeable Shares have the same rights with respect to voting, dividends, and liquidation, dissolution, and winding up, as holders of Common Shares. As such, the Exchangeable Shares are identical in substance to Common Shares and, therefore, are treated as shares of common stock of the Company.

The rights pertaining to the Common Shares are as follows:

Voting Rights

Except as otherwise required by law or as otherwise provided in any certificate of designation for any series of preferred stock, the holders of Common Shares possess all voting power for the election of directors and all other matters requiring stockholder action. Holders of Common Shares are entitled to one vote per share on matters to be voted on by stockholders.

Dividend Rights

Holders of Common Shares will be entitled to receive dividends as and when declared by the Company's board of directors at its discretion out of funds properly applicable to the payment of dividends, subject to the rights, if any, of shareholders holding shares with special rights to dividends. The timing, declaration, amount and payment of future dividends will depend on the Company's financial condition, earnings, capital requirements and debt service obligations, as well as legal requirements, regulatory constraints, industry practice and other factors that the Company's board of directors deems relevant.

Rights Related to Liquidation, Dissolution and Winding Up

In the event of voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up, the holders of Common Shares will be entitled to receive an equal amount per share of all of the Company's assets of whatever kind available for distribution to stockholders, after the rights of the holders of the preferred stock, if any, have been satisfied.

17. SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates as one operating segment managed on a consolidated basis. The financial information regularly reviewed by the Chief Executive Officer, who serves as the Chief Operating Decision Maker ("CODM"), is presented on the same basis as the Company's consolidated financial statements. The measure of profit or loss used by the CODM to allocate resources and assess performance is consolidated net loss. Significant expense categories are not presented, as the expense information regularly provided to the CODM is presented on the same basis as the consolidated statements of operations and comprehensive loss. The CODM relies on consolidated net loss as a comprehensive measure of the Company, considering all revenues and expenses, including cost of revenue, research and development expenses, general and administrative expenses and sales and marketing expenses, to assess the Company's overall performance and inform strategic decisions on cost control, pricing and investments. Additionally, the CODM also reviews total assets to assess the Company's financial position and resource allocation. The CODM also reviews forward-looking expense information contained in budgets and operating plans to manage operations and allocate resources.

See the consolidated financial statements and accompanying footnotes for consolidated net loss, total expenditures for additions to long-lived assets, total assets and other financial information regarding the Company's single operating segment. See *Note 3 - Revenue from contracts with customers* for additional information about revenue by geography.

The following table sets forth the long-lived assets, consisting of property and plant, net, and operating lease right-of-use assets, by geographic area as follows (in thousands):

	As of December 31, 2025	As of December 31, 2024
Canada	$ 13,802	$ 11,005
United States	515	381
Other	42	8
Total long-lived assets	$ 14,359	$ 11,394

18. EMPLOYEE BENEFIT PLANS

We currently maintain a 401(k) retirement savings plan for our U.S. employees, including our named executive officers, who satisfy certain eligibility requirements. The Internal Revenue Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. The Company did not make any matching contributions for the years ended December 31, 2025 and 2024.

19. SUBSEQUENT EVENTS

The Company has evaluated all events occurring through February 26, 2026, the date on which the consolidated financial statements were issued, and during which time, nothing has occurred outside the normal course of business operations that would require disclosure except the following:

Acquisition of Quantum Circuits, Inc.

On January 6, 2026, the Company entered into an Agreement and Plan of Merger (the "Acquisition Agreement") with Quantum Circuits, Inc. ("Quantum Circuits"), Quest Acquisition Merger Sub I, Inc., Quest Acquisition Merger Sub II, LLC, and Shareholder Representative Services LLC, pursuant to which the Company agreed to acquire all of the issued and outstanding equity interests of Quantum Circuits (the "Acquisition").

The Acquisition was completed on January 20, 2026. At closing, the aggregate consideration (the "Acquisition Consideration") paid by the Company consisted of 10,430,444 Common Shares (the "Stock Consideration"), and $250.0 million in cash, subject to a net debt adjustment and other customary adjustments as set forth in the Acquisition Agreement. The number of shares issued as Stock Consideration was calculated based on the volume-weighted average price of the Common Shares for the ten trading days ending on the third trading day immediately preceding the closing date, subject to a price collar.

In accordance with the Acquisition Agreement, outstanding unvested options to purchase shares of Quantum Circuits common stock were assumed by the Company and adjusted into options to purchase Common Shares. Vested options and warrants to purchase Quantum Circuits common stock were cancelled in exchange for a pro rata portion of the Acquisition Consideration, subject to the adjustments described in the Acquisition Agreement.

In connection with the closing of the Acquisition, the Company entered into a Registration Rights Agreement with the former securityholders of Quantum Circuits, pursuant to which such securityholders were granted specified registration rights with respect to the Common Shares issued as Stock Consideration.

Also in connection with the closing, the Company entered into lock-up agreements with certain key employees of Quantum Circuits, pursuant to which, subject to specified exceptions, 50% of the Common Shares received by such individuals as Stock Consideration are restricted from transfer for a period of five years following the closing of the Acquisition, with provisions for accelerated release under certain circumstances, including continued employment or qualifying termination events.

The Company is currently evaluating the accounting and disclosure implications of the acquisition in accordance with ASC 805, Business Combinations.

New US Headquarters and R&D Facility Lease

On January 27, 2026, the Company entered into a new operating lease for office facilities with a 128-month term at the Boca Raton Innovation Campus in Boca Raton, Florida, which will serve as the Company's new corporate headquarters and a key U.S. research and development facility. The lease will commence on the earlier of substantial completion of tenant improvements or 14 months following lease execution and delivery of vacant possession. The lease provides a tenant improvement allowance of $2.6 million and a rent credit for the first eight months. Under the lease, the Company is required to deliver to the landlord an unconditional, irrevocable and transferable commercial standby letter of credit of $1.0 million, which may be reduced over time to no less than $0.1 million, subject to compliance with lease terms. The lease also grants the Company the option to extend the term for up to two additional 60-month periods, with base rent determined in the lease and no landlord obligations for alterations or improvements during extensions.

The Company is currently evaluating the accounting and disclosure implications of this lease, including optional extensions, in accordance with ASC 842, Leases.

Exhibit 4.2

DESCRIPTION OF SECURITIES
REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT

The following description summarizes the terms of the securities of D-Wave Quantum Inc. ("*D-Wave*," "*we*", "*our*", "*us*," and the "*Company*") that are registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). This description summarizes the provisions included in the Amended and Restated Certificate of Incorporation of D-Wave (the "*D-Wave Charter*") and the Amended and Restated Bylaws of D-Wave (the "*D-Wave Bylaws*"), as well as certain provisions of Delaware General Corporation Law (the "*DGCL*"). Because it is only a summary, it does not contain all of the information that may be important to you. For a complete description of the matters set forth in this exhibit, you should refer to the D-Wave Charter and the D-Wave Bylaws, which are included as exhibits to our Annual Report on Form 10-K of which this Exhibit 4.2 is a part, and to the applicable provisions of the DGCL.

The D-Wave Charter authorizes the issuance of 695,000,000 shares of capital stock, consisting of:

- 675,000,000 shares of common stock, par value $0.0001 per share ("*Common Shares*"), and
- 20,000,000 shares of preferred stock, par value $0.0001 per share.

Our Common Shares are traded on the New York Stock Exchange ("*NYSE*") under the symbol "QBTS".

Common Shares

Voting Power

Except as otherwise required by law or as otherwise provided in any certificate of designation for any series of preferred stock, the holders of Common Shares possess all voting power for the election of our directors and all other matters requiring stockholder action. Holders of Common Shares are entitled to one vote per share on matters to be voted on by stockholders.

Dividends

Holders of Common Shares are entitled to receive dividends as and when declared by D-Wave's board of directors, at its discretion, out of funds properly applicable to the payment of dividends, subject to the rights, if any, of shareholders holding shares with special rights to dividends. The timing, declaration, amount and payment of future dividends will depend on D-Wave's financial condition, earnings, capital requirements and debt service obligations, as well as legal requirements, regulatory constraints, industry practice and other factors that D-Wave's board of directors deems relevant.

Liquidation, Dissolution and Winding Up

In the event of our voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up, the holders of Common Shares will be entitled to receive an equal amount per share of all of our assets of whatever kind available for distribution to stockholders, after the rights of the holders of the preferred stock, if any, have been satisfied.

Other Rights

The holders of our Common Shares do not have preemptive or other subscription rights. There are no redemption or sinking fund provisions applicable to our Common Shares.

Discriminatory Provisions

On September 26, 2022, D-Wave and the Public Sector Pension Investment Board ("*PSP*") entered into an amended and restated side letter agreement pursuant to which PSP agreed that for so long as PSP beneficially owns, directly or indirectly, Common Shares and Exchangeable Shares (as defined below) representing 50% or more of the rights to vote at a meeting of the stockholders of D-Wave, 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% of the voting interests eligible to vote at any meeting of the stockholders of D-Wave 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 or a duly authorized committee thereof.

Preferred Stock

The D-Wave Charter provides that shares of preferred stock may be issued from time to time in one or more series. D-Wave's board of directors is authorized to provide for the issue of all or any shares of the preferred stock in one or more series, to fix the number of shares for each such series and to determine or alter, for each such series, such voting powers, if any, and such designation, preferences and relative, participating, optional, or other rights and such qualifications, limitations and restrictions thereof. D-Wave's board of directors is able to, without stockholder approval, issue preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of Common Shares and could have anti-takeover effects. The ability of D-Wave's board of directors to issue preferred stock without stockholder approval could have the effect of delaying, deferring or preventing a change in control of us or the removal of existing management.

Exchangeable Shares

As used herein, "*ExchangeCo*" means D-Wave Quantum Technologies Inc., an indirect Canadian subsidiary of D-Wave. The "*Exchangeable Shares*" refer to shares in the capital of ExchangeCo and carry, as nearly as reasonably practicable, equivalent economic entitlements to those of the Common Shares, for which they are exchangeable from time to time, at the holder's election, for Common Shares on a one-for-one basis. There are possible disadvantages or risks of holding Exchangeable Shares.

Dividends and Other Distributions

Holders of Exchangeable Shares are entitled to receive, subject to applicable law, dividends as follows:

(a) in the case of a cash dividend or other distribution declared on the Common Shares, in an amount in cash, payable in United States dollars, for each Exchangeable Share equal to the cash dividend or other distribution declared on each Common Share multiplied by the relevant Exchangeable Share Exchange Ratio (as defined below);
(b) in the case of a stock or share dividend or other distribution declared on the Common Shares to be paid in Common Shares, by the issue or transfer by ExchangeCo of such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of Common Shares to be paid on each Common Share multiplied by the relevant Exchangeable Share Exchange Ratio; or
(c) in the case of a dividend or other distribution declared on the Common Shares in property other than cash or Common Shares, in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent (as determined by the board of directors of ExchangeCo, in good faith and in its sole discretion) and adjusted for the relevant Exchangeable Share Exchange Ratio to the type and amount of property declared as a dividend or other distribution on each Common Share.

The "*Exchangeable Share Exchange Ratio*" is equal to 1.00000 (one) unless ExchangeCo, in its sole discretion, determines that ExchangeCo would be liable for any unrecoverable tax as a result of paying a dividend or

distribution. The holders of Exchangeable Shares shall not be entitled to any dividends or other distributions other than or in excess of the foregoing.

The record dates and payment dates for dividends on the Exchangeable Shares are the same as the relevant dates for dividends on corresponding Common Shares.

Pursuant to the Exchangeable Share Support Agreement, which is included as an exhibit to our Annual Report on Form 10-K of which this Exhibit 4.2 is a part, D-Wave has agreed that, so long as any Exchangeable Shares not owned by D-Wave or its affiliates remain outstanding, D-Wave will not make any dividend or distribution on its Common Shares unless ExchangeCo makes such dividends or distributions on the Exchangeable Shares (for which D-Wave will provide ExchangeCo sufficient assets or money) and ExchangeCo has enough unissued shares to make such dividends or distributions.

Voting Rights

Holders of Exchangeable Shares receive, through a voting trust, the benefit of voting rights, entitling the holder to one vote on the same basis and in the same circumstances as one corresponding Common Share multiplied by the Exchangeable Share Exchange Ratio. *See "—Special Voting Share"* and *"—Voting Rights*" below.

Special Voting Share

We created, pursuant to the Voting and Exchange Trust Agreement, which is included as an exhibit to our Annual Report on Form 10-K of which this Exhibit 4.2 is a part, a trust for the benefit of Exchangeable Share holders (the "*Beneficiaries*") whereby the trustee, Computershare Trust Company of Canada (the "*Trustee*"), holds a special voting share (the "*Special Voting Share*") in the capital of D-Wave which entitles the Trustee to that number of votes at meetings of holders of Common Shares equal to the number of corresponding Exchangeable Shares outstanding at such time (excluding Exchangeable Shares held by D-Wave and its affiliates) multiplied by the Exchangeable Share Exchange Ratio.

Voting Rights

With respect to all meetings of shareholders of D-Wave at which holders of Common Shares are entitled to vote, each Beneficiary shall be entitled to instruct the Trustee to cast and exercise, in the manner instructed, the number of votes to which a holder of one Common Share is entitled with respect to such matter, proposition or question for each Exchangeable Share owned of record by such Beneficiary at the close of business on the record date established by D-Wave or by applicable law, multiplied by the Exchangeable Share Exchange Ratio, and in respect of each Beneficiary, rounded down to the nearest whole vote.

The Trustee will exercise each vote attached to the Special Voting Share only as directed by the relevant holder and, in the absence of instructions from a holder as to voting, the Trustee will not exercise voting rights with respect to such Exchangeable Share. A Beneficiary may, upon instructing the Trustee, obtain a proxy from the Trustee entitling the Beneficiary to vote directly at the relevant meeting the votes attached to the Special Voting Share to which the Beneficiary is entitled.

Dissolution and Liquidation Rights

Upon the liquidation, dissolution or winding up of ExchangeCo, holders of Exchangeable Shares may receive, as a form of payment, in an amount equal to the fair market value of Common Shares multiplied by the Exchangeable Share Exchange Ratio (plus the declared and unpaid dividends on such Exchangeable Shares) ("*Exchangeable Share Price*"), one Common Share multiplied by the Exchangeable Share Exchange Ratio (plus certain cash and non-cash dividends) (the "*Exchangeable Share Consideration*").

In the event of a proposed liquidation, dissolution or winding up of ExchangeCo, D-Wave and DWSI Canada Holdings ULC ("*CallCo*") have the overriding right to purchase all, but not less than all, of the Exchangeable Shares (other than those held by D-Wave or its affiliates) for the Exchangeable Share Consideration, in which case, holders of the Exchangeable Shares must sell all of their shares to D-Wave or CallCo, as the case may be.

In the event of a bankruptcy, insolvency or other similar event of ExchangeCo, the Trustee has the right to require CallCo or D-Wave to purchase from each Beneficiary, all or any part of the Exchangeable Shares from each Beneficiary at the Exchangeable Share Price on the last business day prior to such insolvency event, which shall be satisfied by the Exchangeable Share Consideration.

In the case of a liquidation, dissolution, or winding-up of D-Wave, the Exchangeable Shares (other than those held by D-Wave, CallCo or their affiliates) will be automatically exchanged for one Common Share multiplied by the Exchangeable Share Exchange Ratio.

Retraction Rights

A holder of Exchangeable Shares may, at any time, require ExchangeCo to redeem, or D-Wave to purchase, any or all of such holder's Exchangeable Shares for an amount per share equal to the Exchangeable Share Price on the last business day prior to the proposed date of retraction or purchase, which price shall be paid in Exchangeable Share Consideration. A holder wishing to retract his or her Exchangeable Shares must give notice of such request to redeem or purchase ("*Retraction Request*"), as applicable, in accordance with the articles of ExchangeCo and the Exchangeable Share Provisions, which is included as an exhibit to our Annual Report on Form 10-K of which this Exhibit 4.2 is a part.

If a holder of Exchangeable Shares delivers a Retraction Request, D-Wave and CallCo have an overriding right to purchase all, but not less than all, of the number of Exchangeable Shares such holder wishes to be redeemed or purchased under the holder's Retraction Request.

Redemption Rights

On the Redemption Date (as defined below), ExchangeCo shall redeem all, but not less than all, of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by D-Wave and its affiliates) for an amount per share equal to the Exchangeable Share Price on the last business day prior to the Redemption Date, which shall be satisfied by the Exchangeable Share Consideration. The "*Redemption Date*" is the date, if any, established by the board of directors for ExchangeCo for the redemption of the Exchangeable Shares, which date shall be the later of (A) the fifth anniversary of the effective date as set forth in the Voting and Exchange Trust Agreement (the "*Effective Date*") or (B) the date that the redemption of the Exchangeable Shares would not result in any holder of Exchangeable Shares being in violation of Canadian pension regulations that restrict such holder from owning more than 30% of the securities that vote for the election of directors of D-Wave (the "*Sunset Date*").

The Redemption Date may be prior to the Sunset Date if: (A) the aggregate number of Exchangeable Shares issued and outstanding (other than Exchangeable Share held by D-Wave and its affiliates) is less than 5% of the number of Exchangeable Shares issued on the Effective Date and the exercise of the redemption right will not result in any shareholder being in violation of Canadian pension regulations; or (B) D-Wave undergoes an extraordinary transaction, including an acquisition by any person of over 50% of the voting power of D-Wave securities, a merger, reorganization, recapitalization, liquidation, disposition of all or substantially all assets, or other transaction that has a similar effect as those listed above.

D-Wave and CallCo each have the overriding right, notwithstanding the proposed redemption of the Exchangeable Shares by ExchangeCo, to purchase all, but not less than all, of the Exchangeable Shares (other than Exchangeable Shares held by D-Wave or its affiliates) on the Redemption Date.

Special Approval Rights

D-Wave will not, without the prior approval of ExchangeCo and the holders of the Exchangeable Shares:

(i) issue or distribute Common Shares (or securities convertible into Common Shares) to the holders of all or substantially all of the then outstanding Common Shares by way of stock dividend or other distribution, other than an issue of Common Shares (or securities convertible into Common Shares) to holders of Common Shares (A) who exercise an option to receive dividends in Common Shares (or securities convertible into Common Shares) in lieu of receiving cash dividends, or (B) pursuant to any dividend reinvestment plan or scrip dividend or similar arrangement;
(ii) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Common Shares entitling them to subscribe for or to purchase Common Shares (or securities convertible into Common Shares); or
(iii) issue or distribute to the holders of all or substantially all of the then outstanding Common Shares (A) shares or securities of D-Wave of any class (other than Common Shares or securities convertible into Common Shares), (B) rights, options, warrants or other assets other than those referred to in clause (a)(i) above, (C) evidence of indebtedness of D-Wave or (D) assets of D-Wave, unless, in each case, the economic equivalent on a per share basis of such rights, options, warrants, securities, shares, evidences of indebtedness or other assets is issued or distributed by ExchangeCo simultaneously to holders of the Exchangeable Shares.

D-Wave will not, without the prior approval of ExchangeCo and the holders of the Exchangeable Shares:

(i) subdivide, redivide or change the then outstanding Common Shares into a greater number of Common Shares;
(ii) reduce, combine, consolidate or change the then outstanding Common Shares into a lesser number of Common Shares; or
(iii) reclassify or otherwise change Common Shares or effect an amalgamation, merger, reorganization or other transaction affecting Common Shares; unless, in each case, the same or an economically equivalent change is simultaneously made to, or in the rights of the holders of, the Exchangeable Shares.

Election of Directors

In accordance with the D-Wave Charter and the D-Wave Bylaws, D-Wave's board of directors is divided into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to the directors whose terms will then expire will be elected to serve from the time of election and qualification until the third annual meeting following their election.

The election of directors will be determined by a plurality of the votes cast by the stockholders present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote thereon. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors will be in a position to elect all of the directors.

Antitakeover Provisions of the Certificate of Incorporation, the Bylaws and Applicable Law

The D-Wave Charter, the D-Wave Bylaws and the DGCL contain provisions, which are summarized in the following paragraphs, that may delay, defer or discourage another party from acquiring control of D-Wave. We expect that these provisions may discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with the board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our

stockholders. However, they also give the board of directors the power to discourage acquisitions that some stockholders may favor.

Special Meetings of Stockholders

The D-Wave Charter and the D-Wave Bylaws provide that special meetings of stockholders may be called only by a majority vote of D-Wave's board of directors, by the Chairperson of the board of directors, or by the chief executive officer.

Action by Written Consent

The D-Wave Charter provides that no action shall be taken by D-Wave stockholders except at an annual or special meeting of stockholders called in accordance with the Bylaws and no action shall be taken by the stockholders by written consent.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

The D-Wave Bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice of their intent in writing. To be considered timely, a stockholder's notice will need to be received by the company secretary at the principal executive offices not earlier than 120 days prior to such special meeting and not later than the close of business on the later of the 90th day prior to such meeting or the tenth day following the day on which D-Wave first makes a public announcement of the date of the special meeting and of the nominees proposed by D-Wave's board of directors to be elected at such meeting. Pursuant to Rule 14a-8 of the Exchange Act, proposals seeking inclusion in D-Wave's annual proxy statement must comply with the notice periods contained therein. The D-Wave Bylaws specify certain requirements as to the form and content of a stockholders' meeting. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

Removal of Directors; Vacancies

The D-Wave Charter provides that, subject to the rights of any series of preferred stock to remove directors elected by the holders of such series of preferred stock, neither D-Wave's entire board of directors nor any individual director may be removed from office without cause. Subject to any limitations imposed by applicable law and the rights of any series of preferred stock to remove directors elected by holders of such preferred stock, any of D-Wave's individual directors or the whole board of directors may be removed from office for cause by the affirmative vote of the holders of at least 66 2/3% of the voting power of all then-outstanding shares of D-Wave's capital stock entitled to vote on the election of such directors.

In addition, the D-Wave Charter provides that, subject to any limitations imposed by applicable law and the rights of any holders of any series of preferred stock to elect additional directors or fill vacancies in respect of such directors, any vacancies on D-Wave's board of directors or any newly created directorships resulting from any increase in the number of directors shall be filled by the stockholders and except as otherwise provided by applicable law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum or by the sole remaining director.

Amendment to the D-Wave Charter and D-Wave Bylaws

The D-Wave Charter provides that the following provisions therein may be altered, amended or repealed only by the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then outstanding shares of D-Wave's capital stock entitled to vote generally in the election of directors, voting together as a single class: (i) provisions relating to the size of D-Wave's board of directors, election of directors and removal of directors; (ii)

provisions relating to vacancies and newly created directorships; (iii) provisions relating to the adoption, amendment or repeal of bylaws; (iv) provisions relating to stockholder actions; (v) provisions relating to limitation of liability of D-Wave's directors; (vi) provisions relating to exclusive forum; and (vii) provisions relating to amendments to the D-Wave Charter.

Subject to certain limitations set forth in the D-Wave Bylaws and provisions of the D-Wave Charter, D-Wave's board of directors is expressly authorized and empowered to adopt, amend or repeal the D-Wave Bylaws or any provision or provisions thereof upon an approval of a majority of the authorized number of directors. D-Wave stockholders also have power to adopt, amend or repeal the D-Wave Bylaws; provided, however, that, in addition to any vote of the holders of any class or series of stock of the corporation required by applicable law or the D-Wave Charter, such action by stockholders will require the affirmative vote of the holders of at least 66 2/3% of the voting power of all the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

Authorized but Unissued Shares

D-Wave's authorized but unissued Common Shares and preferred stock are available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of D-Wave by means of a proxy contest, tender offer, merger or otherwise.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time the incident to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Choice of Forum

The D-Wave Charter provides that, unless D-Wave consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following claims or causes of action under Delaware statutory or common law: (a) any derivative claim or cause of action brought on behalf of D-Wave; (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 to D-Wave or D-Wave's stockholders; (c) any claim or cause of action against D-Wave or any current or former director, officer or other employee of D-Wave Bylaws, arising out of or pursuant to any provision of the DGCL, the D-Wave Charter or the D-Wave 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 Charter or the D-Wave 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 or any current or former director, officer or other employee of D-Wave, governed by the internal-affairs doctrine or otherwise related to D-Wave'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. However, such choice of forum provisions shall not apply to claims or causes of action brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "*Securities Act*") or the Exchange Act, or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction.

Unless D-Wave consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with D-Wave or its directors, officers, or other employees, which may discourage lawsuits against D-Wave or its directors, officers and other employees.

Delaware Anti-Takeover Statute

D-Wave is subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 of the DGCL defines a "business combination" to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 of the DGCL defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire D-Wave even though such a transaction may offer its stockholders the opportunity to sell their stock at a price above the prevailing market price.

A Delaware corporation may "opt out" of these provisions with an express provision in its certificate of incorporation. D-Wave will not opt out of these provisions, which may as a result, discourage or prevent mergers or other takeover or change of control attempts of it.

Limitation of Liability and Indemnification

The D-Wave Charter contains provisions that limit the liability of D-Wave's current and former directors for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to the corporation or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any matter in respect of which such director shall be liable under Section 174 of the DGCL; and
- any transaction from which the director derived an improper personal benefit.

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

D-Wave has also entered into agreements with its officers and directors to provide contractual indemnification. D-Wave will purchase a policy of directors' and officers' liability insurance that insures its directors and officers against the cost of defense, settlement or payment of a judgment in some circumstances and insures D-Wave against its obligations to indemnify the directors and officers. Furthermore, a stockholder's investment may be adversely affected to the extent D-Wave pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. D-Wave believes that these provisions, the insurance and the indemnity agreements are necessary to attract and retain talented and experienced directors and officers.

Transfer Agent

The transfer agent for the Common Shares is Equiniti Trust Company, LLC.

FOURTH AMENDMENT TO LEASE

This Fourth Amendment to Lease ("Amendment") is dated January 7 2025, for reference purposes only, and is entered into by and between Embarcadero Joint Venture, a California general partnership ("Lessor") and D-Wave Commercial Inc., a Delaware corporation ("Lessee") with reference to the following facts and objectives:

RECITALS

A. Lessor and Lessee's predecessor entered into that certain Lease dated January 15, 2013, as amended by that certain First Amendment to Lease dated January 29, 2018, as amended by that certain Second Amendment to Lease dated September 9, 2022 by and between Lessor and Lessee, and as further amended by that certain Third Amendment to Lease dated February 14, 2024 by and between Lessor and Lessee (collectively "Lease"), for premises commonly known as 2650 East Bayshore Road, Palo Alto, California ("Premises");

B. The Term of the Lease was scheduled to expire on June 30, 2025, and Lessee desires to conduct an early exercise of the Option granted to Lessee under the Third Amendment to the Lease to further extend the Term of the Lease through and including June 30, 2026; and

C. The parties desire to enter into this Amendment to confirm the extension of the Term of the Lease through June 30, 2026, and to amend certain other provisions of the Lease, all as set forth below.

NOW, THEREFORE, the parties agree as follows:

1. Recitals. Lessor and Lessee agree that the above recitals are true and correct and are hereby incorporated herein as though set forth in full.

2. Term Extension. Lessor and Lessee acknowledge and agree that the expiration date of the Term of the Lease is now June 30, 2026.

3. Base Rent. In accordance with the terms of the Option set forth in the Third Amendment, the monthly Base Rent under the Lease for the period of July 1, 2025, through and including June 30, 2026, shall be $20,369.28 per month.

4. Condition of Premises. Lessee acknowledges and agrees (i) Lessee is familiar with the condition of the Premises, (ii) Lessee accepts the Premises in their existing condition "AS IS", and (iii) Lessor shall not be obligated to provide or pay for any improvement, remodeling or refurbishment work or services related to the improvement, remodeling or refurbishment of the Premises.

5. Brokers. Lessee warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Amendment whose commission shall be payable by Lessor. If Lessee has dealt with any person, real estate broker or agent with respect to this Amendment, Lessee shall be solely responsible for the payment of any fee due to said person or firm, and Lessee shall indemnify, defend and hold Lessor free and harmless against any claims, judgments, damages, costs, expenses, and liabilities with respect thereto, including attorneys' fees and costs.

6. Ratification of Lease. Lessee acknowledges that the Lease is in full force and effect, there are currently no defaults nor claims existing under the Lease, and there are no amendments or addenda to the Lease Agreement other than those set forth herein.

7. Effect of Amendment. Except as modified herein, the terms and conditions of the Lease shall remain unmodified and continue in full force and effect. In the event of any conflict between the terms and conditions of the Lease and this Amendment, the terms and conditions of this Amendment shall prevail.

8. Definitions. Unless otherwise defined in this Amendment, all terms not defined in this Amendment shall have the meanings assigned to such terms in the Lease.

9. Authority. Subject to the assignment and subletting provisions of the Lease, this Amendment shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns. Each party hereto and the persons signing below warrant that the person signing below on such party's behalf is authorized to do so and to bind such party to the terms of this Amendment.

10. Miscellaneous.

a. Counterparts and Electronic Signatures: This Amendment may be signed in two or more counterparts. When at least one such counterpart has been signed by each party, this Amendment shall be deemed to have been fully executed and each counterpart shall be deemed to be an original and all counterparts taken together shall be one and the same Amendment. This Amendment may be signed by faxed, e-mailed or other electronic signatures (e.g., DocuSign) and faxed, e-mail, or such other electronic signatures hereon shall be deemed originals for all purposes.

b. Incorporation. This Amendment is incorporated into the Lease by reference and all terms and conditions of the Lease (except as expressly modified herein) are incorporated into this Amendment by reference.

c. Neutral Interpretation. This Amendment shall be interpreted neutrally between the parties regardless of which party drafted or caused to be drafted this Agreement.

d. Integration. This Amendment and the Lease comprises the entire agreement between the parties.

e. Consent to the Removal of Personal Property. The Lessor agrees to negotiate in good faith with respect to any commercially reasonable documents or agreements that are required by the Lessee's lender at any time and from time to time, including, but not limited to, a consent to removal of personal property from the Premises, where such personal property serves as collateral for the Lessee's obligations under a loan agreement with the lender. Lessee agrees that Lessee shall reimburse Lessor, within ten (10) days following Lessor's delivery to Lessee of an invoice for the same, for Lessor's reasonable attorney's fees incurred in connection with any such review and negotiation of any documents requested by Lessee's lender.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

LESSOR:

Embarcadero Joint Venture,
a California general partnership

By: Handley Management Corporation
Its: Managing General Partner

By: DocuSigned by: _____
John H. Tittle
Its: President

Date: 10-Jan-2025 | 5:34 PM PST

LESSEE:

D-Wave Commercial Inc.,
a Delaware corporation

By: Signed by: Trevor Lanting
B67525AAAB1043F...

Print: Trevor Lanting

Its: Chief Development Officer

Dated: 10-Jan-2025 | 11:09 AM PST

ACKNOWLEDGEMENT BY GUARANTOR

Guarantor, D-Wave Systems Inc., a Canadian corporation, hereby acknowledges the foregoing amendment and acknowledges and agrees that Guarantor's obligations under the Guaranty continue in full force and effect to Lessee's obligations under the Lease as amended by the foregoing Fourth Amendment.

D-Wave Systems Inc.,
a Canadian corporation

By: Trevor Lanting Signed by: Trevor Lanting
B67525AAAB1043F...

Its: Chief Development Officer

Dated: 10-Jan-2025 | 11:09 AM PST

FIFTH AMENDMENT TO LEASE

This Fifth Amendment to Lease ("**Amendment**") is dated November 20, 2025, for reference purposes only, and is entered into by and between Embarcadero Joint Venture, a California general partnership ("**Lessor**"), and D-Wave Commercial Inc., a Delaware corporation ("**Lessee**"), with reference to the following facts and objectives:

RECITALS

A. WHEREAS, Lessor and Lessee are the current parties to that certain Lease dated January 15, 2013, as amended by that certain First Amendment to Lease dated January 29, 2018, as amended by that certain Second Amendment to Lease dated September 9, 2022, as amended by that certain Third Amendment to Lease dated February 14, 2024, and as further amended by that certain Fourth Amendment to Lease dated January 7, 2025 (collectively, the "**Lease**"), for premises commonly known as 2650 East Bayshore Road, Palo Alto, California ("**Premises**"); and

B. WHEREAS, the Term of the Lease is currently scheduled to expire on June 30, 2026, and Lessor and Lessee desire to further extend the Term of the Lease through and including June 30, 2027, all as set forth below.

NOW, THEREFORE, the parties agree as follows:

1. **Recitals.** Lessor and Lessee agree that the above recitals are true and correct and are hereby incorporated herein as though set forth in full.

2. **Term Extension.** Lessor and Lessee acknowledge and agree that the expiration date of the Term of the Lease is now June 30, 2027.

3. **Base Rent.** Lessor and Lessee agree that the monthly Base Rent under the Lease for the period of July 1, 2026, through and including June 30, 2027, shall be $20,980.36 per month.

4. **Condition of Premises.** Lessee acknowledges and agrees (i) Lessee is familiar with the condition of the Premises, (ii) Lessee accepts the Premises in their existing condition "AS IS", and (iii) Lessor shall not be obligated to provide or pay for any improvement, remodeling or refurbishment work or services related to the improvement, remodeling or refurbishment of the Premises.

5. **Options.** Lessee acknowledges that there are no options to further extend or renew the Term of the Lease, and any such options which may have previously been granted are hereby terminated.

6. **Brokers.** Lessee warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Amendment other than Renault & Handley representing Lessor exclusively. If Lessee has dealt with any other person, real estate broker or agent with respect to this Amendment, Lessee shall be solely responsible for the payment of any fee due to said person or firm, and Lessee shall indemnify, defend and hold Lessor free and harmless against any claims, judgments, damages, costs, expenses, and liabilities with respect thereto, including attorneys' fees and costs.

7. **Ratification of Lease.** Lessee acknowledges that the Lease is in full force and effect, there are currently no defaults nor claims existing under the Lease, and there are no amendments or addenda to the Lease Agreement other than those set forth herein.

8. **Effect of Amendment.** Except as modified herein, the terms and conditions of the Lease shall remain unmodified and continue in full force and effect. In the event of any conflict between the terms and conditions of the Lease and this Amendment, the terms and conditions of this Amendment shall prevail.

9. Definitions. Unless otherwise defined in this Amendment, all terms not defined in this Amendment shall have the meanings assigned to such terms in the Lease.

10. Authority. Subject to the assignment and subletting provisions of the Lease, this Amendment shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns. Each party hereto and the persons signing below warrant that the person signing below on such party's behalf is authorized to do so and to bind such party to the terms of this Amendment.

11. Miscellaneous.

a. Counterparts and Electronic Signatures: This Amendment may be signed in two or more counterparts. When at least one such counterpart has been signed by each party, this Amendment shall be deemed to have been fully executed and each counterpart shall be deemed to be an original and all counterparts taken together shall be one and the same Amendment. This Amendment may be signed by faxed, e-mailed or other electronic signatures (e.g., DocuSign) and faxed, e-mail, or such other electronic signatures hereon shall be deemed originals for all purposes.

b. Incorporation. This Amendment is incorporated into the Lease by reference and all terms and conditions of the Lease (except as expressly modified herein) are incorporated into this Amendment by reference.

c. Neutral Interpretation. This Amendment shall be interpreted neutrally between the parties regardless of which party drafted or caused to be drafted this Amendment.

d. Integration. This Amendment and the Lease comprise the entire agreement between the parties.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

LESSOR:

Embarcadero Joint Venture,
a California general partnership

By: Handley Management Corporation
Its: Managing General Partner

By: _____
John H. Tittle
Its: President

Date: _____

LESSEE:

D-Wave Commercial Inc.,
a Delaware corporation

By: _____

Print: John M. Markovich

Its: Chief Financial Officer

Dated: January 9, 2026

ACKNOWLEDGEMENT BY GUARANTOR

Guarantor, D-Wave Systems Inc., a Canadian corporation, hereby acknowledges the foregoing Amendment and acknowledges and agrees that Guarantor's obligations under the Guaranty continue in full force and effect to Lessee's obligations under the Lease as amended by the foregoing Amendment.

D-Wave Systems Inc.,
a Canadian corporation

By: Signed by: Trevor Lanting C985AEDCE41F40E...

Print: Trevor Lanting

Its: Chief Development Officer

Dated: 23-Dec-2025 | 7:25 AM PST

LESSOR:

Embarcadero Joint Venture,
a California general partnership

By: Handley Management Corporation
Its: Managing General Partner

By: John H. Tittle
John H. Tittle
Its: President

Date: 1-14-2026

LESSEE:

D-Wave Commercial Inc.,
a Delaware corporation

By: _____

Print: _____

Its: _____

Dated: _____

ACKNOWLEDGEMENT BY GUARANTOR

Guarantor, D-Wave Systems Inc., a Canadian corporation, hereby acknowledges the foregoing Amendment and acknowledges and agrees that Guarantor's obligations under the Guaranty continue in full force and effect to Lessee's obligations under the Lease as amended by the foregoing Amendment.

D-Wave Systems Inc.,
a Canadian corporation

By: Signed by: Trevor Lanting
C0B5AE1DCE41F40E...

Print: Trevor Lanting

Its: Chief Development Officer

Dated: 23-Dec-2025 | 7:25 AM PST

FIFTEENTH AMENDMENT TO THE SEMICONDUCTOR LINE OPERATION AGREEMENT

This FIFTHTEENTH AMENDMENT TO THE SEMICONDUCTOR LINE OPERATION AGREEMENT (this "15th **Amendment**"), is effective as of January 14, 2025 (the "**Amendment Effective Date**"), and amends the SEMICONDUCTOR LINE OPERATION AGREEMENT dated December 23, 2012, as amended by the fourteen (14) prior amendments, the last of which was dated December 25, 2023, (the "**Agreement**"), by and between SkyWater Technology Foundry, Inc. ("**SkyWater**") and D-Wave Systems Inc. ("**D-Wave**"), each a "**Party**" and collectively, the "**Parties**". Capitalized terms used but not defined in this 15th Amendment have the meaning ascribed to them under the Agreement.

WHEREAS:

A. SkyWater provides services to D-Wave pursuant to the Agreement; and

B. The Parties now desire to modify the Agreement's financial terms and pricing.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the Parties agree to amend the Agreement as follows:

1. As of the Amendment Effective Date, the pricing in the tables below applies between the Parties, and all conflicting pricing is deleted from the Agreement.

Calendar Year 2025

Min Annual Commit	Base Activity Price	RSC Activity Rate ($USD)	Engineering Hourly Rate ($USD)	Engineering Tech Hourly Rate ($USD)	Hot Lot Activity Cost Multiple	Hot Hand Carry Lot Activity Cost Multiple
$[*****]	$[*****]	$[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]x	$[*****]	$[*****]	[*****]x	[*****]x

Certain identified information has been excluded from the exhibit because it is (i) not material and (ii) the type that the registrant treats as private or confidential. Redacted information is marked with a [*****].

Calendar Year 2026

Min Annual Commit	Base Activity Price	RSC Activity Rate ($USD)	Engineering Hourly Rate ($USD)	Engineering Tech Hourly Rate ($USD)	Hot Lot Activity Cost Multiple	Hot Hand Carry Lot Activity Cost Multiple
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x

Calendar Year 2027

Min Annual Commit	Base Activity Price	RSC Activity Rate ($USD)	Engineering Hourly Rate ($USD)	Engineering Tech Hourly Rate ($USD)	Hot Lot Activity Cost Multiple	Hot Hand Carry Lot Activity Cost Multiple
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]x	[*****]x

For calendar year 2025, D-Wave's minimum annual commitment is $[*****]. For each of calendar years 2026 and 2027, D-Wave will issue SkyWater (i) a non-binding forecast by October 1 of the preceding respective calendar year, and (ii) a purchase order to SkyWater by December 1 of the preceding respective calendar year, to represent its minimum annual commitment. D-Wave's minimum annual commitment determines the pricing for that calendar year. If D-Wave spends in excess of its minimum annual commitment in a given year, it does not receive any incremental pricing discounts.

SkyWater will charge $[*****] per quarter for program management services.

Prices, fees, and costs not set forth in this 15th Amendment shall be invoiced based on SkyWater's then-current applicable SOP and standard commercial price list.

- CMP change overs will be billed on a per lot basis. The price for each lot will be [*****] activities multiplied by the Base Activity Rate. Activities incurred as part of the CMP change over process will be billed at the Base Activity Rate.
- Reticle Holding Fees only applicable to reticles that have been inactive for at least 6 months.
- If D-Wave requests use of SkyWater's standard starting material ("**SMAT**") in place of non-standard SMAT, D-Wave will be charged at the Base Activity Rate and not the RSC Activity Rate for that wafer.

The pricing set forth above (i) represents a one-time management concession by SkyWater based on D-Wave's agreement to minimum spend commitments in each of 2025, 2026, and 2027 as described in Section 2 of this 15th Amendment, and (ii) expires December 31, 2027. Beginning January 1, 2028, unless otherwise agreed by the Parties in writing, SkyWater's standard commercial rates apply.

2. Spend Commitment and Shortfall Payments:

During calendar year 2025, D-Wave shall spend at least $[*****] with SkyWater for services provided during 2025 (the "**2025 Spend Commitment**"). If by December 31, 2025, D-Wave has not satisfied the 2025 Spend Commitment as set forth in the preceding sentence, SkyWater will invoice, and D-Wave agrees to pay, the difference between the 2025 Spend Commitment and the total fees actually paid by D-Wave to SkyWater for services provided in 2025.

During calendar year 2026, D-Wave shall spend at least $[*****]with SkyWater for services provided during 2026 or such greater amount as it commits to as set forth in Section 1 of this 15th Amendment (the "**2026 Spend Commitment**"). If by December 31, 2026, D-Wave has not satisfied the 2026 Spend Commitment as set forth in the preceding sentence, SkyWater will invoice, and D-Wave agrees to pay, the difference between the 2026 Spend Commitment and the total fees actually paid by D-Wave to SkyWater for services provided in 2026.

During calendar year 2027, D-Wave shall spend at least $[*****] with SkyWater for services provided during 2027 or such greater amount as it commits to as set forth in Section 1 of this 15th Amendment (the "**2027 Spend Commitment**"). If by December 31, 2027, D-Wave has not satisfied the 2027 Spend Commitment as set forth in the preceding sentence, SkyWater will invoice, and D-Wave agrees to pay, the difference between the 2027 Spend Commitment and the total fees actually paid by D-Wave to SkyWater for services provided in 2027.

If D-Wave fails to make the shortfall payments described in this Section 2, the pricing set forth in Section 1 of this 15th Amendment immediately terminates and SkyWater's standard commercial rates apply. Termination of the pricing set forth in Section 1 of this 15th Amendment does not relieve D-Wave of its minimum spend commitments in 2025, 2026, and 2027.

3. "Minimum Batch Size" is replaced throughout the Agreement with "Minimum Lot Size". For as long as the pricing set forth in Section 1 of this 15th Amendment is effective, the Minimum Lot Size is [*****] ([*****]) wafers. Any Process Lot that is smaller will be charged as if [*****] wafers are in the Process Lot, excluding Engineering Activities and as otherwise set forth in SkyWater SOP.

4. The Parties will work in good faith to replace the Agreement, including all amendments and attachments, with a new agreement ("**Replacement Agreement**") to be fully executed by December 31, 2025. The Replacement Agreement will be based on SkyWater's standard Technology as a Service (TaaS) Agreement and service exhibit forms. If the Replacement Agreement is not fully executed by

December 31, 2025, SkyWater may elect to discontinue offering the pricing set forth in Section 1 of this 15th Amendment, in which case SkyWater's standard commercial rates will apply.

5. Except as expressly amended herein, all the terms of the Agreement, as previously amended, will remain unchanged and applicable. To the extent that there is any inconsistency between the terms of this 15th Amendment and the Agreement, as previously amended, the terms of this 15th Amendment shall govern.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this 15th Amendment as of the Amendment Effective Date.

SKYWATER TECHNOLOGY FOUNDRY, INC.	D-WAVE SYSTEMS INC.
/s/ John Sakamoto	/s/ Alan Baratz
Signature	Signature
John Sakamoto	Alan Baratz
Name (Print)	Name (Print)
President & COO	CEO
Title	Title
1/22/2025	1/22/2025
Date	Date

Exhibit 10.24

SIXTEENTH AMENDMENT TO THE SEMICONDUCTOR LINE OPERATION AGREEMENT

This SIXTEENTH AMENDMENT TO THE SEMICONDUCTOR LINE OPERATION AGREEMENT (this "**16th Amendment**"), is effective as of February 21, 2025 (the "**Amendment Effective Date**"), and amends the SEMICONDUCTOR LINE OPERATION AGREEMENT dated December 23, 2012, as amended by the fifteen (15) prior amendments, the last of which was dated January 14, 2025, (the "**Agreement**"), by and between SkyWater Technology Foundry, Inc. ("**SkyWater**") and D-Wave Systems Inc. ("**D-Wave**"), each a "**Party**" and collectively, the "**Parties**". Capitalized terms used but not defined in this 16th Amendment have the meaning ascribed to them under the Agreement.

WHEREAS:

A. D-Wave previously agreed to a minimum spend commitment of $[*****] for calendar year 2025; and

B. D-Wave now agrees to a minimum spend commitment of $[*****] for calendar year 2025.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the Parties agree to amend the Agreement as follows:

1. Notwithstanding the Fifteenth Amendment to the Semiconductor Line Operation Agreement dated January 14, 2025, D-Wave's minimum annual commitment for calendar year 2025 is $[*****]. For clarity, the "2025 Spend Commitment" means that during calendar year 2025, D-Wave shall spend at least $[*****] with SkyWater for services provided during 2025.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this 16th Amendment as of the Amendment Effective Date.

SKYWATER TECHNOLOGY FOUNDRY, INC.	D-WAVE SYSTEMS INC.
/s/ Brian Wilbur	/s/ Alan Baratz
Signature	Signature
Brian Wilbur	Alan Baratz
Name (Print)	Name (Print)
VP, Sales and Solutions Engineering	CEO
Title	Title
2/24/2025	2/26/2025
Date	Date

Certain identified information has been excluded from the exhibit because it is (i) not material and (ii) the type that the registrant treats as private or confidential. Redacted information is marked with a [*****].

SEVENTEENTH AMENDMENT TO THE SEMICONDUCTOR LINE OPERATION AGREEMENT

This SEVENTEENTH AMENDMENT TO THE SEMICONDUCTOR LINE OPERATION AGREEMENT (this "**17th Amendment**"), is effective as of March 31, 2025 (the "**Amendment Effective Date**"), and amends the SEMICONDUCTOR LINE OPERATION AGREEMENT dated December 23, 2012, as amended by the sixteen (16) prior amendments, the last of which was dated February 21, 2025, (the "**Agreement**"), by and between SkyWater Technology Foundry, Inc. ("**SkyWater**") and D-Wave Systems Inc. ("**D-Wave**"), each a "**Party**" and collectively, the "**Parties**". Capitalized terms used but not defined in this 17th Amendment have the meaning ascribed to them under the Agreement.

WHEREAS:

A. SkyWater and D-Wave previously entered into a multi-year pricing agreement covering calendar years 2025, 2026, and 2027; and

B. The Parties now desire to modify and restate the financial terms and pricing of that multi-year pricing agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the Parties agree to amend the Agreement as follows:

1. As of the Amendment Effective Date, this 17th Amendment amends, restates, and replaces the 15th and 16th Amendments to the Agreement.

2. **Pricing**. The pricing in the tables below apply between the Parties, and all conflicting pricing is deleted from the Agreement:

Calendar Year 2025

Min Annual Commit	Base Activity Price	RSC Activity Rate ($USD)	Eng. Hourly Rate ($USD)	Eng.Tech Hourly Rate ($USD)	Hot Lot Activity Cost Multiple	Hot Hand Carry Lot Activity Cost Multiple	FA Charge Reduction
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%

Certain identified information has been excluded from the exhibit because it is (i) not material and (ii) the type that the registrant treats as private or confidential. Redacted information is marked with a [*****].

Calendar Year 2026

Min Annual Commit	Base Activity Price	RSC Activity Rate ($USD)	Eng. Hourly Rate ($USD)	Eng.Tech Hourly Rate ($USD)	Hot Lot Activity Cost Multiple	Hot Hand Carry Lot Activity Cost Multiple	FA Charge Reduction
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%

Calendar Year 2027

Min Annual Commit	Base Activity Price	RSC Activity Rate ($USD)	Eng. Hourly Rate ($USD)	Eng.Tech Hourly Rate ($USD)	Hot Lot Activity Cost Multiple	Hot Hand Carry Lot Activity Cost Multiple	FA Charge Reduction
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%
$[*****]	$[*****]	[*****]	$[*****]	$[*****]	[*****]	[*****]x	[*****]%

a) SkyWater will charge $[*****] per quarter for program management services.

a) Prices, fees, and costs not set forth in this 17th Amendment will be invoiced based on SkyWater's then-current applicable SOP and standard commercial price list.

- Chemical Mechanical Polishing ("**CMP**") change overs will be billed on a per lot basis. The price for each lot will be [*****] activities multiplied by the Base Activity Rate. Activities incurred as part of the CMP change over process will be billed at the Base Activity Rate.
- Reticle Holding Fees do not apply.
- If D-Wave requests use of SkyWater's standard starting material ("**SMAT**") in place of non-standard SMAT, D-Wave will be charged at the Base Activity Rate and not the RSC Activity Rate for that wafer.
- Wafer bank extended from 45 days to 180 days.

b) The pricing set forth above (i) represents a one-time management concession by SkyWater based on D-Wave's agreement to minimum spend commitments in each of 2025, 2026, and 2027 as described in Section 3 of this 17th Amendment, and (ii) expires December 31, 2027. Beginning January 1, 2028, unless otherwise agreed by the Parties in writing, SkyWater's standard commercial rates apply.

3. Spend Commitment and Shortfall Payments.

a) **2025 Spend Commitment**. During calendar year 2025, D-Wave will spend at least $[*****] with SkyWater for services provided during 2025 (the "**2025 Spend Commitment**"). If by December 31, 2025, D-Wave has not satisfied the 2025 Spend Commitment as set forth in the preceding sentence, SkyWater will invoice, and D-Wave agrees to pay, the difference between the 2025 Spend Commitment and the total fees actually paid by D-Wave to SkyWater for services provided in 2025.

b) **2026 Spend Commitment**. During calendar year 2026, D-Wave will spend at least $[*****] with SkyWater for services provided during 2026 (the "**2026 Spend Commitment**"). The 2026 Spend Commitment can be increased up to $[*****] depending on how many of the three 2025 deliverables are met, as outlined in Section 4 below (the "**Increased 2026 Spend Commitment**"). The Increased 2026 Spend Commitment will be calculated as follows: the 2026 Spend Commitment of $[*****] + (number of 2025 deliverables met x $[*****]). Thus, if all three 2025 deliverables are met, the 2026 Spend Commitment will increase to $[*****]. D-Wave will use SkyWater's internal records and reports as the basis for determining SkyWater's completion of deliverables. If by December 31, 2026, D-Wave has not satisfied either the 2026 Spend Commitment or the Increased 2026 Spend Commitment (whichever is applicable) as set forth in the preceding sentence, SkyWater will invoice, and D-Wave agrees to pay, the difference between either the 2026 Spend Commitment or the Increased 2026 Spend Commitment (whichever is applicable) and the total fees actually paid by D-Wave to SkyWater for services provided in 2026.

c) **2027 Spend Commitment**. During calendar year 2027, D-Wave will spend at least $[*****] with SkyWater for services provided during 2027 (the "**2027 Spend Commitment**"). If by December 31, 2027, D-Wave has not satisfied the 2027 Spend Commitment as set forth in the preceding sentence, SkyWater will invoice, and D-Wave agrees to pay, the difference between the 2027 Spend Commitment and the total fees actually paid by D-Wave to SkyWater for services provided in 2027.

c) If D-Wave spends in excess of its minimum annual commitment in a given year, it does not receive any incremental pricing discounts.

d) If D-Wave fails to make the shortfall payments described in this Section 3, unless otherwise agreed between the Parties, the pricing set forth in Section 2 of this 17th Amendment immediately terminates and SkyWater's standard commercial rates apply. Termination of the pricing set forth in Section 2 of this 17th Amendment does not relieve D-Wave of its 2025 Spend Commitment, 2026 Spend Commitment or 2026 Increased Spend Commitment (whichever is applicable), and 2027 Spend Commitment.

4. 2025 Deliverables. There are three deliverables for calendar year 2025. Each deliverable comprises a set of wafer-lots as described in more detail in Table 1 below. Each of the five rows in Table 1 below corresponds to a set of wafer-lots fabricated using a particular process flow, and corresponds to a specific device.

a) Successful completion of deliverable 1 requires on-time completion, as defined in Section 6 below, of all wafer-lots described in the first three rows in Table 1 below. Successful completion of deliverable 2 requires on-time completion, as defined in Section 6 below, of all wafer-lots described in row 4 of Table 1 below. Successful completion of deliverable 3 requires on-time completion, as defined in Section 6 below, of all wafer-lots described in row 5 of Table 1 below.

b) Deliverable 3 comprises a series of two experimental lots each implementing a cycle-of-learning ("**COL**") that will include both base-flow steps, as well as run status change ("**RSC**") steps, and where the total number of steps may differ from those of the base flow processes. The experimental flow, including specification of RSC steps will be defined by the D-Wave Engineering team in advance of the requested wafer-lot starts.

Table 1 – 2025 D-Wave Deliverable Groups

Deliverable	Device	Purpose	Lots, Wafers per lot	Expected # of process steps	Maximal days-in-fab
1	DU6	Z12 4800 Advantage2 product chips	[*****]	[*****]	[*****]*+ [*****]**
	ULU	Z6 scale chips for product scaling demonstration	[*****]	[*****]	[*****]*+ [*****]**
	RAMBUTAN	Control chip for Gate Model integration	[*****]	[*****]	[*****]+ [*****]**
2	MANGO	Advanced prototype	[*****]	[*****]	[*****]+ [*****]**
3	DU6	2 COL/1 lot each, to be communicated to the SW engineering team in advance of the requested start	[*****]	[*****]	See Eq. 1.

* The DU6 and ULU lots that may satisfy deliverable 1 are already in fabrication. This deliverable is satisfied if these lots ship to D-Wave with an average number of days-in-fab no more than described according to Equation 1 (as defined in Section 6 below), and based on the number of steps remaining at the time of the Amendment Effective Date.
** Additional time in consideration of the time required to perform CMP conversion. A "CMP conversion" means the process of changing over to run D-Wave wafers, and the change back to run material from other SkyWater customers.
In the event of a discrepancy between an entry in the "Expected # of process steps" column, and the process
flow for the lot in question, Equation 1 will take precedence in defining the "days-in-fab" for that wafer-lot.

c) SkyWater will use commercially reasonable efforts to maintain consistency in key SkyWater personnel assigned to support D-Wave.

5. Days-in-Fab. For the purposes of this 17th Amendment, "days-in-fab" for a wafer-lot is calculated as follows:

a) the number of days between the time D-Wave requests the lot begin fabrication, and the time that completed wafer-lot leaves SkyWater and is shipped to D-Wave;
b) minus the number of days the wafer-lot is outside of SkyWater's facility for purposes of executing fabrication steps at D-Wave facilities, or those of D-Wave's other subcontractors;
c) minus any time the wafer lot spends on a D-Wave requested 'customer hold';
d) minus time waiting for reticles;
e) minus any time the wafer lots spend in e-test;

f) minus any time required by the SkyWater Engineering team to write any D-Wave requested RSC's that were not communicated or specified to the SkyWater Engineering team with sufficient lead time prior to execution of the affected steps of the wafer-lot to avoid delay in execution. Note that time spent preparing for any SkyWater requested RSC's after the request to start fabrication of a wafer-lot does count towards the number of elapsed days-in-fab. D-Wave will endeavour to minimize the number of RSC's in processing deliverables 1 & 2 in the interests of expediting these lots.

D-Wave commits to running a sacrificial Look Ahead Wafer ("LAW") to target the process on first design lots. Recognizing the additional work required for the first lot of a new device or mask, one wafer of the first lot can be used as a sacrificial LAW for the purposes of performing reticle alignment, or any other work needed to be done specially on the first lot. D-Wave will not expect the sacrificial LAW to yield, and will expect to be charged for its processing, just as with the other wafers of each lot.

6. **On Time Completion.** For the wafer-lots listed in the above Table 1 – 2025 D-Wave Deliverable Groups to count as "on-time completion", the following is required:
   a) The average days-in-fab for the lots associated with each deliverable must not exceed the 'Maximal days-in-fab' limit shown for that row; ***and***
   b) For deliverables already in fabrication at the time this 17th Amendment is effective, or for any deliverables that include RSC activities, the maximal days-in-fab will not exceed a time defined by Equation 1 which is calculated as follows:

      days-in-fab = RSC-Steps * (1.2 day per RSC step) + BASE-Steps * (0.6 day per base flow step) + (2 days per CMP conversion step) * (number of CMP conversions) (1)

      where "BASE-Steps" means the number of base flow process steps required, or remaining to completion, and "RSC-Steps" means the number of RSC steps defined for the lot. If RSC-Steps are included in the deliverable, these must be clearly defined and communicated to the SkyWater Engineering team prior to the request to begin fabrication of the lot.

7. **General**.

   a) **Minimum Lot Size**. "Minimum Batch Size" is replaced throughout the Agreement with "Minimum Lot Size". For as long as the pricing set forth in Section 2 of this 17th Amendment is effective, the Minimum Lot Size is 6 wafers. Any Process Lot that is smaller will be charged as if 6 wafers are in the Process Lot, excluding Engineering Activities and as otherwise set forth in SkyWater SOP.

   b) **Replacement Agreement**. The Parties will work in good faith to replace the Agreement, including all amendments and attachments, with a new agreement ("**Replacement Agreement**") to be fully executed by December 31, 2025. The Replacement Agreement will be based on SkyWater's standard Technology as a Service (TaaS) Agreement and service exhibit forms. If the Replacement Agreement is not fully executed by December 31, 2025, SkyWater may elect to discontinue offering the pricing set forth in Section 2 of this 17th Amendment, in which case SkyWater's standard commercial rates will apply.

   c) **Shipments**. Wafers and other material shipped under the Agreement will be delivered "Ex Works" point of shipment, as defined in the International Chamber of Commerce's Incoterms 2020.

SkyWater will make goods available at their premises. D-Wave bears all costs and risks from this point forward, including loading, transport, export/import clearance, and applicable duties.

d) **Inconsistency**. Except as expressly amended herein, all the terms of the Agreement, as previously amended, will remain unchanged and applicable. To the extent that there is any inconsistency between the terms of this 17th Amendment and the Agreement, as previously amended, the terms of this 17th Amendment will govern.

[Intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this 17th Amendment as of the Amendment Effective Date.

SKYWATER TECHNOLOGY FOUNDRY, INC.	D-WAVE SYSTEMS INC.
/s/ John Sakamoto	/s/ Alan Baratz
Signature	Signature
John Sakamoto	Alan Baratz
Name (Print)	Name (Print)
President & COO	CEO
Title	Title
6/15/2025	6/15/2025
Date	Date

OFFICE LEASE

THIS OFFICE LEASE (the "**Lease**") is made and entered into as of the Date of this Lease, by and between Landlord and Tenant. "**Date of this Lease**" shall mean the date on which the last one of the Landlord and Tenant has signed this Lease.

W I T N E S S E T H

Subject to and on the terms and conditions of this Lease, Landlord leases to Tenant and Tenant hires from Landlord the Premises.

1. **BASIC LEASE INFORMATION AND DEFINED TERMS**. The key business terms of this Lease and the defined terms used in this Lease are as follows:

1.1 **Landlord**. G&I X BRIC FEE OWNER LLC, a Delaware limited liability company authorized to transact business in Florida.

1.2 **Tenant**. D-WAVE COMMERCIAL INC., a Delaware corporation authorized to transact business in Florida.

1.3 **Building**. The buildings located at 4930 Conference Way North, Boca Raton, Florida 33431 (the "**4930 Building**") and 4680 Conference Way South, Boca Raton, Florida 33431 (the "**4680 Building**"). The Building is located within the Project.

1.4 **Project**. The parcel of land and the buildings and improvements on such land known as Boca Raton Innovation Campus located at 5000 T-Rex Avenue, 4800 T-Rex Avenue, 4850 T-Rex Avenue, 5002 T-Rex Avenue, 4560 Communication Avenue, 4660 Communication Avenue, 4910 Communication Avenue, 4950 Communication Avenue, 4960 Conference Way, 4680 Conference Way South, 4530 Conference Way South, 4700 Exchange Court, 4920 Conference Way North, 4930 Conference Way North, and 5050 Conference Way North, Boca Raton, Palm Beach County, Florida. The Project is legally described in **EXHIBIT "A"** to this Lease.

1.5 **Premises**. Suite No. 125 on the first floor of the 4930 Building and Suite No. 160 on the first floor of the 4680 Building. The Premises are depicted in the sketch attached as **EXHIBIT "B"**. Landlord reserves the right to install, maintain, use, repair, and replace pipes, ducts, conduits, risers, chases, wires, and structural elements leading through the Premises in locations that will not materially interfere with Tenant's Permitted Use of the Premises.

1.6 **Rentable Area of the Premises**. Approximately 26,000 square feet allocated as follows: Suite 125 - 6,000 square feet and Suite 160 - 20,000 square feet. Within 30 days after completion of the Plans for the Premises, Tenant shall have the Rentable Area of the Premises measured by a licensed architect who shall provide a written certification to Landlord and Tenant of the Rentable Area of the Premises. If Landlord disagrees with Tenant's architect's measurements of the Premises and wishes to contest such measurement, Landlord and Tenant's architect will meet to determine the correct Rentable Area of the Premises. If Landlord's architect and Tenant's architect cannot mutually agree within 30 days after meeting, then dispute shall be resolved by an independent architect or engineer to be mutually agreeable to Landlord and Tenant, the cost of whose services shall be shared equally by Landlord and Tenant. If the final agreed Rentable Area is determined to be different than the figure stated above, then the Base Rent, Allocated Share, and other charges and figures in this Lease based on Rentable Area shall be appropriately adjusted and memorialized in the Commencement Date letter (as described in **Article 2**).

1.7 **Permitted Use of the Premises**. General office and research and development purposes only (see the Use article). Tenant's use may include conference facilities, data center, and dining areas (including related food preparation area servicing Tenant's employees and its guests), and any other legally permitted office and research and development uses consistent with uses customarily permitted in comparable office buildings and research and development facilities in Comparable Buildings (and as to research and development, including without limitation the handling of any hazardous materials utilized by Tenant in accordance with all applicable environmental laws). For clarity, Tenant intends to use Suite 125 (4930 Building) as office space and Suite 160 (4680 Building) as research and development space.

1.8 **Commencement Date**. The earlier to occur of (a) the date of Substantial Completion of the Tenant Improvements, or (b) the date that is 14 months after the Date of this Lease and Landlord's delivery of vacant possession of the Premises to Tenant. "**Substantial Completion**" or "**substantially complete**" shall mean the date that a Certificate of Occupancy or its equivalent, including a Temporary or Conditional Certificate of Occupancy, a Certificate of Completion or Certificate of Final Inspection, is issued by the appropriate local government entity concerning the Tenant Improvements, or, if no such Certificate will be issued for the Tenant Improvements, the date on which the Tenant Improvements are substantially complete so that Tenant may use

the Premises for their intended purpose, notwithstanding that punch list items or insubstantial details concerning construction, decoration, or mechanical adjustment remain to be performed.

1.9 **Lease Term**. A term commencing on the Commencement Date and continuing for 128 full calendar months (plus any partial calendar month in which the Commencement Date falls), as extended or sooner terminated under the terms of this Lease. If the Commencement Date falls on a day other than the first day of a month, then for purposes of calculating the length of the Lease Term, the first month of the Lease Term shall be the month immediately following the month in which the Commencement Date occurs. If applicable, Tenant shall pay prorated Rent calculated on a per diem basis for the partial month in which the Commencement Date occurs (at the rate in effect for the first month of the Lease Term for which Rent has not been abated or reduced).

1.10 **Base Rent**. The following amounts:

Period	Rate P/S/F Per Annum	Monthly Base Rent	Period Base Rent
Months 1 – 12	$34.00	$73,666.67	$884,000.00*
Months 13 – 24	$35.02	$75,876.67	$910,520.00
Months 25 – 36	$36.07	$78,151.67	$937,820.00
Months 37 – 48	$37.15	$80,491.67	$965,900.00
Months 49 – 60	$38.26	$82,896.67	$994,760.00
Months 61 – 72	$39.41	$85,388.33	$1,024,660.00
Months 73 – 84	$40.59	$87,945.00	$1,055,340.00
Months 85 – 96	$41.81	$90,588.33	$1,087,060.00
Months 97 – 108	$43.06	$93,296.67	$1,119,560.00
Months 109 – 120	$44.35	$96,091.67	$1,153,100.00
Months 121 – 128	$45.68	$98,973.33	$791,786.64

***Base Rent Credit**. The "**Rent Credit Period**" shall be the first eight full calendar months of the Lease Term. Provided that Tenant is not in default of this Lease beyond any applicable grace period at any time during the Rent Credit Period, Tenant shall have a Rent credit in the amount of the Base Rent owed for the Rent Credit Period, which credit shall be applied to the installments of Base Rent due for those months. Accordingly, if the Commencement Date occurs on a day other than the first day of the month, the prorated Rent for the first partial month of the Lease Term shall be due on the Commencement Date and the Rent Credit Period shall commence on the first day of the first full calendar month of the Lease Term and shall expire on the last day of the eighth full calendar month of the Lease Term. Tenant shall remain liable for all Additional Rent owed under this Lease during the Rent Credit Period, including Tenant's Allocated Share of Operating Costs.

1.11 **Allocated Share**. 1.56% (based on the ratio of the square footage of the Premises to the square footage of the Project, which is 1,669,732 rentable square feet). This share is a stipulated percentage, agreed upon by the parties, and constitutes a material part of the economic basis of this Lease and the consideration to Landlord in entering into this Lease.

1.12 **Letter of Credit**. $1,000,000.00 unconditional, irrevocable and transferable commercial standby Letter of Credit, to be delivered to Landlord within 60 days after the Date of this Lease. Provided as of each applicable Reduction Date (as shown in the table below) (i) Tenant is not in default of this Lease beyond any applicable grace or cure period, (ii) Tenant has been current in all of its monetary and other obligations under this Lease during the 12-month period preceding the applicable Reduction Date within any applicable grace or cure periods, and (iii) Landlord has not drawn on the Letter of Credit for a default by Tenant, then the required amount of the Letter of Credit (the "**Required Amount**") may be reduced effective as of the first day of the applicable calendar month for each Reduction Date as shown in the table below, and Tenant may deliver to Landlord a new Letter of Credit stating the reduced Required Amount to replace the Letter of Credit then being held by Landlord or an amendment or addendum to the existing Letter of Credit reducing the amount to the Required Amount. Notwithstanding the foregoing, in no event shall the Required Amount ever be less than $100,000.00. (See Letter of Credit article.)

1.1	**Reduction Date**	1.1	**Reduction Amount**	1.1	**Required Amount**
1.1	Month 25	1.1	$250,000	1.1	$750,000
1.1	Month 37	1.1	$150,000	1.1	$600,000
1.1	Month 49	1.1	$150,000	1.1	$450,000
1.1	Month 61	1.1	$150,000	1.1	$300,000
1.1	Month 73	1.1	$150,000	1.1	$150,000
1.1	Month 85	1.1	$50,000	1.1	$100,000

1.13

1.14 **Prepaid Rent**. $97,500.00 (Base Rent and Operating Costs for the first month of the Lease Term for which rent is due and not credited), to be paid to Landlord upon execution of this Lease by Tenant.

1.15 **Tenant's Notice Address**. All notices to Tenant under this Lease should be sent to: D-Wave Commercial Inc., 3033 Beta Avenue, Burnaby, BC V5G 4M9, Canada, Attention: Blake Dishman, Manager, Facilities, Email: [*****]; with a copy to Legal Department, Email: [*****].

1.16 **Landlord's Notice Address**.

G&I X BRIC Fee Owner LLC
c/o CP Group
Boca Raton Innovation Campus
5000 T-Rex Avenue, Suite 160
Boca Raton, Florida 33431
Attention: Michael Perrette, General Manager

With copies to:

CPPM BRIC LLC
5355 Town Center Road, Suite 350
Boca Raton, Florida 33486

DRA Advisors
575 Fifth Avenue, 38th Floor
New York, New York 10017
Attention: Robert Hyman, Managing Director – Asset Management

1.17 **Landlord's Address for Payments**.

Bank: [*****]
Account Name: G&I X BRIC Fee Owner LLC
Account Number: [*****]
Routing number ACH/EFT: [*****]
Routing number DOM. WIRES: [*****]

1.18 **Tenant Improvement Allowance**. $2,600,000.00 ($100.00/sf), to be paid in accordance with **EXHIBIT "E"** of this Lease.

1.19 **Landlord's Broker**. CBRE, Inc.

1.20 **Guarantor**. D-WAVE QUANTUM INC., a Delaware corporation, and any other party who subsequently guarantees all or any part of Tenant's obligations under this Lease (see **EXHIBIT "C"**).

1.21 **Parking Spaces**. 104 total spaces allocated as follows: four reserved spaces in close proximity to the entrance of Suite 125, and 100 unreserved spaces, at no rental charge for the use of such spaces (see Parking article).

1.22 **Additional Definitions**:

1.22.1 **Base Building**. The components of the Building provided by Landlord comprised of the Building's core and shell.

1.22.2 **Building Standard**. The minimum or exclusive type, brand, grade, or quality of materials, services, charges, or other terms, that Landlord designates from time to time to be used, required, or applied in or for the Building.

1.22.3 **Business Days**. All days other than Saturdays, Sundays, or Legal Holidays.

1.22.4 **Comparable Buildings**. Buildings in the same market area as the Building of comparable class, size, age, use, type, and quality.

1.22.5 **Landlord Parties**. Landlord and Landlord's directors, officers, partners, members, shareholders, managers, employees, agents, affiliates, subsidiaries, mortgagee (of all or any portion of the Building or Project), managing agent, contractors, successors, and assigns.

1.22.6 **Legal Holidays**. New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

1.22.7 **Parties**. The Landlord Parties or Tenant Parties, or both, as the context so permits.

1.22.8 **Tenant Parties**. Tenant and Tenant's directors, officers, partners, members, shareholders, managers, employees, agents, contractors, guests, and invitees.

2. **LEASE TERM**. This Lease shall constitute a legally binding and enforceable agreement as of the Date of this Lease. Tenant shall have and hold the Premises for the Lease Term. The Lease Term shall commence on the Commencement Date. Landlord shall determine the Commencement Date as provided in the Basic Lease Information and Defined Terms article of this Lease, and shall notify Tenant of the date so determined. Tenant shall, if Landlord so requests, thereafter execute and return within 10 days a letter confirming the Commencement Date and the expiration date of this Lease.

3. **USE**.

3.1 **General.** Tenant shall use and occupy the Premises only for the Permitted Use. Tenant shall not use or permit or suffer the use of the Premises for any other business or purpose. Tenant shall comply with the Rules and Regulations. "**Rules and Regulations**" shall mean the rules and regulations for the Project promulgated by Landlord from time to time. Landlord will not be liable for violations of any Rules and Regulations committed by other tenants. The Rules and Regulations which apply as of the Date of this Lease are attached as **EXHIBIT "D"**. Current and future Rules and Regulations shall not be enforced in a discriminatory manner as to Tenant. In the event of a conflict between current or future Rules and Regulations, and Tenant's rights under this Lease, this Lease shall control.

3.2 **Sustainability Guidelines**. Landlord may, in Landlord's sole and absolute discretion, elect to apply to obtain or maintain a LEED®, Energy Star, WELL Health-Safety Rating, Fitwel®, or other applicable "green", "sustainable" or "health and well-being" building accreditation or certification for the Project (or portion of the Project), where applicable, in connection with Landlord's sustainability practices for the Project (as such sustainability practices are to be determined by Landlord, in its sole and absolute discretion, from time to time, "**Landlord's Sustainability Guidelines**"). Tenant shall comply with Landlord's reasonable Sustainability Guidelines, including using commercially reasonable efforts to operate in the Premises in a manner that does not adversely affect Landlord's efforts to obtain or maintain any such the accreditation or certification or conflict with Landlord's Sustainability Guidelines. Tenant shall work with Landlord on procurement of sustainable goods and services by coordinating with Landlord's property manager Tenant's procurement of goods and services for the Premises in furtherance of Landlord's Sustainability Guidelines. Landlord's access rights under this Lease shall include monitoring of Tenant's compliance with such Sustainability Guidelines. Tenant shall provide all reasonable and accurate information requested by Landlord as may be required to pursue or maintain any green rating, accreditation, or certification or to otherwise comply with any mandatory environmental or "green" rating systems, or which may be required any law or governmental or quasi-governmental regulation regarding disclosure of energy efficiency data with respect to the Building, including reporting the amount of power or other utilities consumed within the Premises for which the meters for such utilities are in Tenant's name, the number of employees working within the Premises, the operating hours for Tenant's business in the Premises, the type and number of equipment operated by Tenant in the Premises, information pertaining to Tenant Alterations, and document shredding and recycling (Tenant will provide such disclosures to Landlord within 10 Business Days of request, on a non-confidential basis, and Tenant acknowledges and agrees that such information may be disclosed to

applicable green rating or certification entities, utility providers, and governmental entities requesting such data without liability to Landlord). Notwithstanding anything contained in this Lease, Landlord does not and cannot guaranty or warrant that LEED® or any other "green" or "health and well-being" certifications for the Building will be obtained or maintained during the Lease Term, and Tenant expressly acknowledges that it has not relied upon any representations or statements of Landlord or its agents, oral or written, regarding sustainability, LEED®, or other green building certification in entering into this Lease, or that the Building does now or will in the future perform at any level of energy and water efficiency, indoor air quality, or other operational efficiency, and in any of such events, Landlord shall not be in default of this Lease or have any liability whatsoever to Tenant for damages or otherwise, nor shall Tenant be entitled to terminate this Lease as a result of any of the foregoing. Tenant is not required to provide any information which, in Tenant's reasonable and good faith judgment, constitutes trade secrets or confidential information or could compromise Tenant's competitiveness.

3.3 Notwithstanding the foregoing, Sustainability Guidelines may be applied Landlord only to Suite 125 of the Premises and may not be made applicable Suite 160 of the Premises.

3.4 **T-Rex Corporate Center Declaration**. The Project is subject to the Declaration of Covenants and Restrictions for T-Rex Corporate Center recorded in Official Records Book 14478, Page 499 of the Public Records of Palm Beach County, Florida (as amended from time to time, the "**T-Rex Corporate Center Declaration**"), which governs certain matters with respect to the development, management, and maintenance of the Project and to satisfy requirements with respect to surface water management, drainage, and other aspects of the Project. The T-Rex Corporate Center Declaration created the T-Rex Corporate Center Association, Inc. (the "**T-Rex Association**") to perform certain management, operational, and maintenance obligations. The T-Rex Association has the authority to levy annual and special assessments against the Project to pay for the obligations of the T-Rex Association. This Lease is subject to, and Tenant shall comply with, the terms and provisions of the T-Rex Corporate Center Declaration.

3.5 **BRIC Declaration**. The Project is subject to the Declaration of Covenants and Easements (Boca Raton Innovation Campus) recorded in Official Records Book 31986, Page 1657 of the Public Records of Palm Beach County, Florida (as amended from time to time, the "**BRIC Declaration**"), which governs certain matters with respect to the development, management, and maintenance of the Project. Under the BRIC Declaration, the "Declarant," which as of the Date of this Lease, is Landlord, is responsible for the repair and maintenance of the common areas under the BRIC Declaration. Under the BRIC Declaration, Landlord is responsible for a pro rata share of the operating costs associated with the Building. This Lease is subject to, and Tenant shall comply with, the terms and provisions of the BRIC Declaration. The costs and expenses paid by Landlord as an "Owner" under the BRIC Declaration shall be included in and constitute Operating Costs.

3.6 **BRIC Land Condominium**. The Building is part of the Boca Raton Innovation Campus Land Condominium, a land condominium (the "**Condominium**") and is subject to the Declaration of Condominium for Boca Raton Innovation Campus Land Condominium recorded in Official Records Book 31997, Page 857 of the Public Records of Palm Beach County, Florida (as amended from time to time, the "**BRIC Condo Declaration**"). The BRIC Condo Declaration created the Boca Raton Innovation Campus Land Condominium Association, Inc. (the "**Condo Association**"), which is the entity responsible for the operation of the Condominium. This Lease is subject to, and Tenant shall comply with, the terms and provisions of the BRIC Condo Declaration and the Articles of Incorporation, Bylaws, and Rules and Regulations of the Condo Association (collectively, the "**Condo Documents**"). Landlord shall retain all voting rights provided to it as the owner of the Building under the Condo Documents. The fees and assessments paid by the Landlord under the BRIC Condo Declaration shall be included in and constitute Operating Costs.

3.7 **Transit/Transportation Demand Management Program**. Tenant acknowledges that, due to the nature and size of the Project, Landlord is required by applicable governmental authorities to participate in, and encourage tenants to participate in, carpool programs, mass transit programs, flexible shift and other flexible time programs, and other traffic reduction programs and measures (collectively, the "**TDM Plan**"). Pursuant to the T-Rex Corporate Center Declaration, the T-Rex Association is required to implement and operate the TDM Plan. This Lease is subject to, and Tenant shall comply with, the terms and provisions of the TDM Plan. The fees and expenses paid by the Landlord in connection with the TDM Plan shall be included in and constitute Operating Costs.

3.8 **Further Development of the Project**. Landlord may, from time to time, but shall have no obligation to, further develop the Project by, among other things, construction of additions to the Building or additional buildings, structures, or other improvements and facilities in or on the Project, the Common Areas, or adjoining or near the Project, and make alterations and additions to them, rearrangements of them, sell or demolish parts of them which may be for parking, hotel, office, theater, cinema, recreational, athletic, entertainment, multi-family residential, condominium, grocery store, and retail uses. In addition, Landlord may alter the present location of the Parking Areas in the Project and alter current parking arrangements, including construction or replacement of surface parking lots, parking garages, multiple deck, elevated, or underground parking facilities and require Tenant to utilize temporary parking during construction. Tenant shall have no right to light or air space surrounding the Premises and Landlord may construct improvements on any contiguous or surrounding property. Tenant acknowledges that construction activities in connection with any further development of the Project may cause temporary inconvenience such as noise, dust, vibration, odors, traffic, disruption of the Common Areas and portions of the Project outside of the Building, temporary interference with Parking Areas, and the presence of construction vehicles, equipment, and workers. Tenant acknowledges that these disruptions shall not

constitute breaches of the covenant of quiet enjoyment or otherwise constitute defaults by Landlord under this Lease or afford Tenant any rights of any type or nature against Landlord. In exercising its rights under this section, Landlord shall use commercially reasonable efforts to minimize material and adverse interference with (i) Tenant's ability to reasonably access the Premises, (ii) the number of parking spaces required to be provided to Tenant however or wherever provided, (iii) Tenant's ability to operate its business operations in the Premises for the Permitted Use, and (iv) the services that Landlord is required to provide to Tenant under this Lease.

3.9 **Declarations**. Landlord represents that, to its knowledge, as of the Date of this Lease (i) office and research and development uses is permitted (or not prohibited) under the T-Rex Corporate Center Declaration, the BRIC Declaration, and the BRIC Condo Declaration (collectively, the "**Declarations**)", and (ii) Landlord will not vote for any amendments to the Declarations that would prohibit use of the Premises for office and research and development uses, and (iii) Landlord has obtained any consents for this Lease required under the Declarations prior to the Date of this Lease.

4. **RENT**. Tenant shall pay Rent to Landlord in lawful United States currency, together with any sales, use, or other tax (excluding state and federal income tax) now or hereafter imposed on any Rent due under this Lease. All Base Rent and Additional Rent for Operating Costs shall be payable in monthly installments, in advance, beginning on the Commencement Date (subject to the Rent Credit Period), and continuing on the first day of each and every calendar month thereafter during the Lease Term. Unless otherwise expressly provided, all monetary obligations of Tenant to Landlord under this Lease, of any type or nature, other than Base Rent, shall be "**Additional Rent**". Except as otherwise provided, all Additional Rent payments (other than Operating Costs which are due together with Base Rent) are due 30 days after delivery of an invoice. The term "**Rent**" when used in this Lease includes Base Rent and all forms of Additional Rent. All Rent shall be paid to Landlord without demand, setoff, or deduction whatsoever, except as specifically provided in this Lease, by wire transfer (via Fedwire), automated clearinghouse (ACH), or electronic funds transfer (EFT) of immediately available funds to Landlord's Address for Payments, or at such other place as Landlord designates in writing to Tenant. Tenant's obligations to pay Rent are covenants independent of the Landlord's obligations under this Lease, except as specifically provided in this Lease.

5. **OPERATING COSTS**.

5.1 **General**. Tenant shall pay to Landlord its Allocated Share of Operating Costs in accordance with the terms and provisions of this article and based on the following.

5.2 **Defined Terms**. The following terms shall have the following definitions:

5.2.1 **"Real Estate Taxes"** shall mean the total of all taxes, assessments, and other charges by any governmental or quasi-governmental authority that are assessed, levied, or in any manner imposed on the Project, whether general, extraordinary, foreseen or unforeseen, including, all charges on the tax bills for the Project, real and personal property taxes, special district taxes and assessments, franchise taxes, solid waste assessments, non-ad valorem assessments or charges, and all payments in lieu of taxes under applicable agreements. If a tax shall be levied against Landlord in substitution in whole or in part for, or in addition to, the Real Estate Taxes or otherwise as a result of the ownership of the Project, then the other tax shall be deemed to be included within the definition of "Real Estate Taxes". Real Estate Taxes also includes all reasonable costs incurred by Landlord in contesting the assessed value of the Project for purposes of determining the proper amount of Real Estate Taxes levied or assessed against the Project, including reasonable attorneys', consultants', and appraisers' fees.

5.2.2 **"Operating Costs"** shall mean the total of all of the costs incurred by Landlord relating to the ownership, operation, and maintenance of the Project and the services provided tenants in the Project. By way of explanation and clarification, but not by way of limitation, Operating Costs will include the costs and expenses incurred for the following: Real Estate Taxes; Common Area pest control; trash and garbage removal (including dumpster rental); porter and matron service; concierge services; security; the operation of any amenities (e.g., conference center and fitness center) (but not imputed rent for amenity space); voluntary or governmentally-required transportation, shuttle, or mass transit services including transit contribution fees; Common Areas decorations; repairs, maintenance, and alteration of building systems, Common Areas, and other portions of the Project to be maintained by Landlord; amounts paid under easements or other recorded agreements affecting the Project, including assessments by property owners' or condominium associations; repairs, maintenance, replacements, and improvements for the continued operation of the Project as a first-class project; improvements intended to comply with Landlord's sustainability guidelines and Building energy performance standards, where applicable, including maintaining "green", "sustainable", or "health and well-being" accreditations, certifications, or ratings, improving the environmental performance or efficiency of the Building, and reporting, accreditation, certification, rating, and commissioning costs; improvements required by law; improvements in security systems; materials, tools, supplies, and equipment; expenditures designed to result in savings or reductions in Operating Costs; landscaping, including fertilization and irrigation supply, Parking Area maintenance (including repaving, restriping, repair, and painting); valet service;

property management fees not to exceed 5% of gross revenues; an on-site management office; all utilities serving the Project and not separately billed to or reimbursed by any tenant of the Project; cleaning, window washing, and janitorial services; all insurance customarily carried by owners of Comparable Buildings or required by any mortgagee of the Building (including the amount of any deductible paid by Landlord or deducted from any insurance proceeds paid to Landlord); supplies; service and maintenance contracts for the Project, including life-safety/fire system monitoring; wages, salaries, and benefits or similar expenses of management and operational personnel employed by or otherwise paid for by Landlord, up to and including the property manager and a pro rata share of the cost of Landlord's regional property or portfolio manager (including an allocated share only of the wages and benefits of personnel who provide services to more than one building, which allocated share shall be determined by Landlord in its reasonable business judgment); social security, unemployment, and other payroll taxes, the cost of providing disability and worker's compensation coverage imposed by any applicable law or otherwise with respect to the employees; accounting, and administrative costs; and uniforms and working clothes for employees and the cleaning of them. Landlord may contract for the performance of some or all of the management and maintenance functions generally described in this section with entities that are affiliated with Landlord.

Notwithstanding the foregoing or anything to the contrary contained in this Lease, Operating Costs shall not include:

(i) costs of preparing, improving or altering space for any new or renewal tenant;

(ii) payments of principal and interest on any mortgages, deeds of trust or other encumbrances upon the Project, or the amortization of funds borrowed by Landlord (other than as permitted with respect to Capital Costs);

(iii) costs of leasing or other brokerage commissions, legal, space planning, construction, and other expenses incurred or concessions given in procuring tenants for the Project or incurred solely with respect to individual tenants or occupants of the Project, and any payments made to relocate or remove from the Project any existing tenants;

(iv) except for the amortized cost of Capital Costs, as expressly provided below, capital improvements, and capital expenditures or amounts paid for rental of equipment that if purchased by Landlord would be a capital improvement;

(v) non-cash items, such as deductions for depreciation and amortization of the Project and the Project equipment (other than Capital Costs), interest on capital invested (other than Capital Costs), bad debt losses, rent losses and reserves for such losses, and reserves for repairs, maintenance and replacements;

(vi) costs of painting, redecorating, or other services or work performed for the exclusive benefit of any tenant or occupant;

(vii) salaries, wages, or other compensation paid to officers or executives of Landlord or any other person above the level of the Project manager plus one (1) regional manager and a Project accountant;

(viii) salaries, wages, or other compensation or benefits paid to employees of Landlord who are not assigned full-time to the operation, management, maintenance, or repair of the Project; provided however, Operating Costs may include Landlord’s reasonable allocation of wages, salary, or other compensation or benefits paid to any employee to the extent such employee is assigned or devotes services on a part-time basis to the operation, management, maintenance, or repair of the Project;

(ix) Landlord’s costs incurred on a shared basis with other properties, such as centralized accounting costs, unless the allocation is made on a reasonable and consistent basis that fairly reflects the share of any costs attributable to the Project;

(x) costs of marketing, advertising and public relations associated with the leasing of the Project and costs of signs in or on the Project identifying the owners, managers or leasing agents, or sign panels identifying other tenants of the Project, provided this exclusion shall not apply to any exterior Building signage for purposes of identifying the Project such as monument signage, directional signage, and the Building address;

(xi) original construction costs of the Project and any expenses for replacements arising from defects in the original construction of the Project, except that for the purposes of this exclusion, costs of general maintenance and repair and ordinary wear and tear shall not be considered related to defects;

(xii) any costs, fines or penalties incurred by reason of (i) Landlord's failure to timely pay when due any Operating Costs, or (ii) the violation by Landlord, or any other tenant, of any law, including, but not limited to, the removal of hazardous materials from the Project (including, without limitation, laws governing fire, life, safety and disabilities) in each instance only to the extent in excess of the amount that would have been included in Operating Costs in the absence of such failure or violation by Landlord;

(xiii) costs incurred in connection with disputes with tenants, other occupants, or prospective tenants, or costs and expenses incurred in connection with negotiations or disputes with leasing agents, purchasers or mortgagees of the Project;

(xiv) costs incurred in connection with the sale, financing, refinancing, mortgaging, selling, ground leasing, or change of ownership of all or any part of, or interest in, the Project;

(xv) costs incurred by Landlord which are associated with the operation of the business of the legal entity which constitutes Landlord (such as trustee's fees, annual fees, corporate or partnership organization or administration expenses (including resident agent fees)), including legal entity formation and legal entity accounting;

(xvi) general overhead and general administrative expenses and accounting, record-keeping and clerical support of Landlord or the management agent not reasonably related to the operation of the Project;

(xvii) Fees paid to affiliates of Landlord in excess of the rates then customarily charged for similar services by providers with equal or better qualifications for Comparable Buildings;

(xviii) costs or expenses of utilities directly metered to tenants and costs of utilities incurred directly by retail tenants in the Project and billable directly to the tenant by the local public service company;

(xix) ground rent under any ground lease;

(xx) costs of any "tap fees" or one-time lump sum sewer or water connection fees or impact fees for the Project;

(xxi) political or charitable contributions;

(xxii) acquisition costs for sculpture, paintings and other art objects;

(xxiii) costs and expenses attributable to any hazardous materials as defined under laws in effect as of the Date of this Lease or the testing, investigation, management, maintenance, remediation, or removal thereof;

(xxiv) specific expenses for which Landlord is actually reimbursed by another source, such as repair or replacement of any item covered by warranty or property insurance proceeds, to the extent the recovery constitutes reimbursement for costs included in Operating Costs (net of costs of collection);

(xxv) costs and expenses relating to any meeting facilities or auditoriums, hotel, dining or eating facility, or any observatory, antenna or other unusual facility (such as imputed rent for any Project fitness facility or conference center, and the costs for services rendered in connection with each of them), except that if there are Project amenities available to Tenant at no charge or at Project-standard charges for use thereof, reasonable operating expenses for such amenities may be included in Operating Costs, after deducting fees and charges for such use paid by Tenant or other tenants; and

(xxvi) costs and expenses arising from the adjudicated negligence or other tortious conduct of Landlord.

5.2.3 **"Capital Costs"** shall mean capital improvements or replacements made by Landlord solely either (a) to reduce (or reduce increases in) Operating Costs (but the pass-through shall not materially exceed the reduction), or (b) pursuant to legal requirements first applicable to the Project after the Commencement Date of this Lease, in each case amortized over the estimated useful life of the capital item, with interest at 8% per annum.

5.3 **Tenant Specific Operating Costs**. If Tenant requests any additional services from Landlord beyond those required of Landlord under this Lease, or if Tenant's occupancy and the nature of Tenant's business or operations within the Premises, or both or the relative intensity or quantity of use of services (at any time) or the hours of operation is such that additional costs are incurred by Landlord for insurance, cleaning, water, electricity, or other utilities, sanitation, refuse removal, pest control or other Operating Costs beyond the costs incurred by Landlord for general office tenants, Tenant agrees to pay to Landlord from time-to-time, as Additional Rent, the amount of such additional costs within 15 days of receipt of an invoice therefor.

5.4 **Variable Operating Costs**. For any year that the entire Building (or Project) is not occupied or Landlord is not furnishing utilities or services to all of the premises in the Building (or Project), then the Variable Operating Costs for such year shall be "grossed up" (using reasonable projections and assumptions as determined by Landlord) to the amounts that would apply if the entire Building or Project was completely occupied and all of the premises in the Building were provided with the applicable utilities or services. "**Variable Operating Costs**" are Operating Costs that are variable with the level of occupancy of the Building or Project (such as janitorial services, utilities, refuse and waste disposal, and management fees).

5.5 **Payment**. Landlord shall reasonably estimate the Operating Costs that will be payable for each calendar year. Tenant shall pay one-twelfth of its Allocated Share of the estimated Operating Costs monthly in advance, together with the payment of Base Rent. Should any assumptions used in creating a budget change, Landlord may adjust the estimated monthly Operating Costs payments to be made by Tenant by notice to Tenant. After the conclusion of each calendar year, Landlord shall furnish Tenant a detailed statement of the actual Operating Costs for the year; and an adjustment shall be made between Landlord and Tenant with payment to or repayment by Landlord, as the case may require. Tenant waives and releases any and all objections or claims relating to Operating Costs for any calendar year unless, within 150 days after Landlord provides Tenant with the annual statement of the actual Operating Costs for the calendar year, Tenant provides Landlord notice that it disputes the statement and specifies the matters disputed. If Tenant disputes the statement, Tenant shall continue to pay the Rent in question to Landlord in the amount provided in the disputed statement pending resolution of the dispute. As of the Date of this Lease, estimated Operating Costs for calendar year 2026 are 11.00/sf, which estimate is subject to change and is not guaranteed.

If Tenant disputes the amount of Operating Costs as set forth on the annual statement. Tenant, upon at least fifteen (15) days' prior written notice to Landlord, during normal business hours, and at Tenant's expense, shall have reasonable access to appropriate books and records of Landlord relating to Operating Costs for the purpose of inspecting (including copying), auditing, and verifying the amount of Operating Costs set forth on the annual statement. The books and records shall be made available at such location in the continental United States where Landlord regularly keeps its books and records (or at Landlord's election such books and records shall be made available to Tenant electronically). (Prior to the audit commencing, upon Tenant's request, Landlord will reasonably cooperate with Tenant in order to review the billing in question and the back-up documentation therefor, in order to explain any questions Tenant may have prior to Tenant conducting the audit.) Only Tenant or a nationally or regionally recognized accounting firm or lease audit firm shall have access to the books and records of Landlord, and Tenant shall (and shall cause such firm to) keep all such information confidential pursuant to a standard form non-disclosure agreement provided by Landlord and executed by Tenant and its accounting or lease audit firm. In no event may Tenant engage or consult with an accountant, consultant or other party with respect to Operating Costs if any portion of such party's fee is on a contingency basis or otherwise based in any manner on any savings in Tenant's Additional Rent obligations under this Lease. The audit must be completed within two hundred seventy (270) days after the Tenant's receipt of the applicable annual statement, pertain to only that annual statement (except that Tenant shall have the right to collect an overpayment for up to the two (2) calendar years prior to the annual statement in question for a material issue identified during the audit if the prior two (2) years were not audited), and be conducted no more than once per year. Tenant shall certify to Landlord, in writing, that it is in compliance with the requirements of the preceding sentence hereof.

If, at the conclusion of such audit, Tenant's audit of such expenses for the preceding year indicates that Tenant made an overpayment to Landlord for such preceding year, Landlord shall credit such amount to Tenant's subsequent payments of Rent, or if the Lease has terminated, remit the amount of such overpayment to Tenant within thirty (30) days after receipt of notice from Tenant of the amount of such overpayment. If, at the conclusion of such audit, such audit reveals an underpayment by Tenant, Tenant will remit the amount of such underpayment within thirty (30) days of Tenant becoming aware of such underpayment. Landlord shall pay the actual and reasonable cost of Tenant's audit if the total amount of Operating Costs used for the calculation of pass-throughs for the year in question exceeded five (5%) percent or more of the total amount of Operating Costs that should properly have been used not to exceed $3,500. Any dispute between the parties as to Operating Costs shall be settled by arbitration held in Palm Beach County in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in force with the following exceptions. There shall be a single arbitrator selected by the American Arbitration Association. The arbitrator shall have at least 10 years' experience in the supervision of the operation and management of major office buildings in the market area of the Project. The determination of the arbitrator shall be final, binding, and conclusive on all the parties, and judgment may be rendered on it by any court having jurisdiction, upon application of either Landlord or Tenant.

5.6 **Alternate Computation**. Instead of including in Operating Costs certain costs, Landlord may bill Tenant and Tenant shall pay for those costs in any one or a combination of the following manners: (a) direct charges for services provided for the exclusive benefit of the Premises that are subject to quantification; (b) based on a formula that takes into account the relative intensity or quantity of use of utilities or services by Tenant and all other recipients of the utilities or services, as reasonably

determined by Landlord; or (c) pro rata based on the ratio that the Rentable Area of the Premises bears to the total rentable area of the tenant premises within the Building that are benefited by such costs.

5.7 **Controllable Costs**. Notwithstanding anything contained in this Lease to the contrary, for purposes of computing Tenant's Allocated Share of Operating Costs, Controllable Costs (as defined in this section) for any calendar year shall not exceed the Cap Amount (as defined in this section) for that calendar year. The "**Cap Amount**" for any given calendar year during the Lease Term shall be an amount determined by increasing the Controllable Costs for the calendar year in which the Commencement Date occurs by 5% per annum on a cumulative and compounding basis. "**Controllable Costs**" shall mean all Operating Costs other than Operating Costs which are not within Landlord's control, such as, but not limited to, the following: Real Estate Taxes, insurance related costs, premiums, and deductibles, life safety and security costs, utility and waste collection related costs, property management fees, and property owners' or condominium association assessments, costs resulting from acts of God, and the amortized costs of capital improvements (or, if the item in question is leased rather than purchased, the rental costs incurred) if the capital improvements are required to comply with laws not in effect on the Date of this Lease or are otherwise required on an emergency basis. In addition, the Cap Amount shall exclude increases in Controllable Costs resulting from increases in the minimum hourly wage rate in effect as of the Date of this Lease. In no event shall this cap apply to Operating Costs other than Controllable Costs. If at any time Landlord or its principals control any association and/or the declarant under the Declarations, as applicable, Landlord will not seek to circumvent the Cap Amount by allocating expenses to the Declarations, as applicable, that would otherwise be customarily considered in the real estate industry an Operating Cost.

6. **ASSIGNMENT OR SUBLETTING**.

6.1 **General; Definition of Transfer**. Neither Tenant nor Tenant's legal representatives or successors in interest by operation of law or otherwise shall transfer this Lease except as provided in this article. For purposes of this article, a "transfer" shall mean any of the following: (a) an assignment of this Lease; (b) a collateral assignment, mortgage, or other encumbrance involving this Lease; (c) a sublease, license agreement, or other agreement permitting all or any portion of the Premises to be used by others; (d) intentionally omitted; (e) the agreement by a third party to assume, take over, or reimburse Tenant for any of Tenant's obligations under this Lease in order to induce Tenant to lease space from the third party; or (f) any transfer of direct or indirect control of Tenant, which shall be defined as any issuance or transfer of stock in any corporate tenant or subtenant or any interest in any non-corporation entity tenant or subtenant, by sale, exchange, merger, consolidation, operation of law, or otherwise, or creation of new stock or interests, by which an aggregate of 50% or more of Tenant's stock or equity interests shall be vested in one or more parties who are not stockholders or interest holders as of the Date of this Lease, or any transfer of the power to direct the operations of any entity (by equity ownership, contract, or otherwise), to one or more parties who are not stockholders or interest holders as of the Date of this Lease, however accomplished, and whether in a single transaction or in a series of related or unrelated transactions. This section shall not apply to sales of stock by persons other than those deemed "insiders" within the meaning of the Securities Exchange Act of 1934 as amended, which sales are effected through any recognized securities exchange. Any modification or amendment to any sublease of any portion of the Premises shall be deemed a further sublease of this Lease. As used in this article, the term "transferee" shall include any assignee or subtenant of Tenant or any other party involved in any of the other transactions or events constituting a transfer. Consent by Landlord to a transfer shall not relieve Tenant from the obligation to obtain Landlord's written consent to any further transfer. Any transfer by Tenant in violation of this article shall be void and shall constitute a default under this Lease. In addition, any transfer is subject to the terms of the Condominium Documents.

6.2 **Request for Consent**. If Tenant requests Landlord's consent to a transfer, it shall submit in writing to Landlord, not later than 30 days before any anticipated transfer, (a) the name and address of the proposed transferee, (b) a duly executed counterpart of the proposed transfer agreement, (c) reasonably satisfactory information as to the nature and character of the business of the proposed transferee, as to the nature and character of its proposed use of the space, and otherwise responsive to the criteria set forth in the Reasonable Consent section of this article, and (d) banking, financial, or other credit information relating to the proposed transferee reasonably sufficient to enable Landlord to determine the financial responsibility and character of the proposed transferee, including balance sheets and profit and loss statements for the transferee covering the three years before the transfer, certified by the transferee.

6.3 **Recapture**. If Tenant proposes to assign this Lease or sublet all or substantially all of the Premises, Landlord shall have the option to cancel and terminate this Lease as of the proposed commencement date for the transfer, to be exercised within 15 Business Days from submission of Tenant's request for Landlord's consent to a specific transfer. If Landlord elects to recapture, Tenant can void the recapture by rescinding its request to assign or sublease by written notice within ten Business days after receipt of Landlord's exercise of the recapture.

6.4 **Reasonable Consent**. If Landlord does not elect to recapture the Premises as provided in the Recapture section of this article, Landlord shall not unreasonably withhold or delay its consent to a proposed transfer. If Landlord fails to recapture, withhold consent, or grant consent within 15 Business Days from submission of Tenant's request for Landlord's consent to a specific transfer, Tenant may give to Landlord a notice of such failure which shall contain a legend in not less than 14 point font bold upper case letters as follows: "FAILURE TO APPROVE OR DISAPPROVE THE PROPOSED [ASSIGNMENT/SUBLEASE] WITHIN FIVE BUSINESS DAYS SHALL RESULT IN LANDLORD'S DEEMED APPROVAL OF SUCH [ASSIGNMENT/SUBLEASE]," and, if Landlord shall fail to recapture, withhold consent, or grant consent within such five Business Day period,

Landlord shall be deemed to have consented to the assignment or sublease in question. It shall be deemed reasonable for Landlord to withhold consent to any proposed transfer if any of the following conditions have not been established to Landlord's reasonable satisfaction:

6.4.1 The proposed transferee has sufficient financial wherewithal to discharge its obligations under this Lease as determined by Landlord's criteria for selecting Project tenants.

6.4.2 The use, nature, business, activities, or reputation in the business community of the proposed transferee will not cause physical harm to the Project or harm to the reputation of the Project that would result in an impairment of Landlord's ability to lease space in the Project or a diminution in the rental value of space in the Project.

6.4.3 The proposed use of the Premises by the proposed transferee will be the Permitted Use and not prohibited by the Rules and Regulations, and will not violate any restrictive covenants or exclusive use provisions applicable to Landlord, cause a violation of another lease for space in the Project, or give an occupant of the Project a right to cancel its lease.

6.4.4 The proposed transferee shall not be any person or entity who shall at that time be a tenant, subtenant, or other occupant of any part of the Project, or an affiliate of any of them, or who dealt with Landlord or Landlord's agent (directly or through a broker) as to space in the Project during the six months immediately preceding Tenant's request for Landlord's consent, and provided that Landlord has available space to accommodate the proposed transferee's requirement.

6.4.5 Landlord has space available for leasing in the Project that is competitive with the space proposed to be transferred.

6.4.6 The proposed use of the Premises by the proposed transferee will not require alterations or additions to the Premises or the Project to comply with applicable law or governmental requirements and will not negatively affect insurance requirements or involve the introduction of materials to the Premises that are not in compliance with applicable environmental laws.

6.4.7 Any mortgagee of the Project will consent to the proposed transfer if such consent is required under the relevant loan documents.

6.4.8 The proposed use of the Premises will not materially increase the Operating Costs for the Project or the burden on Project services, or generate excessive foot traffic, elevator usage, Parking Area usage, or security concerns in the Project, or compromise or reduce the comfort or safety, or both, of Landlord and the other occupants of the Project, or be incompatible with Landlord's Sustainability Guidelines.

6.4.9 The proposed transferee shall not be, and shall not be affiliated with, anyone with whom Landlord or any of its affiliates or mortgagees has been involved with in litigation or who has defaulted under any agreement with Landlord or any of its affiliates.

6.4.10 There shall be no default by Tenant, beyond any applicable grace period, under any of the terms, covenants, and conditions of this Lease at the time that Landlord's consent to a transfer is requested and on the date of the commencement of the term of the proposed transfer.

6.4.11 Any Guarantor will consent to the transfer and execute a written agreement reaffirming the Guaranty.

6.4.12 If the transfer is an assignment, the proposed assignee will assume in writing all of the obligations of Tenant under this Lease accruing from and after the date of transfer.

Tenant acknowledges that the foregoing is not intended to be an exclusive list of the reasons for which Landlord may reasonably withhold its consent to a proposed transfer.

6.5 **Tenant's Remedies**. Tenant waives any remedy for money damages (nor shall Tenant claim any money damages by way of setoff, counterclaim, or defense) based on any claim that Landlord has unreasonably withheld, delayed, or

conditioned its consent to a proposed transfer under this Lease. Tenant's sole remedy in such an event shall be to institute an action or proceeding seeking specific performance, injunctive relief, or declaratory judgment.

6.6 **Transfer Documents**. Any sublease shall provide that: (a) the subtenant shall comply with all applicable terms and conditions of this Lease to be performed by Tenant; (b) the sublease is expressly subject to all of the terms and provisions of this Lease; and (c) unless Landlord elects otherwise, the sublease will not survive a termination of this Lease (whether voluntary or involuntary) or resumption of possession of the Premises by Landlord following a default by Tenant. The sublease shall further provide that if Landlord elects that the sublease shall survive a termination of this Lease or resumption of possession of the Premises by Landlord following a default by Tenant, the subtenant will, at the election of the Landlord, attorn to the Landlord and continue to perform its obligations under its sublease as if this Lease had not been terminated and the sublease were a direct lease between the Landlord and the subtenant. Any assignment of lease shall contain an assumption by the assignee of all of the obligations of Tenant under this Lease accruing from and after the date of assignment.

6.7 **No Advertising**. Tenant shall not advertise (but may list with brokers) its space for sublease at a rental rate lower than the greater of the then Project rental rate for comparable space for a comparable term or the then rental rate being paid by Tenant to Landlord.

6.8 **Consideration for Consent.** If Tenant effects any transfer, then Tenant shall pay to Landlord a sum equal to 50% of (a) the net Rent or other consideration paid to Tenant by any transferee that is in excess of the Rent then being paid by Tenant to Landlord under this Lease for the portion of the Premises so transferred (on a prorated, square footage basis), and (b) any other profit or gain realized by Tenant from the transfer. The net Rent or other consideration paid to Tenant as provided in subsection (a) and the profit or gain as provided in subsection (b) shall be calculated by deducting from the gross Rent or other consideration or profit or gain reasonable and customary real estate brokerage commissions actually paid by Tenant to unaffiliated third parties, tenant improvement allowances, Rent concessions, the actual cost of improvements to the Premises made by Tenant for the transferee, and other direct out-of-pocket costs actually paid by Tenant in connection with the transfer (as long as the costs are commercially reasonable and are commonly incurred by landlords in leasing similar space). Should the transaction involving an assignment of Tenant's interest under this Lease be a sale of multiple assets of Tenant, Landlord shall not be bound by any allocation of the purchase price for such assets which may be included in an agreement between Tenant and the transferee. Rather, the profit or gain on the transfer of Tenant's interest under this Lease as defined in subsection (b) above shall be the fair market value of Tenant's interest under this Lease as of the date of the transfer less the costs of the transaction as generally described above. Upon reasonable notice, Landlord shall have the right to audit Tenant's books and records to determine the amount payable to Landlord under this section. All sums payable by Tenant under this section shall be payable to Landlord immediately on receipt by Tenant.

6.9 **Acceptance of Payments**. If this Lease is nevertheless assigned, or the Premises are sublet or occupied by anyone other than Tenant, Landlord may accept Rent from the assignee, subtenant, or occupant and apply the net amount received to the Rent reserved in this Lease, but no such assignment, subletting, occupancy, or acceptance of Rent shall be deemed a waiver of the requirement for Landlord's consent as contained in this article or constitute a novation or otherwise release Tenant from its obligations under this Lease.

6.10 **Continuing Liability**. Except as provided in the Recapture section of this article, following any transfer, Tenant and any Guarantor shall remain liable to Landlord for the payment of all Rent payable under this Lease and all other obligations of the party holding the interest of Tenant under this Lease following the transfer. The joint and several liability of Tenant, any Guarantor, and any immediate and remote successor in interest of Tenant (by assignment or otherwise), and the due performance of the obligations of this Lease on Tenant's part to be performed or observed, shall not in any way be discharged, released, or impaired by any (a) agreement that modifies any of the rights or obligations of the parties under this Lease, (b) stipulation that extends the time within which an obligation under this Lease is to be performed, (c) waiver of the performance of an obligation required under this Lease, or (d) failure to enforce any of the obligations set forth in this Lease.

6.11 **Administrative Fee**. Tenant shall pay to Landlord, on demand, an administrative fee of $1,000, plus all reasonable attorneys' fees and actual costs associated with Landlord's consideration of Tenant's transfer request and the review and preparation of all documents associated with the transfer request.

6.12 **Landlord Transfer**. Landlord may assign or encumber its interest under this Lease. If any portion of the Premises is sold, transferred, or leased, or if Landlord's interest in any underlying lease of the Premises is transferred or sold, Landlord shall be relieved of all existing and future obligations and liabilities under this Lease, provided that the purchaser, transferee, or tenant of the Premises assumes in writing those obligations and liabilities.

6.13 **Permitted Transfers**. Notwithstanding anything to the contrary contained herein, without Landlord's consent and without Landlord's right to recapture or receive excess rent as provided above, Tenant may assign this Lease or sublet all or any portion of the Premises to any entity controlling, controlled by, or under common control with Tenant, or to a successor of Tenant resulting from a merger or consolidation of Tenant, or to the purchaser of all or substantially all of Tenant's assets or equity interests (or Tenant may effect a change of control of the Tenant entity in connection with any such transaction) provided that (a) in the event of a sale of Tenant’s assets, the resulting entity shall own all or substantially all of the assets of Tenant, (b) the form of any

agreement of assignment or any sublease shall otherwise comply with the terms and conditions of this article, (c) Landlord is provided written notice of the transfer and the identity of the transferee prior to the effective date of the transfer, (d) the resulting tenant entity shall have equal or greater tangible net worth and creditworthiness as Tenant as of the Date of this Lease, (e) a significant purpose of any such transfer is not to avoid the restrictions on transfer otherwise imposed under this article, (f) if a Guaranty of this Lease is then in effect, Guarantor shall consent to such transfer and reaffirm the Guaranty in writing, (g) the transferee is not a governmental entity; (h) no default under the Lease then exists, and (i) the proposed use of the Premises by the proposed transferee will be the Permitted Use and not prohibited by the Rules and Regulations, and will not violate any restrictive covenants or exclusive use provisions applicable to Landlord, cause a violation of another lease for space in the Project, or give an occupant of the Project a right to cancel its lease. Any transfers permitted without consent under this paragraph are each a "**Permitted Transfer**."

7. **INSURANCE**.

7.1 **Tenant's Insurance**. Tenant shall obtain and keep in full force and effect the following insurance coverages: (i) commercial general liability insurance, including unmodified contractual liability coverage, on an occurrence basis, with coverage at least as broad as that provided by an unmodified Insurance Services Office ("**ISO**") form CG 00 01 04 13 in the minimum amounts of $1 million per occurrence, $2 million general aggregate, including Designated Location(s) General Aggregate Limit; (ii) commercial automobile liability insurance, on an occurrence basis on the then most current ISO form, including coverage for owned, non-owned, leased, and hired automobiles, in the minimum amount of $1 million combined single limit for bodily injury and property damage; (iii) excess liability insurance as to the commercial general liability, commercial automobile liability, and employer's liability policies in the minimum amount of $5 million and which shall be "follow form" and no less broad than the underlying coverages; (iv) Causes of Loss -- Special Form property insurance (ISO CP 10 30 or equivalent), including windstorm and named storm coverage, in an amount adequate to cover 100% of the replacement costs, without co-insurance, of all of Tenant's property at the Premises; (v) workers' compensation insurance and employer's liability insurance; (vi) business income and extra expense insurance covering the risks to be insured by the property insurance described above, on an actual loss sustained basis, but in all events in an amount sufficient to prevent Tenant from being a co-insurer of any loss covered under the applicable policy or policies, including income coverage for a minimum 12 month period; and (vii) such other insurance as may be reasonably required by Landlord. Tenant's insurance shall provide primary and non-contributory coverage to the Landlord Parties when any policy issued to, or any self-insured program of, any Landlord Parties provides duplicate or similar coverage. Tenant's insurance shall include a Primary and Non-Contributory endorsement (ISO CG 20 01 04 13 or equivalent). Tenant's commercial general liability and commercial automobile liability policies may not have any self-insured retentions. The coverage limits provided in this Lease will not limit Tenant's liability to Landlord under this Lease. Notwithstanding the coverage limits listed above, if Tenant carries insurance coverage with limits higher than the limits required in this Lease, the additional insureds required under this Lease will each be an additional insured as to the full coverage limits actually carried by Tenant.

7.2 **Insurance Requirements**. All insurance policies shall be written with insurance companies acceptable to Landlord having coverage limits required by this article, and having a policyholder rating of at least "A-" and a financial size category of at least "Class "VIII" as rated by A.M. Best Co. The commercial general liability, commercial automobile liability, and excess liability insurance policies shall include the Landlord Parties as additional insureds (on ISO CG 20 11 04 13 or equivalent for the commercial general liability policy) on a primary and non-contributory basis and require prior notice of cancellation to be delivered in writing to Landlord within the time period applicable to the first named insured. The commercial general liability, commercial automobile liability, and excess liability policies shall include an unmodified Separation of Insureds provision. The following exclusions/limitations or their equivalent(s) are prohibited: Contractual Liability Limitation CG 21 39; Amendment of Insured Contract Definition CG 24 26; any endorsement modifying the Employer's Liability exclusion or deleting the exception to it; and any "Insured vs. Insured" exclusion except Named Insured vs. Named Insured. Tenant shall furnish evidence that it maintains all insurance coverages required under this Lease (ACORD 25 for liability insurance and the ACORD 28 for Commercial Property Insurance, with copies of declaration pages, schedule of forms and endorsements, and all endorsements under this Lease) at least 10 days before entering the Premises for any reason. The ACORD 25 Form Certificate of Insurance for the liability insurance policies shall specify the policy form number and edition date and shall have attached to it a copy of the additional insureds endorsement listing the Landlord Parties. Coverage amounts for the liability insurance may be increased periodically in accordance with industry standards for similar properties.

7.3 **Waiver of Subrogation**. Landlord and Tenant each expressly, knowingly, and voluntarily waive and release their respective rights of recovery that they may have against the other or the other's Parties and against every other tenant in the Project who shall have executed a waiver similar to this one for loss or damage to its property, and property of third parties in the care, custody, and control of Tenant or Landlord, as applicable, and loss of business (specifically including loss of Rent by Landlord and business interruption by Tenant) directly or by way of subrogation or otherwise as a result of the acts or omissions of the other party or the other party's Parties (specifically including the negligence of either party or its Parties and the intentional misconduct of the Parties of either party), to the extent any such claims are insured under a so-called "special perils" or "Causes of Loss -- Special Form" property insurance policy including, windstorm and named storm coverage or under a so-called "contents" insurance policy (whether or not actually carried). Tenant and Landlord each assumes all risk of damage to and loss of their respective property wherever located, including any loss or damage caused by water leakage, fire, windstorm, explosion, theft, act of any other tenant, or from any other cause. Landlord and Tenant shall each, on or before the earlier of the Commencement Date or the date on which Tenant first enters the Premises for any purpose, obtain and keep in full force and effect at all times thereafter a waiver of subrogation from its insurer concerning the workers' compensation, employer's liability, property, rental income, and business interruption

insurance maintained by it for the Project and the property located in the Premises. This section shall control over any other provisions of this Lease in conflict with it and shall survive the expiration or sooner termination of this Lease.

8. **DEFAULT**.

8.1 **Events of Default**. Each of the following shall be an event of default under this Lease: (a) Tenant fails to make any payment of Rent when due (not more than two (2) times per calendar year, Landlord will give Tenant written notice and five (5) days to cure a payment default); (b) Tenant or any Guarantor for Tenant's obligations under this Lease becomes bankrupt or insolvent or makes an assignment for the benefit of creditors or takes the benefit of any insolvency act, or if any debtor proceedings are taken by or against Tenant or any Guarantor, or any Guarantor dies; (c) Tenant abandons the Premises as provided in **Section 8.6**; (d) Tenant transfers this Lease in violation of the Assignment or Subletting article; (e) Tenant fails to deliver an estoppel certificate or subordination agreement or maintain required insurance coverages within the time periods required by this Lease; (f) Tenant does not comply with its obligations to vacate the Premises under the Relocation of Tenant or End of Term articles of this Lease; or (g) Tenant fails to perform any other obligation under this Lease and, provided the default does not involve an Emergency that must be addressed in a shorter time frame, Tenant fails to remedy such breach within thirty (30) days after written notice from Landlord (provided, however, that if such default reasonably requires more than thirty (30) days to cure, Tenant shall have a reasonable time to cure such default (not to exceed 90 days), provided Tenant commences to cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion). "**Emergency**" shall mean the threat of imminent injury or damage to persons or property or the imminent imposition of a civil or criminal fine or penalty. The notices to be given under this section may be combined with the notice required under Section 83.20, Florida Statutes or any successor statute and this Lease shall not be construed to require Landlord to give two separate written notices to Tenant before proceeding with any remedies.

8.2 **Remedies**. If Tenant defaults, in addition to all remedies provided by law, including the right to terminate this Lease, Landlord may declare the entire balance of all Rent due under this Lease for the remainder of the Lease Term to be forthwith due and payable and, if so, may collect the then present value of the accelerated Rent (calculated using a discount rate equal to the discount rate of the branch of the Federal Reserve Bank closest to the Premises in effect as of the date of the default). If Landlord obtains a judgment against Tenant for all forms of Rent due under this Lease for the remainder of the Lease Term (as provided above), the judgment shall provide for an accounting to Tenant of all amounts actually collected by Landlord as a result of a reletting, net of Reletting Expenses. Such accounting shall occur within 30 days following the date which would have been the natural expiration date of the Lease Term. "**Reletting Expenses**" shall mean all costs and expenses incurred by Landlord in connection with the reletting of the Premises following a default by Tenant, including the expenses of obtaining possession of the Premises, the costs of cleaning, renovation, repairs, decoration, and alteration of the Premises for a new tenant or tenants, any and all tenant improvement allowances granted to any new tenant or tenants, all advertising and marketing expenses, all brokerage commissions, the costs of protecting or caring for the Premises while vacant, the costs of removing and storing any property located on the Premises, any increase in insurance premiums caused by the vacancy of the Premises, and any other out-of-pocket expenses incurred by Landlord including tenant inducements such as the cost of moving the new tenant or tenants and the cost of assuming any portion of the existing lease(s) of the new tenant(s). Tenant waives all rights of redemption or to prevent a forfeiture that it has under applicable law after this Lease has been terminated or Tenant has surrendered or abandoned the Premises or has been evicted or otherwise dispossessed from the Premises.

8.3 **Landlord's Right to Perform**. If Tenant defaults, Landlord may, but shall have no obligation to, perform the obligations of Tenant, and if Landlord, in doing so, makes any expenditures or incurs any obligation for the payment of money, including reasonable attorneys' fees, the sums so paid or obligations incurred shall be paid by Tenant to Landlord upon receipt of a bill or statement to Tenant therefor.

8.4 **Late Charges, Interest, and Bad Checks**. If any payment due Landlord shall not be paid within five (5) days of the date when due, Tenant shall pay, in addition to the payment then due, an administrative charge equal to the greater of (a) 5% of the past due payment; or (b) $500 (not more than two (2) times per calendar year, Landlord will give Tenant written notice and five (5) days to cure a payment default prior to assessing the late charge). All payments due Landlord and not paid within 15 days after when due shall bear interest at the lesser of: (a) 18% per annum, or (b) the highest rate of interest permitted to be charged by applicable law, accruing from the date the obligation arose through the date payment is actually received by Landlord, including after the date of any judgment against Tenant. Tenant will reimburse Landlord for any bank and administrative charges incurred by Landlord as a result of any dishonored Tenant payment.

8.5 **Limitations**. None of the Landlord Parties shall ever have any personal liability to Tenant. **TENANT SHALL LOOK SOLELY TO LANDLORD'S ESTATE AND INTEREST IN THE PROJECT (WHICH INCLUDES PROCEEDS OF SALE, INSURANCE, AND CONDEMNATION) FOR THE SATISFACTION OF ANY CLAIMS BY TENANT OF ANY KIND WHATSOEVER ARISING FROM THE RELATIONSHIP BETWEEN THE PARTIES OR ANY RIGHTS AND OBLIGATIONS THEY MAY HAVE RELATING TO THE PROJECT, THIS LEASE, OR ANYTHING RELATED TO EITHER, AND NO OTHER ASSETS OF LANDLORD SHALL BE SUBJECT TO LEVY, EXECUTION, OR OTHER ENFORCEMENT PROCEDURE FOR THE SATISFACTION OF TENANT'S RIGHTS OR REMEDIES, OR ANY OTHER LIABILITY OF LANDLORD TO TENANT OF WHATEVER KIND OR NATURE.** No act or omission of Landlord or its agents shall constitute an actual or constructive eviction of Tenant or a default by Landlord as to any of its obligations under this

Lease unless Landlord shall have first received written notice from Tenant of the claimed eviction or default and shall have failed to cure it after having been afforded reasonable time in which to do so, which in no event shall be less than 30 days. Further, Tenant waives any claims against Landlord that Tenant does not make in writing within 120 days of the onset of the cause of such claim. If Landlord defaults under the Declarations, and such default by Landlord was not caused by Tenant's default under this Lease, and the applicable association or declarant seeks to terminate this Lease as a result thereof, Landlord shall indemnify, defend, and hold Tenant harmless from and against any damage or loss, including reasonable attorneys' fees, incurred by Tenant as a result thereof.

8.6 **Presumption of Abandonment**. It shall be conclusively presumed that Tenant has abandoned the Premises if Tenant fails to keep the Premises open for business during regular business hours for 10 consecutive days while in monetary default. Any grace periods set forth in this article shall not apply to the application of this presumption.

9. **ALTERATIONS**.

9.1 **General.** "**Alterations**" shall mean any alteration, addition, or improvement in or on or to the Premises of any kind or nature, including any improvements made before Tenant's occupancy of the Premises. Tenant shall make no Alterations without the prior written consent of Landlord, which consent may be withheld or conditioned in Landlord's sole and absolute discretion. However, Landlord will not unreasonably withhold or delay consent to non-structural interior Alterations, provided that they do not involve demolition of improvements, affect utility services or building systems, are not visible from outside the Premises, do not affect Landlord's insurance coverages for the Project, do not require a building permit, and do not require other alterations, additions, or improvements to areas outside the Premises. Tenant's Alterations shall comply with applicable governmental requirements and conform to Landlord's finish quality standards. Tenant shall reimburse Landlord, on demand, for the actual out-of-pocket costs for the services of any third party employed by Landlord to review or prepare any Alteration-related plan or other document for which Landlord's consent or approval is required. Landlord, or its agent or contractor, may supervise the performance of any Alterations, and, if so, Tenant shall pay to Landlord an amount equal to 1% of the cost of the work, as a supervisory fee. All Alterations by Tenant shall comply with Landlord's Sustainability Guidelines, where applicable, and any specific requirements set forth in this Lease, and Tenant shall pursue proven resource efficiency measures in the design of any Alterations, including those related to lighting and daylighting, window shading, equipment and lighting control, plumbing fixture efficiency, and specification of office and kitchen equipment. Except for work to be performed by Landlord, before any Alterations are undertaken by or on behalf of Tenant or services provided to Tenant at the Premises, Tenant shall obtain Landlord's approval of all contractors, vendors, or other persons or entities performing such Alterations or providing services to the Premises, and shall deliver to Landlord any governmental permit required for the Alterations and shall require any contractor, vendor, or other person or entity performing work or services on the Premises to obtain and maintain, at no expense to Landlord, workers' compensation and employer's liability insurance, builder's risk insurance in the amount of the replacement cost of the applicable Alterations (or such other amount reasonably required by Landlord), commercial general liability insurance, written on an occurrence basis with minimum limits of $2 million per occurrence limit, $2 million general aggregate limit, $2 million personal and advertising limit, and $2 million products/completed operations limit (including contractual liability, property damage and contractor's protective liability coverage); commercial automobile liability insurance, on an occurrence basis on the then most current ISO form, including coverage for owned, non-owned, leased, and hired automobiles, in the minimum amount of $1 million combined single limit for bodily injury and property damage; and excess liability insurance in the minimum amount of $5 million. Contractors' insurance shall contain an endorsement including the Landlord Parties as additional insureds and shall be primary and non-contributory over any other coverage available to the Landlord and shall include a waiver of subrogation in favor of Landlord Parties. The contractor's and vendor's insurance shall also comply with the requirement of the Insurance article. All Alterations by Tenant shall also comply with Landlord's reasonable rules and requirements for contractors and vendors performing work or services in the Project.

9.2 **Sustainability and Energy Performance**. Tenant Alterations shall also comply with the following requirements concerning sustainability and energy performance:

9.2.1 All Alterations shall meet all applicable energy savings and energy efficient building code requirements. If there is a conflict between the building code requirements and those set forth in this Lease, the requirements calling for higher energy savings and efficiency shall apply.

9.2.2 Landlord shall have the right to withhold its consent to any proposed Alteration if the Alteration is not compatible with, or adversely affects, any applicable LEED®, Energy Star, or other "green", "sustainable" or "health and well-being" rating certification or recertification of the Project under such LEED® or other green rating system (or other applicable certification standard).

9.2.3 Tenant shall take reasonable steps to minimize its electrical consumption within the Premises such as, by way of example only, adopting conservation practices (e.g. reducing its use of lighting where unnecessary), the use of efficient equipment, and the use of the types of lighting, lighting switches, sensors and zones, as may be reasonably specified by Landlord. Tenant shall install only Energy Star rated appliances, including dishwashers, refrigerators, microwaves, vending machines, and water

coolers, and Energy Star rated office equipment, including computers, monitors, printers, fax machines, scanners, and servers, when available.

9.2.4 Tenant shall ensure that any lighting installed by Tenant in the Premises complies with the most current applicable ASHRAE Standard 90.1 by either the space by space or building area method, including use of light emitting diodes ("**LED**") in place of incandescent and halogen or compact fluorescent bulbs for accent lighting and down lighting. Alternative lighting with energy efficiencies equal to or greater than LEDs may also be used.

9.2.5 Tenant shall install timers, dimmers, or programmable lighting controls throughout the Premises, as follows:

(a) All lighting installed by or on behalf of Tenant shall be controlled by occupancy or motion sensors arranged to control open plan office areas of 1,000 square feet or less and within all individual offices, conference rooms and general use rooms.

(b) In connection with lighting installed by or on behalf of Tenant, Tenant shall provide capacity to adjust light levels in all areas where natural light is available and will include occupancy or motion sensors.

9.2.6 To the extent feasible, Tenant shall locate refrigeration and other heat-generating equipment where such equipment can be adequately ventilated, and also shall locate refrigerators in an area of the Premises that is not within direct sunlight or near another heat source.

9.2.7 Tenant shall ensure that any fixtures purchased for the Premises shall be at a minimum certified by the United States' Environmental Protection Agency's Water Sense Program, and follow the Energy Policy Act of 1992 (as amended), for water fixture performance requirements, as referenced in relevant LEED Reference Guides; so long as such fixtures meet Landlord's particular requirements for the Building, if more stringent.

9.2.8 Tenant agrees that it shall abide by the requirements of any LEED or other third party certification with respect to use of materials, equipment, and construction procedures in all Alterations, and Tenant (at no additional cost to Tenant) shall cooperate with Landlord, upon Landlord's request, to obtain certification of compliance with any mandatory aspects of the then applicable and current ASHRAE Standard 90.1 relating to interior Alterations, equipment and trade fixtures, including mechanical, electrical, plumbing and fire protection design, in the Premises. Without limiting the foregoing provision, to the extent requested by Landlord, Tenant must provide air measuring station/airflow monitors at all AHUs/VAV boxes introducing outside air, with accuracy of 15% of design minimum outside air, and automated notification of the Building personnel through the Base Building management system if it varies from the set point by 10% or more. Without limiting the foregoing provisions, as part of such installation, such equipment must contain CO2 sensors, which shall be tied into the Base Building management system and located in the "breathing zone" as defined by ASHRAE Standards. The expenses of complying with the requirements listed in this section may be paid out of the Tenant Improvement Allowance, if any.

9.2.9 All materials and installation processes related to all adhesives, sealants, paints, coatings, carpet and rug materials and systems, composite wood and agrifiber products in connection with any Alterations shall comply with limits for VOCs reasonably established by Landlord from time to time (where applicable) and available to Tenant upon written request from Landlord. Notwithstanding the foregoing, the Tenant shall specify that all paints, sealants and adhesives used or to be used within the Premises meet EcoLogoM, Green SealTM, and South Coast Air Quality Management District regulations, and MPI Green Performance™ Standards or equivalent so as to ensure no or low emissions of VOCs within the Building. Landlord may from time to time conduct tests to measure VOCs within the Premises. Tenant, at its option, may engage a Qualified LEED® Consultant during the design phase through implementation of any Alterations to review all plans, material procurement, demolition, construction, and waste management procedures to ensure they are in conformance with Landlord's Sustainability Guidelines which have been communicated to Tenant. A "Qualified LEED® Consultant" shall mean an individual, or entity employing an individual, who: (1) has been accredited by USGBC as a LEED Accredited Professional (LEED AP); (2) is a current or formerly licensed architect, or mechanical or structural engineer in the State of Florida; and (3) has been the LEED consultant on at least one Project that has pursued certification from the USGBC under the LEED rating system.

9.2.10 Upon completion of any Alterations, upon request, Tenant shall provide Landlord with a written confirmation from a Qualified LEED Consultant that the Alterations comply with Landlord's Sustainability Guidelines.

9.2.11 Tenant shall cooperate in good faith to obtain and submit reports and documentation from contractors, subcontractors and suppliers regarding such matters as recycled or VOC content of materials, the location of the manufacture of materials, or other specifications or records requested by Landlord as necessary to document compliance with the Landlord's Sustainability Guidelines or Landlord's green objectives.

9.2.12 Landlord reserves the right to reasonably update, expand and modify the Sustainability Guidelines and the foregoing from time to time.

10. **LIENS**.

10.1 **No Lien Notice**. The interest of Landlord in the Premises shall not be subject in any way to any liens, including construction liens, for Alterations made by or on behalf of Tenant. This exculpation is made with express reference to Section 713.10, Florida Statutes. Tenant represents to Landlord that any improvements that might be made by Tenant to the Premises are not required to be made under the terms of this Lease and that any improvements which may be made by Tenant do not constitute the "pith of the lease" under applicable Florida case law. Tenant shall notify every contractor making improvements to the Premises that the interest of the Landlord in the Premises shall not be subject to liens.

10.2 **Discharge of Liens**. If any lien is filed against the Premises for work or materials claimed to have been furnished to Tenant, Tenant shall cause it to be discharged of record or properly transferred to a bond under Section 713.24, Florida Statutes, within 10 Business Days after notice to Tenant. Further, Tenant shall indemnify, defend, and hold Landlord harmless from and against any damage or loss, including reasonable attorneys' fees, incurred by Landlord as a result of any liens or other claims arising out of or related to work performed in the Premises by or on behalf of Tenant.

11. **ACCESS TO PREMISES**. Landlord and persons authorized by Landlord, at all reasonable times, may enter the Premises to (a) inspect the Premises; or (b) to make such repairs, replacements, and alterations as Landlord deems necessary or desirable, with reasonable prior written notice (which may be by e-mail), except in cases of Emergency and for provision of any services, when no notice shall be required. Tenant may have a representative accompany Landlord with respect to any non-Emergency entries. Tenant shall have the right to designate certain areas of the Premises as "Secured Areas" (including without limitation areas designated as SCIF (sensitive compartmentalized information facilities)) should Tenant require Secured Areas for the purpose of securing certain valuable property or confidential information or for any other business purposes including without limitation pursuant to government contracts, provided that Tenant may not make any area of the Premises a Secured Area if such area would prevent Landlord from accessing any Building systems or components. Landlord shall not have access to such Secured Areas except in the event of an Emergency, in which case, Landlord may use whatever means reasonably necessary to access such Secured Areas, at no expense to Landlord. Landlord shall not be required to provide janitorial or other services to the Secured Areas which services require Landlord's employees or agents to access such Secured Areas.

12. **COMMON AREAS**. The "**Common Areas**" of the Project include such areas and facilities as delivery facilities, walkways, landscaped and planted areas, and parking facilities (including parking garages and structures), and are those areas designated by Landlord for the general use in common of occupants of the Project, including Tenant. The Common Areas shall at all times be subject to the exclusive control and management of Landlord. Landlord may grant third parties specific rights concerning portions of the Common Areas. Landlord may, without it constituting an actual or constructive eviction, and without otherwise incurring any liability to Tenant, increase, reduce, redevelop, improve, or otherwise alter the Common Areas, otherwise make improvements, alterations, additions, or reductions to the Project, and change the name or number by which the Building or Project is known. Landlord may also temporarily close the Common Areas to make repairs or improvements. Landlord has the right, but not the obligation, in its sole and absolute discretion, to temporarily close the Building or access to portions thereof, including any Common Area and the Premises, if there is any act or threat of any act of terrorism, war, violence, vandalism, civil unrest, riot, pandemic or health emergency, or other event that may pose a threat to the public health or safety or damage to the Building, including a hurricane warning, any advisory warning, directive, or notice from the Office of Homeland Security, the Centers for Disease Control and Prevention, or any other federal, state, or local governmental or enforcement agency (any of the foregoing, "**Civil Unrest**"). Tenant shall comply with any notice from Landlord or any governmental agency to close the Building or portions thereof and to immediately cause all of its employees, agents, contractors, and invitees to vacate the Building. Landlord will not be responsible for any loss or damage to Tenant's business as a result, and Tenant will not be entitled to any abatement in Rent, damages, or other relief of its obligations under this Lease for any period of time when Tenant may not have access to the Premises, Common Areas or Building due to any Civil Unrest or Landlord's exercise of any of its other rights under this section. This Lease does not create, nor will Tenant have any express or implied easement for, or other rights to, air, light, or view over, from, or about the Project.

Landlord will exercise its rights under this Section in such a manner so as to minimize interference with Tenant's business operations and use and enjoyment of the Premises.

Tenant will have the benefit of all amenities generally available to tenants of the Project (including without limitation a conference center and a fitness center, if any).

13. **SECURITY INTEREST**. As security for Tenant's obligations under this Lease, Tenant grants to Landlord a security interest in this Lease and all property of Tenant now or hereafter placed in or upon the Premises including, all fixtures, furniture, inventory, machinery, equipment, merchandise, furnishings, and other articles of personal property, and all insurance proceeds of or relating to Tenant's property and all accessions and additions to, substitutions for, and replacements, products, and proceeds of the Tenant's property. This Lease constitutes a security agreement under the Florida Uniform Commercial Code. This security interest shall survive the expiration or sooner termination of this Lease and Landlord may, at any time, file a financing statement with the appropriate state or governmental agency with respect to such interest. Notwithstanding the foregoing, if Tenant desires to obtain a loan secured by Tenant's personal property in the Premises from an institutional lender or equipment lessor and requests that Landlord execute an agreement subordinating Landlord's lien and security interest in connection therewith, Landlord shall subordinate its lien rights to the rights of Tenant's lender or equipment lessor pursuant to a lien subordination on Landlord's standard form, or such lender or lessor's form with such commercially reasonable edits as may be required by Landlord. Tenant shall reimburse Landlord for all reasonable attorneys' fees and other costs incurred by Landlord in connection with any such instrument.

14. **CASUALTY DAMAGE**. If the Project or any portion of it is damaged or destroyed by any casualty and: (a) the Building or Project or a material part of the Common Areas shall be so damaged that substantial alteration or reconstruction shall, in Landlord's opinion, be required (whether or not the Premises shall have been damaged by the casualty); or (b) Landlord is not permitted to rebuild the Building or Project or a material part of the Common Areas in substantially the same form as it existed before the damage; or (c) the Premises shall be materially damaged by casualty during the last two years of the Lease Term; or (d) any mortgagee requires that the insurance proceeds be applied to the payment of the mortgage debt; or (e) the damage is not fully covered by insurance maintained by Landlord; then Landlord may, within 90 days after the casualty, give notice to Tenant of Landlord's election to terminate this Lease, and the balance of the Lease Term shall automatically expire on the fifth day after the notice is delivered. If Landlord does not elect to terminate this Lease, provided that Tenant was operating from the Premises immediately prior to the casualty and will recommence operations after restoration of the Premises, Landlord shall proceed with reasonable diligence to restore the Building and the Premises to substantially the same condition they were in immediately before the casualty. However, Landlord shall not be required to restore any unleased premises in the Building, or any portion of Tenant's property. Rent shall abate in proportion to the portion of the Premises not usable by Tenant as a result of any casualty resulting in damage to the Building which is covered by insurance carried or required to be carried by Landlord under this Lease, as of the date on which the Premises becomes unusable and the abatement shall continue until the date the Premises become tenantable again. Landlord shall not otherwise be liable to Tenant for any delay in restoring the Premises or any inconvenience or annoyance to Tenant or injury to Tenant's business resulting in any way from the damage or the repairs, Tenant's sole remedy being the right to an abatement of Rent.

Within 90 days after the date of any casualty which requires substantial alteration or reconstruction of the Building, as described above, Landlord shall notify Tenant whether Landlord intends to rebuild the Building, and, if so, whether the Building can be rebuilt within 12 months of the date of the casualty (or, in the case of a casualty affecting buildings other than the Building alone in the general area in which the Project is located, such as, but not limited to, a hurricane, earthquake, or fire, within 18 months from the date of the casualty) (the "**Restoration Period**"). If the notice indicates that Landlord does not intend to rebuild or that the Building cannot be rebuilt within the Restoration Period, Tenant may, within 30 days of Landlord's notice with TIME BEING OF THE ESSENCE, give Landlord notice that Tenant elects to terminate this Lease, and the balance of the Lease Term shall automatically expire on the 30th day after the notice is delivered. Should Landlord's notice indicate that the Building can be rebuilt within the Restoration Period or if the notice indicates that rebuilding will take longer than the Restoration Period but Tenant does not elect to terminate this Lease within 30 days of Landlord's notice, Landlord shall proceed with reasonable diligence to rebuild the Building in accordance with the terms of this article. Should the rebuilding not be substantially completed within 90 days after the date (the "**Outside Date**") which is the later of the end of the Restoration Period or the completion date estimated in Landlord's notice, then Tenant shall have the right to terminate this Lease by giving not less than 30 days' prior written notice to Landlord with TIME BEING OF THE ESSENCE, which notice must be sent before Tenant resumes its business in the Premises, but in any event no later than 30 days after the Outside Date with TIME BEING OF THE ESSENCE, and this Lease shall terminate as of the date specified in the notice with the same effect as if that date were the scheduled expiration date of this Lease. Notwithstanding the foregoing, if Tenant sends a notice of termination and Landlord, prior to the date of termination specified in the notice, substantially completes the restoration, then Tenant's notice shall be without force or effect and this Lease shall continue in full force and effect. The Outside Date shall be extended by the cumulative periods of any delays caused by Tenant or any Excusable Delays as described in the Excusable Delay article of this Lease. Notwithstanding anything to the contrary in this Article, Tenant shall have no right to terminate this Lease if Tenant is occupying and doing business from the Premises at the time Tenant would otherwise be entitled to exercise a termination right.

15. **CONDEMNATION**. If the whole or any substantial part of the Premises shall be condemned by eminent domain or acquired by private purchase in lieu of condemnation, this Lease shall terminate on the date on which possession of the Premises is

delivered to the condemning authority and Rent shall be apportioned and paid to that date. If no portion of the Premises is taken but a substantial portion of the Project is taken, at Landlord's option, this Lease shall terminate on the date on which possession of such portion of the Project is delivered to the condemning authority and Rent shall be apportioned and paid to that date. Tenant shall have no claim against Landlord, and assigns to Landlord any claims it may have otherwise had, for the value of any unexpired portion of the Lease Term, or any Alterations. Tenant shall not be entitled to any part of the condemnation award or private purchase price. If this Lease is not terminated as provided above, Rent shall abate in proportion to the portion of the Premises condemned. However, nothing contained herein shall be construed to preclude Tenant, at its cost, from independently prosecuting any claim directly against the condemning authority in such condemnation proceeding for damage to, or cost of removal of, stock, trade fixtures, furniture, and other personal property belonging to Tenant; provided, however, that no such claim shall diminish or otherwise adversely affect Landlord's award.

16. **REPAIR AND MAINTENANCE**. Landlord shall repair and maintain in good order and condition and as befitting Comparable Buildings, ordinary wear and tear excepted, the Common Areas, mechanical and equipment rooms, the roof of the Building, the exterior walls, windows, and structural portions of the Building, the elevators, and the base building portions of the electrical, plumbing, mechanical, fire protection, life safety, air conditioning, heating, and ventilation ("**HVAC**") systems servicing the Building. However, unless the Waiver of Subrogation section applies, Tenant shall pay the cost of any such repairs or maintenance resulting from acts or omissions of the Tenant Parties. Tenant waives the provisions of any law, or any right Tenant may have under common law, permitting Tenant to make repairs at Landlord's expense or to withhold Rent or terminate this Lease based on any alleged failure of Landlord to make repairs. All costs associated with the repair and maintenance obligations of Landlord under this article shall be included in and constitute Operating Costs. Except to the extent Landlord is obligated to repair and maintain the Premises as provided above, Tenant shall, at its sole cost, repair, replace, and maintain the Premises (including the walls, ceilings, and floors in the Premises, and any electrical, lighting, plumbing, mechanical, fire protection, life safety and HVAC systems (including VAV boxes) that exclusively service the Premises and are not part of the Base Building systems) in a clean, attractive, first-class condition. All replacements shall be of equal quality and class to the original items replaced. All maintenance and repairs made by Tenant shall comply with Landlord's Sustainability Guidelines, and any applicable "green", "sustainable", and "health and well-being" building certifications. Tenant shall not commit or allow to be committed any waste on any portion of the Premises. Prior to performing any such repair obligation, Tenant shall give written notice to Landlord describing the necessary maintenance or repair. Upon receipt of such notice, Landlord may elect either to perform any of the maintenance or repair obligations specified in such notice, or require that Tenant perform such obligations by using contractors reasonably approved by Landlord, all at Tenant's expense. All work shall be performed in accordance with Landlord's reasonable rules and procedures.

17. **ESTOPPEL CERTIFICATES**. From time to time, Tenant, on not less than ten Business Days' prior notice, shall (i) execute and deliver to Landlord an estoppel certificate in a form generally consistent with the requirements of institutional lenders and prospective purchasers and certified to all or any of Landlord, any mortgagee or prospective mortgagee, or prospective purchaser of the Building, and (ii) cause any Guarantor to deliver to Landlord any estoppel certificate required under the Guaranty. Should Tenant wish to assign this Lease or sublet the Premises, as permitted under the terms of this Lease, or wish to obtain financing concerning its business operations, Landlord shall (at no cost to Landlord) provide the assignee, subtenant, or lender, as the case may be, within 10 Business Days following written notice by Tenant specifying that it is given under this article, an estoppel certificate in a commercially reasonable form. The estoppel certificate may be relied on by the assignee, subtenant, or lender, as the case may be, and by no other parties, including Tenant. Tenant shall reimburse Landlord for all reasonable attorneys' fees and other costs incurred by Landlord in connection with any such estoppel.

18. **SUBORDINATION**. This Lease is and shall be subject and subordinate to all mortgages and ground leases that may now or hereafter affect the Premises, and to all renewals, modifications, consolidations, replacements, and extensions of the mortgages and leases. This article shall be self-operative and no further instrument of subordination shall be necessary. However, in confirmation of this subordination, Tenant shall execute and deliver any agreement that Landlord may request within 10 days after receipt from Landlord.

Within forty-five (45) days after the Date of this Lease, Landlord shall deliver to Tenant a subordination, non-disturbance, and attornment agreement on the mortgagee's standard form with reasonable comments proposed by Tenant and executed on behalf of the mortgagee named in the agreement ("Landlord's Current Mortgagee"). If the subordination, non-disturbance, and attornment agreement is not delivered prior to such date, Tenant, as its sole remedy, may terminate this Lease by providing written notice of termination within five (5) Business Days after such date. If Tenant fails to timely provide the termination notice, Tenant shall have no right to terminate this Lease or seek any other remedy for Landlord's failure to timely deliver the subordination, non-disturbance, and attornment agreement. In addition, Landlord, as to any future ground or underlying leases or future mortgages, will use commercially reasonable efforts to cause any future lessor under any ground or underlying lease or holder of a mortgage affecting the Premises to provide Tenant with a subordination, non-disturbance, and attornment agreement in commercially reasonable form and content reasonably acceptable to the parties thereto. Landlord shall pay any fees or costs charged by any mortgagee or ground lessor (including mortgagee's or ground lessor's attorneys' fees) for any subordination, non-disturbance, and attornment agreements.

Landlord represents and warrants to Tenant that, as of the Date of this Lease, Landlord is the fee simple owner of the Building and Project, and that, as of the Date of this Lease, there are no (i) underlying ground leases of all or any part of Landlord's

interest in the Building or Project, or (ii) mortgages with respect to the Building or Project, other than with Landlord's Current Mortgagee.

19. **INDEMNIFICATION**. To the fullest extent permitted by law, Tenant shall indemnify, defend, and hold harmless the Landlord Parties from and against any and all liability (including reasonable attorneys' fees) resulting from actual or alleged claims by third parties that arise out of the occupancy, maintenance, or use of the Premises. Similarly, to the fullest extent permitted by law, Landlord shall indemnify, defend, and hold harmless the Tenant Parties from and against any and all liability (including reasonable attorneys' fees) resulting from actual or alleged claims by third parties that arise out of the occupancy, maintenance, or use of the Common Areas to the same extent that Tenant would have been covered had it been named as an additional insured on the commercial general liability insurance policy carried by Landlord for the Project. It is intended that the indemnitor indemnify the indemnitee, and its Parties against the consequences of their own negligence or fault, even when the indemnitee or any of its Parties is jointly, comparatively, contributively, or concurrently negligent with the indemnitor, and even though any such claim, cause of action, or suit is based upon or alleged to be based upon the strict liability of the indemnitee or any of its Parties. The indemnitor waives and releases (i) all claims against the indemnitee and its Parties for any claim covered by the indemnity obligations of the indemnitor under this article, and (ii) any immunities to which the indemnitor may be entitled under applicable worker's compensation laws or charitable immunity laws, and the indemnitor expressly assumes liability for claims made by its employees and its Parties' employees which are covered by workers' compensation insurance and employer's liability insurance. The indemnitor must pay all reasonable attorneys' fees and necessary litigation expenses that the indemnified party incurs in defending all claims covered by the indemnitor's indemnification obligations under this Indemnification article. This Indemnification article shall not be construed to restrict, limit, or modify either party's insurance obligations under this Lease, nor shall Landlord's or Tenant's indemnification obligations under this article be limited by the minimum amounts of insurance carried or required to be carried under the terms of this Lease by either party. Either party's compliance with the insurance requirements under this Lease shall not restrict, limit, or modify that party's obligations under this Indemnification article. Notwithstanding anything in this article to the contrary, if and to the extent that any loss occasioned by any of the events described in this article exceeds the greater of the coverage or amount of insurance required to be carried by the indemnitor or the coverage or amount of insurance actually carried by the indemnitor, or results from any event not required to be insured against and not actually insured against, the party at fault shall pay the amount not actually covered. These indemnification provisions shall survive the expiration or sooner termination of this Lease.

20. **NO WAIVER**. The failure of a party to insist on the strict performance of any provision of this Lease or to exercise any remedy for any default shall not be construed as a waiver. The waiver of any noncompliance with this Lease shall not prevent subsequent similar noncompliance from being a default. No waiver shall be effective unless expressed in writing and signed by the waiving party. No notice to or demand on a party shall of itself entitle the party to any other or further notice or demand in similar or other circumstances. The receipt by Landlord of any Rent after default on the part of Tenant (whether the Rent is due before or after the default) shall not excuse any delays as to future Rent payments and shall not be deemed to operate as a waiver of any then-existing default by Tenant or of the right of Landlord to pursue any available remedies. No payment by Tenant, or receipt by Landlord, of a lesser amount than the Rent actually owed under the terms of this Lease shall be deemed to be anything other than a payment on account of the earliest stipulated Rent due. No endorsement or statement on any check or any letter accompanying any check or payment of Rent will be deemed an accord and satisfaction. Landlord may accept the check or payment without prejudice to Landlord's right to recover the balance of the Rent or to pursue any other remedy. It is the intention of the parties that this article will modify the common law rules of waiver and estoppel and the provisions of any statute that might dictate a contrary result.

21. **SERVICES AND UTILITIES.** Landlord shall furnish to the Premises the following services only, in the manner befitting Comparable Buildings: (a) air conditioning in season during hours designated by Tenant including chilled water; (b) passenger elevator service from the Building's lobby to the Premises' floor; (c) common restroom facilities and necessary lavatory supplies, including cold running water; (d) base building equipment for electricity (with the understanding that electrical service is supplied by a third party utility company) at all times for the purposes of lighting and general office equipment use in amounts consistent with Building Standard electrical capacities for the Premises (excluding electricity for separately metered equipment exclusively serving the Premises, such as supplemental HVAC units, the costs for which shall be paid by Tenant to Landlord as provided below), (e) janitorial and general cleaning service on Business Days, and (f) access to the Premises 24 hours a day, 365 days a year (subject to all of the terms and conditions of this Lease); provided, however, during periods after normal business hours, Landlord may establish reasonable rules and regulations in connection with such access. Electricity for the Premises and chilled water for the air conditioning system shall be sub-metered, at Tenant's cost, and the cost of electricity consumed in the Premises and chilled water, in addition to the cost of utilities for separately metered or sub-metered equipment exclusively serving the Premises, such as supplemental HVAC units, shall be paid by Tenant to Landlord within 30 days after receipt of an invoice from Landlord. Landlord shall have the right to select the Building's electric service provider and to switch providers at any time, and purchase green or renewable energy. If required to further Landlord's Sustainability objectives, Landlord may install and Tenant will pay for an electric submeter to service the Premises to measure the consumption of electricity in the Premises, including a submeter for each piece of Tenant's capital equipment, and if so, Tenant will pay for its electricity consumption as invoiced by Landlord. If water, gas, electricity, or any other utility service provided to the Premises is measured by a consumption meter or other means associated with an account with such utility provider that is paid directly by Tenant, or if Landlord is required by any law or governmental authority to disclose energy efficiency information, then, at Landlord's request, Tenant shall provide Landlord with accurate data reflecting Tenant's consumption of such utility services, which information may include usage data, type and number of equipment operated and Tenant operating hours. Tenant shall cooperate with any present or future government conservation requirements and with any conservation practices established by Landlord. Tenant shall use commercially reasonable efforts to conduct its operations to

minimize, to the extent reasonably feasible: (i) direct and indirect energy consumption and greenhouse gas emissions; (ii) water consumption; (iii) the amount of waste being generated and sent to landfill, and (iv) negative impacts upon the indoor air quality of the Building and Premises. Tenant's use of electrical, HVAC or other services furnished by Landlord shall not exceed, either in voltage, rated capacity, use, or overall load, the level of use which Landlord deems to be standard for the Building and shall be in compliance with Landlord's green certifications and requirements, including energy and lighting conservation limitations. Tenant shall pay all costs associated with any such additional utility or service usage, including the installation of separate meters or sub-meters. In no event shall Landlord be liable for damages resulting from the failure to furnish any service, and any interruption or failure shall in no manner entitle Tenant to any remedies including abatement of Rent. If at any time during the Lease Term, the Project has any type of access control system for the Parking Areas or the Building, Landlord shall furnish to Tenant, at Landlord's cost and expense, the number of access cards equal to the number of occupants of the Premises at the time such system is installed (the allocation of access cards for Parking Areas, if applicable, will coincide with the number of parking spaces allocated to Tenant under this Lease, if any). Any replacement cards shall be purchased from Landlord by Tenant at the then Building Standard charge.

Notwithstanding anything to the contrary in this article, in the event of a Qualified Service Interruption (as defined below), Tenant's sole remedy shall be as follows: the rent payable under this Lease shall be abated on a per diem basis for each day after the fifth consecutive Business Day following the date on which Tenant provides Landlord with written notice that a Qualified Service Interruption has occurred based upon the percentage of the Premises so rendered untenantable and not used by Tenant until the date the Premises become tenantable again. A "**Qualified Service Interruption**" shall mean (a) Landlord ceases to furnish services to the Premises that are required by this Lease, (b) the cessation does not arise as a result of (i) an act or omission of any Tenant Parties or any subtenant or occupant of the Premises or (ii) any breach by Tenant of its obligations under this Lease, (c) the cessation is not caused by fire or other casualty (in which case the Casualty Damage article shall control) or an Excusable Delay, (d) the restoration of the services is reasonably within the control of Landlord, and (e) as a result of the cessation, the Premises or a material portion of the Premises is rendered untenantable (meaning that Tenant is unable to use the Premises in the normal course of its business) and Tenant in fact ceases to use the Premises or a material portion of the Premises. Notwithstanding the foregoing, for purposes of this article, (x) so long as one passenger or freight elevator is in working condition, then the Premises shall not be deemed to be untenantable as regarding access; and (y) repair or restoration of any utility services to the Building shall not be considered to be reasonably within the control of Landlord if the interruption of such utility services results from the failure of any equipment or facilities maintained by the utility provider. The electrical capacity serving the Premises is 13 watts per rentable square foot.

22. **LETTER OF CREDIT**. The Letter of Credit shall be issued by a United States commercial bank which is reasonably acceptable to Landlord with at least a AA- rating as published by Standard and Poor's Corporation or at least a Aa3 rating as published by Moody's and which has an office in Palm Beach County, Florida at which draws can be made under the Letter of Credit (or elsewhere in the United States so long as the Letter of Credit provides that draws can be made by overnight courier and/or fax), naming Landlord (or its successor as Landlord) as beneficiary and in a form reasonably acceptable to Landlord). Upon issuance of the Letter of Credit, a copy of it shall be attached to this Lease. Landlord reserves the right to periodically review the financial condition of the issuing bank for any Letter of Credit and any renewal or replacement Letter of Credit and if Landlord determines that the issuing bank no longer satisfies the criteria set forth above, Landlord may require a replacement Letter of Credit in form and substance and from a United States bank reasonably acceptable to Landlord which satisfies the criteria set forth above. The Letter of Credit shall be maintained in full force and effect for its full required amount during the Lease Term. Landlord may draw upon the Letter of Credit at any time Tenant is in default under this Lease beyond applicable notice and cure periods without prior notice to Tenant. If Landlord draws on the Letter of Credit, Tenant shall replenish the Letter of Credit to its original sum within five days after notice from Landlord. The Letter of Credit shall have a term of at least 12 months, and it shall by its terms be renewed automatically each year by the bank, unless the bank gives written notice to the beneficiary, at least 60 days prior to the expiration date of the then existing Letter of Credit, that the bank elects that it not be renewed. If Tenant fails to provide a replacement Letter of Credit because the issuing bank no longer satisfies the criteria set forth above or if the Letter of Credit is ever not renewed and has less than 30 days remaining in its term, Landlord may draw on the Letter of Credit and hold the proceeds as a cash security deposit. The Letter of Credit shall be transferable and the proceeds assignable. Tenant shall reimburse Landlord for all transfer fees incurred. If the financial institution which issued the initial Letter of Credit is ever declared insolvent or closed by the FDIC or other applicable governmental authority or is closed for any other reason (other than periodic branch closures which occur in the normal course of business), then Tenant shall, within 30 days after notice from Landlord, provide a substitute Letter of Credit to Landlord from another financial institution acceptable to Landlord in its reasonable discretion and which otherwise complies with the terms of this article. Tenant agrees and acknowledges that Tenant has no property interest whatsoever in the Letter of Credit or the proceeds of it and that, in the event Tenant becomes a debtor under the Federal Bankruptcy Code, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim or rights to the Letter of Credit or the proceeds of it by application of Section 502(b)(6) of the Federal Bankruptcy Code or otherwise. Any cure periods for a default by Tenant under this Lease shall not be applicable to a default by Tenant of the terms of this article. The Letter of Credit shall not be construed as a security deposit under this Lease, but rather as a third-party guaranty by the issuing bank guaranteeing all of the Tenant's obligations under this Lease.

23. **GOVERNMENTAL REGULATIONS**. Tenant shall promptly comply with all laws, codes, and ordinances of governmental authorities, including the Americans with Disabilities Act of 1990 (as amended, the "**ADA**"), relating to Tenant, its conduct of business, and its use and occupancy of the Premises, including (a) maintaining a business tax receipt, Certificate of Use and

Occupancy, or equivalent and any and all other licenses required to conduct business in the Premises, and (b) at Landlord's election, performing or paying Landlord on demand for the cost of any work to the Common Areas required because of Tenant's specific use (as opposed to general office use) of the Premises or Alterations to the Premises made for Tenant. Notwithstanding anything to the contrary set forth in this Lease, Tenant shall not have the right to take any actions relating to the Premises, including seeking any governmental approvals, that would reduce or impair Landlord's rights or increase its obligations without Landlord's consent to be given in its sole discretion. Tenant shall indemnify, defend, and hold Landlord harmless from and against all costs (including reasonable attorneys' fees and costs, fines, and interest) based on Tenant's failure to comply with the terms of this article.

24. **SIGNS**.

24.1 **General**. No signage shall be placed by Tenant on any portion of the Project. However, Landlord shall, on behalf of Tenant, place a Building Standard sign bearing Tenant's name in a location approved by Landlord near the entrance to the Premises (at Tenant's cost, subject to the Allowance) and Tenant will be furnished a single listing of its name in the Building's directory (at Landlord's cost), all in accordance with the criteria adopted from time to time by Landlord for the Project. Any changes or additional listings in the directory shall be furnished (subject to availability of space) for the then Building Standard charge.

24.2 **Monument Sign**. Tenant shall be entitled to have its name placed on the 4680 Building's monument sign as shown in concept on **EXHIBIT "H"** (at Tenant's sole cost and expense), subject to the following terms and conditions: (a) Landlord shall have the right to designate design standards relating to the placement of names on the monument sign, including the size, material, shape, color, and lettering of any names on the monument sign, provided that the sign must be substantially similar to the concept shown on **EXHIBIT "H"**; and (b) Tenant's signage shall comply with all applicable governmental requirements and property owners' association requirements (applications for approval, if required, shall be at Tenant's sole cost and expense). Tenant shall repair and maintain its signage at Tenant's sole cost and expense. Tenant's signage shall be removed at the end of the Lease Term (as may be extended or renewed) or earlier termination of this Lease (or termination of Tenant's signage rights pursuant to the terms of this section) and all damage promptly repaired at Tenant's sole cost and expense. The rights granted to Tenant under this section are personal to the original named Tenant in this Lease and may not be assigned or exercised by anyone other than such Tenant or an assignee or successor (for example by merger) pursuant to a Permitted Transfer. Landlord shall have the right to remove or require Tenant to remove within 10 Business Days after Landlord's notice, at Tenant's sole cost and expense, Tenant's signage, if, at any time during the Lease Term, Tenant (x) assigns this Lease other than to an assignee under a Permitted Transfer, (y) sublets more than 30% of the Premises other than a Permitted Transfer, (z) ceases to lease at least 20,000 rentable square feet of space in the Project, or (aa) is in default of this Lease beyond any applicable notice and grace period. If Tenant fails to install its signage within 18 months after the Date of this Lease, TIME BEING OF THE ESSENCE, Tenant's rights under this section shall expire and terminate and be of no further force or effect. The signage rights granted to Tenant under this section shall not prohibit Landlord from granting other tenants the right to install signage on the monument.

24.3 **Building Sign**. Tenant shall be entitled to place its sign on the exterior of the 4930 Building as shown in concept on **EXHIBIT "H"** (at Tenant's sole cost and expense), subject to the following terms and conditions: (a) all aspects of the sign, including, by way of example and not limitation, installation method and specifications, attachment, size, location, material, shape, design, color, lettering, and aesthetic matters shall be subject to the Landlord's prior written approval based on renderings submitted by Tenant to the Landlord, provided that the sign must be substantially similar to the concept shown on **EXHIBIT "H"**; and (b) Tenant's signage shall comply with all applicable governmental requirements and property owners' association requirements (applications for approval, if required, shall be at Tenant's sole cost and expense). Tenant shall clean, repair, light, and maintain its signage at Tenant's sole cost and expense. Tenant's signage shall be removed at the end of the Lease Term (as may be extended or renewed) or earlier termination of this Lease (or termination of Tenant's signage rights pursuant to the terms of this section) and all damage promptly repaired at Tenant's sole cost and expense. The rights granted to Tenant under this section are personal to the original named Tenant in this Lease and may not be assigned or exercised by anyone other than such Tenant or an assignee or successor pursuant to a Permitted Transfer. Landlord shall have the right to remove or require Tenant to remove within 10 Business Days after Landlord's notice, at Tenant's sole cost and expense, Tenant's name or sign from the Building, if, at any time during the Lease Term, Tenant (x) assigns this Lease other than to an assignee under a Permitted Transfer, (y) sublets more than 30% of the Premises other than a Permitted Transfer, (z) ceases to lease at least 20,000 rentable square feet of space in the Project, or (aa) is in default of this Lease beyond any applicable notice and grace period. If Tenant fails to install its signage within 18 months after the Date of this Lease, TIME BEING OF THE ESSENCE, Tenant's rights under this section shall expire and terminate and be of no further force or effect. The signage rights granted to Tenant under this section shall not prohibit Landlord from granting other tenants the right to install signage on the Building.

25. **BROKER**. Landlord and Tenant each represent and warrant that they have neither consulted nor negotiated with any broker regarding the Premises, except the Landlord's Broker. Tenant shall indemnify, defend, and hold Landlord harmless from and against any claims for commissions from any real estate broker other than Landlord's Broker with whom Tenant has dealt in connection with this Lease. Landlord shall indemnify, defend, and hold Tenant harmless from and against payment of any leasing commission due Landlord's Broker in connection with this Lease and any claims for commissions from any real estate broker other than Landlord's Broker with whom Landlord has dealt in connection with this Lease. The terms of this article shall survive the expiration or earlier termination of this Lease.

26. **END OF TERM**. Tenant shall surrender the Premises to Landlord at the expiration or sooner termination of this Lease or Tenant's right of possession in good order and condition, broom-clean, except for reasonable wear and tear. All Alterations made by Landlord or Tenant to the Premises shall become Landlord's property on the expiration or sooner termination of the Lease Term. On the expiration or sooner termination of the Lease Term, Tenant, at its expense, shall remove from the Premises all of Tenant's personal property, trade fixtures, all computer and telecommunications wiring, and all Alterations that Landlord designates by notice to Tenant. Notwithstanding the foregoing, Tenant shall not be required to remove any component of the Tenant Improvements or any later Alterations consisting of usual office improvements such as drywall, partitions, ceiling grids and tiles, fluorescent lighting panels, Building Standard doors, and carpeting; provided, however, Landlord shall have the right to require Tenant to remove any specialty improvements such as (but not limited to) all computer and telecommunications wiring and cabling, vaults, stairways, supplemental HVAC or other systems serving the Premises only, compact or high-density shelving, raised computer floor and other computer facilities (including fire suppression systems), any Alterations involving roof, ceiling, or floor penetrations, SCIF rooms or similarly secure areas, knockout panels, personal baths and showers, and rolling filing systems, and any items that are not Building Standard (as determined by Landlord) or that are in excess of Building Standard and that are, in Landlord's reasonable judgment, materially more difficult or expensive to remove than Building Standard. Tenant shall also repair any damage to the Premises caused by the removal. Any items of Tenant's property that shall remain in the Premises after the expiration or sooner termination of the Lease Term, may, at the option of Landlord and without notice, be deemed to have been abandoned, and in that case, those items may be retained by Landlord as its property to be disposed of by Landlord, without accountability or notice to Tenant or any other party, in the manner Landlord shall determine, at Tenant's expense. If Tenant holds over after expiration or other termination of this Lease, occupancy of the Premises subsequent to such termination or expiration shall be that of a tenancy at sufferance and in no event for month-to-month or year-to-year, but Tenant shall, throughout the entire holdover period, pay rent (on a per month basis without reduction for any partial months during any such holdover) equal to 150% of the sum of the Base Rent and all Additional Rent due for the month immediately preceding such holding over for the first three months of hold over and 200% thereafter. The tenancy shall otherwise be on the terms and conditions of this Lease including the Insurance, Indemnification, and Attorneys' Fees articles but excluding any options to extend or expand or any other special rights of Tenant. Tenant shall be liable for all damages sustained by Landlord on account of such holdover including consequential damages, provided, however that Tenant shall only be liable for consequential damages if Landlord notified Tenant that Landlord has entered into a new lease with a new tenant for all or any portion of the Premises, and Tenant fails to vacate the Premises within thirty (30) days after such notice (provided that in no event shall Tenant be required to vacate the Premises before the expiration or sooner termination of this Lease or Tenant's right of possession).

27. **ATTORNEYS' FEES**. Except as otherwise provided in this Lease, the prevailing party in any litigation or other dispute resolution proceeding, including arbitration, arising out of or in any manner based on or relating to this Lease, including tort actions and actions for injunctive, declaratory, and provisional relief, shall be entitled to recover from the losing party actual reasonable attorneys' fees and costs, including fees for litigating the entitlement to or amount of fees or costs owed under this provision, and fees in connection with bankruptcy, appellate, or collection proceedings. No person or entity other than Landlord or Tenant has any right to recover fees under this section. In addition, if Landlord becomes a party to any suit or proceeding affecting the Premises or involving this Lease or Tenant's interest under this Lease, other than a suit between Landlord and Tenant, or if Landlord engages counsel to collect any of the amounts owed under this Lease, or to enforce performance of any of the agreements, conditions, covenants, provisions, or stipulations of this Lease, without commencing litigation, then the costs, expenses, and reasonable attorneys' fees and disbursements incurred by Landlord shall be paid to Landlord by Tenant (subject to the first sentence of this article). All references in this Lease to attorneys' fees shall be deemed to include all legal assistants', paralegals', and law clerks' fees and shall include all fees incurred through all post-judgment and appellate levels and in connection with collection proceedings. However, the term "attorneys' fees" shall exclude fees for lawyers who are employees of a party.

28. **NOTICES**. Any notice to be given under this Lease may be given either by a party itself or by its attorney or agent and shall be in writing and delivered by hand, by nationally recognized overnight air courier service (such as FedEx), or by the United States Postal Service, registered or certified mail, return receipt requested, in each case addressed to the respective party at the party's notice address. A notice shall be deemed effective upon receipt or the date sent if it is returned to the addressor because it is refused, unclaimed, or the addressee has moved.

29. **EXCUSABLE DELAY**. For purposes of this Lease, the term "**Excusable Delay**" shall mean any delays resulting from causes beyond the direct control of the party delayed, including delays due to strikes, lockouts, riots, civil commotion, war (whether declared or undeclared) or warlike operations, acts of terrorism, cyber-attacks, acts of a public enemy, acts of bioterrorism, epidemics, pandemics, quarantines, or other health crises, invasion, rebellion, hostilities, military or usurped power, sabotage, government action, regulations or controls that are enacted after the Date of this Lease, inability to obtain any material, utility, or service, inability to obtain building permits, hurricanes, floods, earthquakes, tornadoes, or other natural disasters, or acts of God, power outages, or any other cause beyond the direct control of the party delayed, whether similar or dissimilar in kind and nature to any of the foregoing and whether foreseeable or unforeseeable. Notwithstanding anything in this Lease to the contrary, if Landlord or Tenant shall be delayed in the performance of any act required under this Lease by reason of any Excusable Delay, then subject to the terms and conditions of this section performance of the act shall be excused for the period of the delay and the period for the performance of the act shall be extended for a reasonable period, in no event to exceed a period equivalent to the period of the delay; provided, however, (1) in no event shall a delay described in this section be deemed an Excusable Delay unless and until the party being delayed has provided written notice (which may be via e-mail) to the other party of such delay; (2) the calculation of the period of Excusable Delay, if applicable, shall commence as of the date of such notice; (3) the party being delayed shall at all times use good faith efforts to mitigate the consequences of any Excusable Delay; (4) if the delayed party fails to notify the other party in writing

within 30 days of the actual occurrence of an alleged Excusable Delay, then the delayed party shall be deemed to have waived its right to assert any such delay(s); and (5) Excusable Delays shall be recognized under this Lease only to the extent they are not concurrent with any other delay that does not constitute an Excusable Delay. The provisions of this article shall not operate to excuse Tenant from the payment of Rent or from surrendering the Premises at the end of the Lease Term, or from the obligations to maintain insurance, and shall not operate to extend the Lease Term. Delays or failures to perform resulting from lack of funds or the increased cost of obtaining labor and materials shall not be deemed delays beyond the direct control of a party.

30. **QUIET ENJOYMENT**. Landlord covenants and agrees that, on Tenant's paying rent and performing all of the other provisions of this Lease on its part to be performed, Tenant may peaceably and quietly hold and enjoy the Premises for the Lease Term without material hindrance or interruption by Landlord or any other person claiming by, through, or under Landlord, subject, nevertheless, to the terms, covenants, and conditions of this Lease and all existing or future ground leases, underlying leases, or mortgages encumbering the Project.

31. **RELOCATION OF TENANT**. Following the initial Lease Term, in the event that Landlord intends to redevelop the Project, Landlord may move Tenant from Suite 125 only to a reasonably equivalent space within the Project comparable in size and layout, on not less than 30 days' notice to Tenant. If Landlord relocates Tenant, Landlord shall perform the interior improvements to the new space of approximate equivalence to the interior improvements in the original Suite 125 and pay the reasonable costs of moving Tenant's property to the new space. Landlord will also reimburse Tenant for reasonable costs of replacement of stationery (based on reasonable quantities on hand as of the date of Landlord's relocation notice), and telecommunications relocation. Such a relocation shall not terminate or otherwise modify this Lease except that from and after the date of the relocation, the "Premises" as to Suite 125 shall refer to the relocation space into which Tenant has been moved, rather than the original Suite 125 as described in this Lease. If the rentable area of the relocation space is more or less than the rentable area of the Suite 125, then the Base Rent and Tenant's Allocated Share and all other terms of this Lease derived from the area of Suite 125 shall be appropriately adjusted. If Landlord elects to relocate Tenant from Suite 125 under this article and the relocation space is not reasonably acceptable to Tenant, Tenant may terminate this Lease at to Suite 125 only by notice to Landlord given within 10 days after Tenant’s receipt of Landlord’s notice of relocation, with such termination to be effective on the earlier of the date specified in Tenant’s notice or 30 days after the date of Landlord’s notice to Tenant of the proposed relocation of Suite 125. Tenant shall execute any documents reasonably required by Landlord regarding the termination of this Lease as to Suite 125. If Tenant exercises this right of termination, Landlord shall have the right, to be exercised by notice given within 10 days of Tenant’s notice of termination, to rescind its notice of relocation and, if so, this Lease shall remain in full force and effect and Tenant shall not be relocated from Suite 125.

32. **PARKING**. Tenant shall be entitled to use no more than the number of parking spaces in the Parking Areas and on such terms as specified in the Basic Lease Information and Defined Terms article of this Lease, at no rental charge for use of spaces. The parking spaces allocated to Tenant shall be reduced by Tenant's pro rata share of the visitor, accessible, and electric vehicle parking spaces for the Project. The parking spaces may only be used by principals and employees of Tenant. "**Parking Areas**" shall mean the areas available for automobile parking as those areas may be designated by Landlord from time to time. Except for particular spaces and areas designated from time to time by Landlord for reserved parking, if any, all parking in the Parking Areas shall be on an unreserved, first-come, first-served basis. Landlord reserves the right to change the location of any reserved spaces upon prior notice to Tenant so long as Tenant's reserved spaces (if any) are within reasonable proximity to the entrance to Suite 125 of the Premises. Landlord shall have no liability to Tenant for unauthorized parking in reserved spaces, and shall not be required to tow any unauthorized vehicles.

33. **FINANCIAL REPORTING**. From time to time, but no more than once per calendar year, at Landlord’s request only in connection with a Tenant event of default or a sale or refinancing by Landlord, Tenant shall cause the following financial information to be delivered to Landlord, at Tenant's sole cost and expense, upon not less than 10 Business Days' advance written notice from Landlord: (a) a current financial statement, including a balance sheet and a statement of income and expenses, for Tenant and Tenant's financial statements for the previous two accounting years, (b) a similar current financial statement for any Guarantor(s) of this Lease (if any) and the Guarantor's financial statements for the previous two accounting years, and (c) such other financial information pertaining to Tenant or any Guarantor as Landlord or any lender or purchaser may reasonably request. All financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Tenant shall not be required to provide any financial statements if Tenant (or a guarantor, if any) is a publicly traded company and such financial statement are available to Landlord online at no charge. Landlord and any lender or prospective lender or prospective purchaser shall keep all such information confidential pursuant to a commercially reasonable non-disclosure agreement signed by Landlord and Tenant. The agreement will provide that Landlord will be responsible for its lender's or prospective lender's or prospective purchaser's compliance with the terms of such confidentiality agreement, and will be liable for any breach of such agreement by its lender or prospective lender or prospective purchaser. Tenant authorizes Landlord to obtain a credit report or credit history on Tenant from any credit reporting company from time to time without notice to Tenant. Notwithstanding the foregoing, in no event shall Tenant be required to provide Landlord with more detailed financial information than it provided Landlord prior to the Date of this Lease.

34. **INTENTIONALLY OMITTED**.

35. **OPTION TO EXTEND**.

35.1 Tenant shall have the option to extend the Lease Term for two additional periods of 60 months each, on the same terms and conditions as provided in this Lease, except that, for each extended Lease Term:

35.1.1 Upon exercise of the second option to extend the Lease Term, this Lease, as extended, shall not contain any further option to extend as provided in this article;

35.1.2 If Tenant does not timely exercise its option as to the first extension term, the option as to the second extension term shall terminate;

35.1.3 The Base Rent shall be determined as set forth below; and

35.1.4 Landlord shall have no obligation to perform any alterations or tenant improvements or other work in the Premises and Tenant shall continue possession of the Premises in its "as-is," "where-is," and "with all faults" condition.

35.2 The exercise of the option set forth in this article shall only be effective on, and in strict compliance with, the following terms and conditions:

35.2.1 Notice of Tenant's exercise of the option (the "**Extension Notice**") shall be given by Tenant to Landlord no earlier than 15 months and no later than 9 months before the current expiration date of the Lease Term. TIME SHALL BE OF THE ESSENCE AS TO THE EXERCISE OF ANY ELECTION BY TENANT UNDER THIS ARTICLE.

35.2.2 At the time of Tenant giving Landlord notice of its election to extend the Lease Term and on the expiration of the current Lease Term, this Lease shall be in full force and effect and Tenant shall not be in default under any of the terms, covenants, and conditions of this Lease beyond any applicable grace period.

35.2.3 The rights granted to Tenant under this article are personal to the original named Tenant in this Lease and any assignee under a Permitted Transfer and may not be assigned or exercised by anyone other than such Tenant or assignee and only while such Tenant or an assignee or subtenant or successor under a Permitted Transfer is in possession of the entire Premises.

35.2.4 Intentionally omitted.

35.2.5 If this Lease has been guaranteed, the Guarantor shall execute and deliver to Landlord a reaffirmation of the Guaranty as to the extended Lease Term no later than the commencement of the extended Lease Term.

35.3 The Base Rent shall be a sum equal to the fair market renewal rental value of the Premises for the extended Lease Term, based on and taking into account the rentals (inclusive of any abatements, improvement allowances and concessions) at which extensions or renewals of leases are being concluded for comparable space in the Project and in Comparable Buildings in the Boca Raton, Florida area at that time and for such a term and taking into account the terms and conditions of this Lease and anticipated inflation during the extended Lease Term, as well as creditworthiness of tenants (the "**Fair Market Rental Value**" or the "**Value**").

35.3.1 Within 30 days after receipt of the Extension Notice, Landlord shall advise Tenant of the applicable Fair Market Rental Value for the extended Lease Term ("**Landlord's Notice**"). If Tenant disagrees with Landlord's determination of Fair Market Rental Value, Tenant shall provide written notice to Landlord of its objection, within 30 days of Landlord's notice to Tenant, including Tenant's statement of what it believes the Fair Market Rental Value should be. If Tenant has not timely provided an objection notice, then Landlord and Tenant shall enter into an amendment to this Lease extending the Lease Term on the terms and conditions of Landlord's Notice and this article.

35.3.2 If Tenant delivers a timely objection notice, then upon Landlord's receipt of the notice, Landlord and Tenant shall, for a period of 30 days, negotiate in good faith to agree on the Fair Market Rental Value. Upon agreement, Landlord and Tenant shall enter into an amendment to this Lease extending the Lease Term on the terms and conditions of this article. If the parties cannot agree on the Fair Market Rental Value within such 30-day period, then Landlord and Tenant shall meet with each other within 35 days after Landlord's receipt of Tenant's objection notice and shall exchange in sealed envelopes their final proposal as to the Fair Market Rental Value (collectively, the "**Estimates**") and open such envelopes in each other's presence. If the higher of the

Estimates is no more than 105% of the lower Estimate, then the Fair Market Rental Value will be the average of the Estimates. If the higher of the Estimates is more than 105% of the lower Estimate, and if Landlord and Tenant do not mutually agree upon the Fair Market Rental Value within five Business Days after the exchange and opening of the envelopes, then the Fair Market Rental Value shall be determined by arbitration in accordance with the expedited procedures of the Commercial Arbitration Rules of the American Arbitration Association then in force, with the following exceptions: There shall be a single arbitrator selected by the American Arbitration Association. The arbitrator shall be a commercial real estate broker having at least 15 years of experience in the office market area in which the Building is located and having a professional designation of CCIM or SIOR, or both designations. The arbitrator's jurisdiction and authority shall be limited to whether the Landlord's or the Tenant's Estimate most closely reflects the Fair Market Rental Value and the arbitrator may not select any Value other than the Landlord's Estimate or the Tenant's Estimate. The determination by the arbitrator shall be rendered in writing to both Landlord and Tenant and shall be final and binding on them. The parties shall share equally in the cost of the arbitrator. Any fees of any counsel or experts engaged directly by Landlord or Tenant, however, shall be borne by the party retaining the counsel or expert.

35.4 All options to extend the Lease Term as set forth in this article shall be null and void if Landlord and Tenant enter into any agreement extending the Lease Term on terms different than those set forth in this section.

36. **RIGHT OF FIRST OFFER**. During the Lease Term, whenever Landlord is made aware that space which is contiguous to Tenant's Premises located in the 4680 Building or in the 4930 Building and located on the same floor (the "**ROFO Space**"), is becoming available for leasing to Tenant, then Landlord shall by notice to Tenant (the "**ROFO Notice**") offer to lease the ROFO Space to Tenant and Tenant shall have a one-time right to lease the ROFO Space on the terms and conditions set forth in the Landlord's ROFO Notice and this article. If any portion of the ROFO space is vacant and unleased as of the Date of this Lease, then Tenant's rights under this article as to such vacant and unleased space shall not commence until such space is leased and then becomes available for leasing. Space shall be considered "available for leasing to Tenant" when the existing lease for the ROFO Space expires or terminates, and all tenants in the Building with prior rights to lease the ROFO Space and the tenant, subtenant, or occupant then in possession of the ROFO Space all have no desire to enter into a lease or the renewal or extension of an existing lease of the ROFO Space with Landlord. ROFO Space shall not be considered "available for leasing to Tenant" if a tenant of the Building is being relocated to the ROFO Space by the Landlord pursuant to a relocation provision in the tenant's lease or such space is being used for Common Areas or amenities and not leasable office space. These rights shall apply only as to the entire ROFO Space that is available for leasing and may not be exercised as to only a portion of such space. Tenant shall exercise its option under this article by delivering to Landlord written notice of Tenant's election to exercise this option within ten Business Days after Tenant's receipt of the ROFO Notice, TIME BEING OF THE ESSENCE. If Tenant fails to exercise the option within such period, then the rights of Tenant to lease the ROFO Space at that time shall terminate, and, thereafter, Landlord shall be free to rent the space which was the subject of the ROFO Notice to whomever Landlord wishes and on whatever terms it desires. The option once exercised is irrevocable. If the option is exercised, Landlord and Tenant shall enter into an amendment to this Lease reflecting the expansion of the Premises on the terms of this article. If Tenant timely exercised the option but Landlord and Tenant are not able, for any reason, to execute a new lease, or an amendment to this Lease, for the available ROFO Space within 30 days after Tenant's receipt of such new lease or amendment from Landlord, then, at Landlord's sole option, the rights of Tenant to lease the ROFO Space shall terminate. If the option is exercised, the terms of this Lease, including the obligation to pay Rent, shall commence as to the ROFO Space as of the date which is the commencement date set forth in the ROFO Notice. The rights granted in this article are subject to the following conditions: (1) the rights granted to Tenant under this article are personal to the original named Tenant in this Lease and any assignee under a Permitted Transfer and may not be assigned or exercised by anyone other than such Tenant or assignee or a successor under a Permitted Transfer and only while Tenant or an assignee or subtenant or successor under a Permitted Transfer is in possession of the entire Premises, (2) the ROFO Space is intended for the use of Tenant or a subtenant under a Permitted Transfer only, (3) Tenant is not in default under this Lease beyond any applicable grace period, (4) any Guarantor executing a new guaranty or reaffirmation of the existing Guaranty confirming that the Guaranty shall apply to Tenant's obligations as to the ROFO Space, (5) if the Lease contains a right of Tenant to terminate the Lease early, such right is hereby expressly deleted, (6) intentionally omitted, and (7) Tenant shall have no rights under this article if less than five years remain in the Lease Term.

37. **OFAC**. A. Neither Tenant nor any of Tenant's affiliates, nor any individual, entity or organization holding any material ownership interest in the Tenant, nor any of their respective agents acting in any capacity in connection with the transactions contemplated by this Lease, is or will be (a) conducting any business or engaging in any transaction or dealing with any person appearing on the U.S. Treasury Department's OFAC list of prohibited countries, territories, "specifically designated nationals" ("**SDNs**") or "blocked persons" (each a "**Prohibited Person**") (which lists can be accessed at the following web address: http://www.ustreas.gov/offices/enforcement/ofac/), including the making or receiving of any contribution of funds, goods or services to or for the benefit of any such Prohibited Person; (b) engaging in certain dealings with countries and organizations designated under Section 311 of the USA PATRIOT Act as warranting special measures due to money laundering concerns; (c) dealing in, or otherwise engaging in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 dated September 24, 2001, relating to "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism"; (d) a foreign shell bank or any person that a financial institution would be prohibited from transacting with under the USA PATRIOT Act; or (e) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempting to violate, any of the prohibitions set forth in (i) any U.S. anti-money laundering law, (ii) the

Foreign Corrupt Practices Act, (iii) the U.S. mail and wire fraud statutes, (iv) the Travel Act, (v) any similar or successor statutes, or (vi) any regulations promulgated under the foregoing statutes. If at any time this representation becomes false then it shall be considered a default under this Lease and Landlord shall have the right to exercise all of the remedies set forth in this Lease including, without limitation, immediate termination of this Lease. Tenant shall defend, indemnify, and hold Landlord harmless from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) incurred by Landlord arising from or related to any breach or violation of the foregoing representations and obligations.

B. Landlord hereby represents its compliance with all applicable anti-money laundering laws, including the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control, including Executive Order 13224 ("Executive Order"). Landlord further represents (i) that it is not, and it is not owned or controlled directly or indirectly by any person or entity, on the SDN List published by the United States Treasury Department's Office of Foreign Assets Control, and (ii) that it is not a person otherwise identified by government or legal authority as a person with whom a U.S. Person is prohibited from transacting business. As of the Date of this Lease, a list of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac. Landlord shall defend, indemnify, and hold Tenant harmless from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) incurred by Tenant arising from or related to any breach or violation of the foregoing representations.

These indemnity obligations shall survive the expiration or earlier termination of this Lease.

38. **GENERAL PROVISIONS**.

38.1 **Miscellaneous**. The word or words (a) "including" and "include" and similar words will not be construed restrictively to limit or exclude other items not listed; (b) "or" is used in the inclusive sense of "and/or"; (c) "will" and "shall" are intended to express mandatory actions and may be used interchangeably with no difference of meaning or intent for purposes of this Lease; (d) "good faith" has the meaning set forth in the Uniform Commercial Code, as adopted in the State of Florida as of the Date of this Lease; (e) "commercially reasonable efforts" will not include any obligation to institute or threaten legal proceedings, to declare or threaten to declare any person in default, to incur any liabilities, to expend any monies (other than customary telephone, printing, copying, delivery, and similar expenses), or to cause any other person to do any of the foregoing; (f) "any" means "any and all"; and (g) the two words in each of the following pairs of words (whether used in the singular or the plural) will be deemed to have the same meanings, which will encompass any meaning attributable to either word: "approval" and "consent"; "breach" and "default"; "cost" and "expense"; and "true" and "correct". Except as otherwise provided in this Lease, any approval or consent to be given by a party under this Lease must be in writing (which may be by email) to be effective and may not be unreasonably withheld, conditioned, or delayed or charged for. If under this Lease a consent or approval may be given in the sole discretion of a party that will mean that the approval or consent may be given or withheld in the sole and absolute discretion of such party, for any reason or no reason. If any provision of this Lease is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Lease shall remain in full force, if the essential provisions of this Lease for each party remain valid, binding, and enforceable. The parties may amend this Lease only by a written agreement signed and delivered by the parties. There are no conditions precedent to the effectiveness of this Lease, other than those expressly stated in this Lease. This Lease may be executed by the parties signing different counterparts of this Lease, which counterparts together shall constitute the agreement of the parties. This transaction may be conducted, and this Lease may be delivered, by electronic means, and Landlord and Tenant will be bound by the signatures (whether original or electronic) contained in this Lease. This Lease shall bind and inure to the benefit of the heirs, personal representatives, and, except as otherwise provided in this Lease, the successors and assigns of the parties to this Lease. Each provision of this Lease shall be deemed both a covenant and a condition and shall run with the land. Any liability or obligation of Landlord or Tenant arising during the Lease Term shall survive the expiration or earlier termination of this Lease. Any action brought under or with respect to this Lease must be brought in a court having jurisdiction located in the County in which the Premises is located which shall be the exclusive jurisdiction and venue for litigation concerning this Lease. Neither this Lease nor any memorandum or other notice of this Lease, including a SNDA, may be recorded in any public records.

38.2 **Radon Gas**. The following notification is provided under Section 404.056(5), Florida Statutes: "Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department."

38.3 **Exhibits**. All exhibits, riders, and addenda attached to this Lease shall, by this reference, be incorporated into this Lease. The following exhibits are attached to this Lease:

EXHIBIT "A" – Legal Description of the Project
EXHIBIT "B" – Location of Premises
EXHIBIT "C" – Guaranty
EXHIBIT "D" – Rules and Regulations
EXHIBIT "E" – Tenant Improvements
EXHIBIT "F" – Backup Generator Agreement

EXHIBIT "G" – Capacity Reservation Charge
EXHIBIT "H" – Sign Concepts

39. **UBTI PROVISIONS**. It is intended that all Rent payable to Landlord under this Lease shall qualify as "rents from real property" within the meaning of Section 512(b) (3) of the Internal Revenue Code of 1986, as amended (the "**Code**") and the Department of the U.S. Treasury Regulations promulgated thereunder (the "**Regulations**"). Should the Code or the Regulations, or interpretations of either by the Internal Revenue Service in revenue rulings or other similar public pronouncements, be changed so that any rent under this Lease no longer qualifies as "rents from real property" for purposes of Section 512(b) (3) of the Code and Regulations, or any successor provision, then Rent shall be adjusted in any manner Landlord may require so that it will so qualify. Any adjustments required under this article shall be made so as to produce the equivalent (in economic terms) Rent as payable before the adjustment and shall not increase Tenant's monetary obligations as originally provided in this Lease or decrease Tenant's rights under this Lease or result in any other adverse impact on Tenant, financial or otherwise. The parties shall execute and deliver any further instrument as may be reasonably required by Landlord in order to give effect to these provisions, which may include an assignment of this Lease to an affiliate of Landlord. Without limiting Landlord's right to withhold its consent to any transfer by Tenant, and regardless of whether Landlord shall have consented to any such transfer, neither Tenant nor any other person having an interest in the possession, use, or occupancy of any portion of the Premises shall enter into any lease, sublease, license, concession, assignment, or other transfer or agreement for possession, use, or occupancy of all or any portion of the Premises which provides for rental or other payment for such use, occupancy, or utilization based, in whole or in part, on the net income or profits derived by any person or entity from the space so leased, used, or occupied, and any such purported lease, sublease, license, concession, assignment, or other transfer or agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the Premises. There shall be no deduction from the rental payable under any sublease or other transfer nor from the amount of the rental passed on to any person or entity, for any expenses or costs related in any way to the subleasing or transfer of such space.

40. **GUARANTY**. Payment of all Rents and charges and the performance of all covenants of Tenant contained in this Lease are guaranteed by the Guarantor(s) under the Guaranty that is attached as an exhibit to this Lease. The Guaranty is a part of this Lease and Tenant agrees to be bound by the terms of the Guaranty that relate to this Lease. The execution and delivery to Landlord of the Guaranty together with Tenant's execution and delivery of this Lease is a condition to the effectiveness of and Landlord's obligations under this Lease.

41. **TELECOMMUNICATIONS**. All telephone and telecommunications services desired by Tenant shall be ordered and utilized at the sole expense of Tenant. All installations of telecommunications equipment and wires shall be accomplished pursuant to plans and specifications approved in advance in writing by Landlord. Unless Landlord otherwise requests or consents in writing, all of Tenant's telecommunications equipment shall be and remain solely in the Premises, in accordance with rules and regulations adopted by Landlord from time to time. Landlord shall have no responsibility for the maintenance of Tenant's telecommunications equipment, including wires; nor for any wiring or other infrastructure to which Tenant's telecommunications equipment may be connected. Tenant agrees that, to the extent any such service is interrupted, curtailed, or discontinued from any cause whatsoever, Landlord shall have no obligation or liability with respect thereto unless such interruption is caused by the gross negligence or willful misconduct of Landlord or its agents, employees or contractors.

41.1 Landlord shall have the right, upon reasonable prior notice to Tenant, to temporarily interrupt or turn off telecommunications facilities at any time in the event of emergency and at any time other than normal Building hours as necessary in connection with the operation of the Building or installation of telecommunications equipment for other tenants of the Building.

41.2 Any and all telecommunications equipment installed in the Premises or elsewhere in the Building by or on behalf of Tenant, including facilities for telecommunications transmittal (but not wiring or cabling), shall be removed prior to the expiration or earlier termination of the Term, by Tenant at its sole cost or, at Landlord's election, by Landlord at Tenant's sole cost.

41.3 Cogent, Crown Castle, AT&T, Breezeline, and Lumen Technologies are the current telecommunication service providers to the Building. In the event that Tenant wishes at any time to utilize the services of a telephone or telecommunications provider whose equipment is not then servicing the Building, no such provider shall be permitted to install its lines or other equipment within the Building without first securing the prior written approval of the Landlord. Landlord's approval shall not be deemed any kind of warranty or representation by Landlord, including, without limitation, any warranty or representation as to the suitability, competence, or financial strength of the provider. Without limitation of the foregoing standard, unless all of the following conditions are satisfied to Landlord's satisfaction, it shall be reasonable for Landlord to refuse to give its approval: (i) Landlord shall incur no expense whatsoever with respect to any aspect of the provider's provision of its services, including without limitation, the costs of installation, materials and services; (ii) prior to commencement of any work in or about the Building by the provider, the provider shall supply Landlord with such written indemnities, insurance, financial statements, and such other items as Landlord reasonably determines to be necessary to protect its financial interests and the interests of the Building relating to the proposed activities of the provider; (iii) the provider agrees to abide by such rules and regulations, building and other codes, job site rules and such other requirements as are reasonably determined by Landlord to be necessary to protect the interests of the Building, the tenants of the Building, and Landlord; (iv) Landlord reasonably determines that there is sufficient space in the Building for the placement of all of the provider's equipment and materials; (v) the provider agrees to abide by Landlord's requirements, if any, that provider use existing Building conduits and pipes or use building contractors (or other contractors approved by Landlord); (vi)

Landlord receives from the provider such compensation as is reasonably determined by Landlord to compensate it for space used in the Building for the storage and maintenance of the provider's equipment, for the fair market value of a provider's access to the Building, and the costs which may reasonably be expected to be incurred by Landlord; (vii) the provider agrees to deliver to Landlord detailed "as built" plans immediately after the installation of the provider's equipment is complete; and (viii) all of the foregoing matters are documented in a written license or other agreement between Landlord and the provider, the form and content of which is reasonably satisfactory to Landlord.

41.4 Tenant shall not utilize any wireless communications equipment (other than usual and customary cellular telephones), including antennae and satellite receiver dishes, in or on the Building, without Landlord's prior written consent. Such consent may be conditioned in such a manner so as to protect Landlord's financial interests and the interests of the Building, and the other tenants therein, in a manner similar to the arrangements described in the immediately preceding paragraphs.

41.5 In the event that telecommunications equipment, wiring and facilities (including WI-FI systems) installed by or at the request of Tenant within the Premises, or elsewhere within the Building causes interference to equipment used by another party, Tenant shall assume all liability related to such interference, Tenant shall use reasonable efforts, and shall cooperate with Landlord and other parties, to promptly eliminate such interference. In the event that Tenant is unable to do so, Tenant shall substitute alternative equipment that remedies the situation. If such interference persists, Tenant shall discontinue the use of such equipment, and, at Landlord's discretion, remove such equipment according to foregoing specifications.

42. **EMERGENCY GENERATOR**. Up to the date immediately prior to the Commencement Date, Tenant shall have the right to enter into an agreement with Landlord in substantially the form attached hereto as **EXHIBIT "F"** and made a part hereof regarding backup replacement electrical service solely with respect to the Premises provided by a back-up generator operated by Landlord ("**Backup Generator Agreement**"). In the event that Tenant elects to enter into the Backup Generator Agreement, Tenant shall give Landlord written notice of Tenant's election to exercise its right under this article prior to the Commencement Date. Upon receipt of Tenant's written notice, (a) Landlord shall determine the Capacity Reservation Charge (as defined in the Backup Generator Agreement) based upon the Generator Rate Schedule attached hereto as **EXHIBIT "G"** and made a part hereof, and (b) Landlord and Tenant shall mutually agree to the Served Systems (as defined in the Backup Generator Agreement). A copy of the final Backup Generator Agreement shall be (i) sent to Tenant within a reasonable time after Landlord and Tenant mutually agree to the kilowatt-hour(s) of capacity on the Generators for the Premises and the Served Systems, and (ii) executed by Tenant and returned to Landlord within ten (10) Business Days after Tenant's receipt of the final Backup Generator Agreement. In the event that Tenant does not enter into the Backup Generator Agreement and subscribe to the Landlord's Power Program, then Tenant shall not receive standby power service.

43. **CONSTRUCTION; MERGER**. THIS LEASE HAS BEEN NEGOTIATED "AT ARM'S-LENGTH" BY LANDLORD AND TENANT, EACH HAVING THE OPPORTUNITY TO BE REPRESENTED BY LEGAL COUNSEL OF ITS CHOICE AND TO NEGOTIATE THE FORM AND SUBSTANCE OF THIS LEASE. THEREFORE, THIS LEASE SHALL NOT BE MORE STRICTLY CONSTRUED AGAINST EITHER PARTY BECAUSE ONE PARTY MAY HAVE DRAFTED THIS LEASE. THIS LEASE SHALL CONSTITUTE THE ENTIRE AGREEMENT OF THE PARTIES CONCERNING THE MATTERS COVERED BY THIS LEASE. ALL PRIOR UNDERSTANDINGS AND AGREEMENTS HAD BETWEEN THE PARTIES CONCERNING THOSE MATTERS, INCLUDING ALL PRELIMINARY NEGOTIATIONS, LEASE PROPOSALS, LETTERS OF INTENT, AND SIMILAR DOCUMENTS, ARE MERGED INTO THIS LEASE, WHICH ALONE FULLY AND COMPLETELY EXPRESSES THE UNDERSTANDING OF THE PARTIES. THE PROVISIONS OF THIS LEASE MAY NOT BE EXPLAINED, SUPPLEMENTED, OR QUALIFIED THROUGH EVIDENCE OF TRADE USAGE OR A PRIOR COURSE OF DEALINGS.

44. **NO RELIANCE**. EACH PARTY AGREES IT HAS NOT RELIED UPON ANY STATEMENT, REPRESENTATION, WARRANTY, OR AGREEMENT OF THE OTHER PARTY EXCEPT FOR THOSE EXPRESSLY CONTAINED IN THIS LEASE.

45. **INCONTESTABILITY.** THE PARTIES WAIVE AND RELEASE ALL CLAIMS AND CAUSES OF ACTION FOR FRAUD IN THE INDUCEMENT OR PROCUREMENT OF THIS LEASE IT BEING THEIR INTENT THAT THIS LEASE BE INCONTESTABLE ON ACCOUNT OF ANY CLAIM OF FRAUD, OR FOR ANY OTHER REASON. THE FOREGOING WAIVER AND RELEASE IS MADE BY EACH PARTY IN CONSIDERATION OF THE PARTY'S RECIPROCAL WAIVER AND RELEASE.

46. **JURY WAIVER; COUNTERCLAIMS**. LANDLORD AND TENANT KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM INVOLVING ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE LANDLORD/TENANT RELATIONSHIP, OR THE PROJECT. TENANT FURTHER WAIVES THE RIGHT TO INTERPOSE ANY PERMISSIVE COUNTERCLAIM OF ANY NATURE IN ANY ACTION TO OBTAIN POSSESSION OF THE PREMISES.

[SIGNATURES ON NEXT PAGE]

Landlord and Tenant are signing this Lease as of the Date of this Lease.

LANDLORD:

G&I X BRIC FEE OWNER LLC, a Delaware limited liability company

By: /s/ Robert Hyman
Name: Robert Hyman
Title: Vice President

Date Executed: 1/27/2026

TENANT:

D-WAVE COMMERCIAL INC., a Delaware corporation

By: /s/ Alan Baratz
Name: Alan Baratz
Title: President

Date Executed: 1/27/2026

Tenant's Taxpayer Identification Number: [*****]

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROJECT

Tract 1

Unit 1, Unit 2B, and Unit 3 of Boca Raton Innovation Campus Land Condominium, a Condominium, according to the Declaration of Condominium recorded in Official Records Book 31997, Page 857, of the Public Records of Palm Beach County, Florida, and all amendments thereto, together with an undivided interest in the common elements appurtenant thereto.

Tract 2

A PORTION OF PARCEL 4 OF BOCA TECHNOLOGY CENTER PLAT 1, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 96, AT PAGES 178 THROUGH 181, INCLUSIVE, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST NORTHEASTERLY CORNER OF PARCEL 4, BEING THE INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE OF NW 40TH ST, AS RECORDED IN PLAT BOOK 4, PAGE 77, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA WITH THE WESTERLY LINE OF THE 70' LAKE WORTH DRAINAGE DISTRICT DRAINAGE CANAL AS RECORDED IN OFFICIAL RECORDS BOOK 1053, PAGE 285, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; SAID PARCEL BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

THENCE ALONG THE EAST LINE OF A AFOREMENTIONED 2.0 ACRE CITY OF BOCA RATON PARCEL AS RECORDED IN OFFICIAL RECORDS BOOK 14869, AT PAGE 1765, OFFICIAL RECORDS BOOK 14869, AT PAGE 1771, AND OFFICIAL RECORDS BOOK 14869, AT PAGE 1777, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, S44°17'01"W, A DISTANCE OF 369.80 FEET TO A SET 5/8" IRON ROD AND CAP STAMPED LB 2936 AND BEING THE POINT OF BEGINNING.

THENCE, CONTINUE, S44°17'03"W, A DISTANCE OF 654.06 FEET TO A FOUND 5/8" IRON ROD;

THENCE N45°42'31"W, A DISTANCE OF 300.00 FEET TO A SET 5/8" IRON ROD AND CAP STAMPED LB 2936 TO A POINT OF CURVATURE FOR THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 460.00 FEET;

CONTINUE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 7°30'00" FOR AN ARC LENGTH OF 60.21 FEET TO A SET 5/8" IRON ROD AND CAP STAMPED LB 2936 TO A POINT OF NON-TANGENCY;

THENCE N44°17'03"E, A DISTANCE OF 650.08 FEET TO A SET 5/8" IRON ROD AND CAP STAMPED LB 2936;

THENCE S45°42'57"E, A DISTANCE OF 300.00 TO THE POINT OF BEGINNING.

EXHIBIT "B"

LOCATION OF PREMISES

The below plans are diagrammatic only and intended to show the general locations of the Premises, and is not a representation by Landlord as to any other improvements or tenants shown any of which may change from time to time.

[*****]

EXHIBIT "C"

GUARANTY

THIS IS A GENERAL GUARANTY WHICH IS ENFORCEABLE BY THE LANDLORD, ITS SUCCESSORS AND ASSIGNS. THIS IS ALSO AN ABSOLUTE AND UNCONDITIONAL GUARANTY.

The undersigned (the "**Guarantor**") absolutely and unconditionally guaranties the prompt and full payment, performance and observance by D-WAVE COMMERCIAL INC., a Delaware corporation (the "**Tenant**"), and by its legal representatives, successors, and assigns, of (a) all obligations to pay Rent and all other sums and charges payable by Tenant under that certain Office Lease to which this Guaranty or a form of this Guaranty is attached as an exhibit (the "**Lease**"), between G&I X BRIC FEE OWNER LLC, a Delaware limited liability company (the "**Landlord**"), and Tenant for space at Boca Raton Innovation Campus, 4930 Conference Way North, Boca Raton, Florida 33431 and 4680 Conference Way South, Boca Raton, Florida 33431, and (b) the full performance and observance of all of the covenants, terms, conditions, and agreements provided to be performed and observed by Tenant under the Lease, whether before, during, or after the Lease Term. Guarantor represents and warrants that it has a direct financial interest in Tenant and that he/she/it has received substantial consideration in exchange for making this Guaranty. Capitalized terms not otherwise defined in this Guaranty shall have the meanings ascribed to such terms in the Lease.

This is an absolute and unconditional guaranty of payment and of performance and not collection and Landlord may proceed directly against Guarantor without first proceeding with any remedies against Tenant. This Guaranty shall not be impaired by, and Guarantor consents to, any modification, supplement, extension, or amendment of the Lease, or release of the Tenant to which the parties to the Lease may hereafter agree. Presentment, notice, and demand on Tenant or Guarantor and subsequent dishonor are not conditions to proceeding against Guarantor and are hereby waived by Guarantor. Landlord's rights and remedies as to Guarantor under this Guaranty are distinct and separate from, and cumulative to, Landlord's rights and remedies as to Tenant under the Lease and no exercise or partial exercise of any such right or remedy under the Lease or under this Guaranty shall be in exclusion of or a waiver of any other rights or remedies under either document.

Until all the covenants and conditions in the Lease on Tenant's part to be performed and observed are fully performed and observed, Guarantor subordinates any liability or indebtedness of Tenant now or hereafter held by Guarantor to the obligations of Tenant to Landlord under the Lease.

In connection with any suit, action, or other proceeding, including arbitration or bankruptcy, arising out of or in any manner based on or relating to this Guaranty, including tort actions and actions for injunctive, declaratory, and provisional relief, the prevailing party shall be entitled to recover actual reasonable attorneys' (excluding in-house attorneys'), paralegals', and legal assistants' fees and disbursements (including disbursements which would not otherwise be taxable as costs in the proceeding), and expert witness fees, including fees for litigating the entitlement to or amount of fees or costs owed under this provision, and fees in connection with bankruptcy, appellate, or collection proceedings.

Any legal action or proceeding arising out of or in any way connected with this Guaranty shall only be instituted in a court (federal or state) located in the county in which the Premises are located, which shall be the exclusive jurisdiction and venue for litigation concerning this Guaranty. Landlord and Guarantor shall be subject to the jurisdiction of those courts. The execution of this Guaranty and performance of its obligations by Guarantor, for purposes of personal or long-arm jurisdiction, constitutes doing business in the State of Florida under Section 48.193, Florida Statutes. In addition, Landlord and Guarantor waive any objection that they may now or hereafter have to the laying of venue of any action or proceeding in those courts, and further waive the right to plead or claim that any action or proceeding brought in any of those courts has been brought in an inconvenient forum. All payments to be made by Guarantor under this Guaranty shall be payable at Landlord's office at G&I X BRIC FEE OWNER LLC, 5000 T-Rex Avenue, Suite 160, Boca Raton, Florida 33431.

This Guaranty is a continuing guaranty that shall be effective before the commencement of the Lease Term and shall remain effective following the Lease Term as to any surviving provisions that remain effective after the termination of the Lease. Guarantor's obligations under this Guaranty shall also continue in full force and effect after any transfer of the Tenant's interest under the Lease, during any renewals or extensions of the Lease Term, and during any holdover by Tenant after expiration of the Lease Term.

The liability of Guarantor under this Guaranty shall in no way be affected, modified, or diminished by reason of any of the following, regardless of whether Guarantor receives notice of them, all of which notices Guarantor expressly waives: (a) any assignment, transfer, renewal, modification, amendment, or extension of the Lease, or (b) any modification or waiver of or change in any of the terms, covenants, and conditions of the Lease by Landlord and Tenant, or (c) any extension of time that may be granted by Landlord to Tenant, or (d) any consent, release, indulgence, or other action, inaction, or omission under or in respect of the Lease, or (e) any dealings, or transactions, or matters between Landlord and Tenant that may cause the Lease to terminate, including without limitation, any adjustment, compromise, deferral, waiver, settlement, accord and satisfaction, or release of Tenant's obligations under the Lease, or (f) any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit of creditors, receivership, trusteeship, or similar proceeding affecting Tenant, or the rejection or disaffirmance of the Lease in any proceedings, or any cap on Landlord's claim against Tenant in any such proceedings, whether or not notice of the proceedings is given to Guarantor. Further, Guarantor waives all defenses to its obligations under this Guaranty based on any delay between the effective date of the Lease and the date of Guarantor's execution of this Guaranty, including the defense of lack of consideration, and Guarantor agrees that, notwithstanding any such delay, Guarantor has received sufficient consideration for its execution of this Guaranty, the delivery of which is a condition to Landlord's obligations under the Lease.

For purposes of this Guaranty, on a default by Tenant under the Lease the entire balance of all Rent due under the Lease for the remainder of the Lease Term may be declared to be forthwith due and payable as provided in the Lease notwithstanding any stay, injunction, or other prohibition preventing a similar declaration as against Tenant and, in the event of any such declaration by Landlord, all of the obligations (whether or not due and payable by Tenant) shall forthwith become due and payable by Guarantor under this Guaranty (subject to the terms of the Lease).

If Landlord assigns the Lease or sells the Building, Landlord may assign this Guaranty to the assignee or transferee, who shall thereupon succeed to the rights of Landlord under this Guaranty to the same extent as if the assignee were the original named Landlord in this Guaranty, and the same rights shall accrue to each subsequent assignee of this Guaranty. If Tenant assigns the Lease or sublets the Premises, the obligations of the Guarantor under this Guaranty shall remain in full force and effect.

From time to time, Guarantor, on not less than ten Business Days' prior notice, shall execute and deliver to Landlord an estoppel certificate in a form generally consistent with the requirements of institutional lenders and certified to Landlord and any mortgagee or prospective mortgagee or purchaser of the Building. In addition, if requested, Guarantor shall provide any financial statements concerning Guarantor that may be reasonably requested by any mortgagee or prospective mortgagee or purchaser of the Building. Guarantor shall not be required to provide any financial statements if Guarantor is a publicly traded company and such financial statement are available to Landlord online at no charge.

If there is more than one Guarantor, the liability of each Guarantor shall be joint and several with all other Guarantors.

Guarantor authorizes Landlord, in Landlord's discretion, to obtain from time to time credit reports and information regarding Guarantor.

Guarantor represents and warrants that this Guaranty has been duly authorized by all necessary corporate action on Guarantor's part, has been duly executed and delivered by a duly authorized officer, member or partner, and constitutes Guarantor's valid and legally binding agreement in accordance with its terms.

LANDLORD AND GUARANTOR KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM INVOLVING ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS GUARANTY AND THE LEASE.

[SIGNATURE ON NEXT PAGE]

D-WAVE QUANTUM INC., a Delaware corporation

By:__
Name:__
Title:__

Guarantor's address:
3033 Beta Avenue
Burnaby, BC V5G 4M9
Canada

Guarantor's Taxpayer Identification Number:
[*****]

Dated: _____, 2026

EXHIBIT "D"

RULES AND REGULATIONS

1. The sidewalks and public portions of the Project, such as entrances, passages, courts, parking areas, elevators, vestibules, stairways, corridors, or halls shall not be obstructed or encumbered by the Tenant Parties nor shall they be used for any purpose other than ingress and egress to and from the Premises.

2. No awnings or other projections shall be attached to the outside walls or roofs of the Project. No curtains, blinds, shades, louvered openings, or screens or anything else which may be visible from outside the Building shall be attached to or hung in, or used in connection with, any window or door of the Premises, without the prior written consent of Landlord. No aerial or antenna shall be erected on the roof or exterior walls of the Premises or on the Project.

3. No sign, advertisement, notice, or other lettering shall be exhibited, inscribed, painted, or affixed by Tenant on any part of the outside of the Premises or Project or on corridor walls or doors or mounted on the inside of any windows or within the interior of the Premises, if visible from the exterior of the Premises. Signs on any entrance door or doors shall conform to Project standards and shall, at Tenant's expense, be inscribed, painted, or affixed for Tenant by sign makers approved by Landlord.

4. The sashes, sash doors, skylights, windows, heating, ventilating, and air conditioning vents and doors that reflect or admit light and air into the halls, passageways, or other public places in the Project shall not be covered or obstructed by the Tenant Parties. No bottles, parcels, or other articles shall be placed outside of the Premises.

5. No show cases or other articles shall be put in front of or affixed to any part of the exterior of the Project, nor placed in the public halls, corridors, or vestibules.

6. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown in them. All damages resulting from any misuse of fixtures by the Tenant Parties shall be borne by Tenant.

7. No animals of any kind (except dogs recognized as service animals under applicable law that are individually trained to do work or perform tasks for people with disabilities) shall be brought on the Premises or Project.

8. The Premises shall not be used for cooking, except that use by Tenant of Underwriters' Laboratory-approved equipment for brewing coffee, tea, hot chocolate, and similar beverages and a microwave oven for food warming shall be permitted, provided that such equipment and use is in accordance with all applicable governmental requirements. Except for standard residential type refrigerator and microwave oven and cryogenic refrigerators in Suite 160, no refrigeration or heating equipment may be placed inside the Premises without the prior written consent of Landlord in each instance. Tenant shall not cause or permit any unusual or objectionable odors to be produced on or permeate from the Premises.

9. No office space in the Project shall be used for the distribution or for the storage of merchandise or for the sale at auction or otherwise of merchandise, goods, or property of any kind.

10. Tenant shall not make or permit to be made any unseemly or disturbing noises, radio frequency or electromagnetic or radio interference, or vibrations, or disturb, harass, or interfere with occupants of the Project or neighboring premises or those having business with them, or Landlord's agents or employees, or interfere with equipment of Landlord or occupants of the Project, whether by the use of any musical instrument, radio, television, machines or equipment, unmusical noise, or in any other way, including use of any wireless device or equipment. Tenant shall not throw anything out of the doors or windows or down the corridors, stairwells, or elevator shafts of the Project.

11. The Tenant Parties and their invitees shall not at any time bring or keep on the Project (excluding automobiles to the extent not subject to prohibition by applicable law) any firearms, weapons, tazers, inflammable, combustible, or explosive substance or any chemical substance, other than reasonable amounts of biodegradable cleaning fluids and solvents required in the normal operation of Tenant's business, all of which shall only be used in strict compliance with all applicable laws.

12. Subject to Article 11 of the Lease, Landlord shall, at Tenant's expense, have a valid pass key to all spaces within the Premises at all times during the Lease Term. No additional locks or bolts of any kind shall be placed on any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism of the locks, without the prior written consent of the Landlord and unless and until a duplicate key is delivered to Landlord. Tenant must, on the termination of its tenancy, restore to the Landlord all keys to stores, offices, and toilet rooms, either furnished to or otherwise procured by Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay Landlord for the replacement cost of them.

13. All deliveries, removals, or the carrying in or out of any safes, freights, furniture, or bulky matter of any description may be accomplished only with the prior approval of Landlord and then only in approved areas, through the approved loading/service area doors, using the freight elevator only, during approved hours, and otherwise in accordance with Landlord's requirements. Tenant shall assume all liability and risk concerning these movements. All hand trucks must be equipped with rubber tires and side guards. Landlord may restrict the location where heavy or bulky matters may be placed inside the Premises. Landlord reserves the right to inspect all freight to be brought into the Project and to exclude all freight that can or may violate any of these Rules and Regulations or other provisions of this Lease.

14. Tenant shall not, unless otherwise approved by Landlord in its sole and absolute discretion, occupy or permit any portion of the Premises demised to it to be occupied as, by, or for a public stenographer or typist, barber shop, bootblacking, beauty shop or manicuring, beauty parlor, telephone agency, telephone or secretarial service, messenger service, travel or tourist agency, a personnel or employment agency, restaurant or bar, commercial document reproduction or offset printing service, ATM or similar machines, retail, wholesale, or discount shop for sale of merchandise or food, retail service shop, labor union, school, classroom, or training facility, an entertainment, sports, or recreation facility, dance or music studio, an office or facility of a foreign consulate or any other form of governmental or quasi-governmental bureau, department, or agency, including an autonomous governmental corporation, a place of public assembly (including a meeting center, theater, or public forum), a facility for the provision of social welfare or clinical health services, a medical or health care office of any kind, a telemarketing facility, a customer service call center, a firm the principal business of which is real estate brokerage, the operation of a business, the purpose of which is to provide to unrelated third parties for sublease or license a flexible workplace center consisting primarily of executive and general office suites and shared office workplaces, a public finance (personal loan) business, or heavy manufacturing, or any other use that would, in Landlord's reasonable opinion, impair the reputation or quality of the Project, overburden any of the Building systems, Common Areas, or Parking Areas (including any use that would create a population density in the Premises which is in excess of the density which is standard for the Building), impair Landlord's efforts to lease space or otherwise interfere with the operation of the Project, unless Tenant's Lease expressly grants permission to do so. Tenant shall not operate or permit to be operated on the Premises any coin or token operated vending machine or similar device (including telephones, lockers, toilets, scales, amusement devices, and machines for sale of beverages, foods, candy, cigarettes, or other goods), except for those vending machines or similar devices that are for the sole and exclusive use of Tenant's employees

15. Tenant shall not create or use any advertising mentioning or exhibiting any likeness of the Project without the prior written consent of Landlord. Landlord shall have the right to prohibit any advertising that, in Landlord's reasonable opinion, tends to impair the reputation of the Project or its desirability as a Class "A" office building to be known as the tech and life sciences hub for the Southeastern United States, and on notice from Landlord, Tenant shall discontinue the advertising.

16. Landlord reserves the right to exclude from the Project all persons who do not present a pass to the Project on a form or card approved by Landlord or other identification documentation required by Landlord. Tenant shall be responsible for all its Parties who have been issued a pass at the request of Tenant and shall be liable to Landlord for all acts of those persons.

17. Neither the Premises nor any portion of the Project (including automobiles parked in the Project) shall be used for lodging or sleeping, or for any immoral, disreputable, or illegal purposes, or for any purpose that may be dangerous to life, limb, or property.

18. Any maintenance and service requests of Tenant will be attended to by Landlord only on application at the Landlord's management office for the Project using the ANGUS work order system or any other property maintenance system used by Landlord. Any charges due Landlord for repair and maintenance work shall be paid by Tenant in accordance with the Lease. Landlord's employees shall not perform any work or do anything outside of their regular duties, unless under specific instructions from the office of Landlord. Tenant shall not pay or otherwise compensate any employees of Landlord for the performance of any services or provision of any goods.

19. Canvassing, soliciting, and peddling within the Project is prohibited and Tenant shall cooperate to prevent such activities.

20. In order to obtain maximum effectiveness of the cooling system, Tenant shall lower and/or close Venetian or vertical blinds, shades or drapes when the sun's rays fall directly on the exterior windows of the Premises.

21. If, in Landlord's reasonable opinion, the replacement of ceiling tiles becomes necessary after they have been removed on behalf of Tenant by telecommunications company installers or others (in both the Premises and the public corridors), the cost of replacements shall be charged to Tenant on a per-tile basis.

22. All paneling or other wood products not considered furniture that Tenant shall install in the Premises shall be of fire-retardant materials. Before the installation of these materials, Tenant shall submit to Landlord for review and approval a satisfactory (in the reasonable opinion of Landlord) certification of the materials' fire-retardant characteristics.

23. Tenant Parties and their invitees shall not be permitted to occupy at any one time more than the number of parking spaces in the Parking Areas permitted in this Lease (including any parking spaces reserved exclusively for Tenant). Usage of parking spaces shall be in common with all other tenants of the Project and their employees, agents, contractors, and invitees. All parking space usage shall be subject to any reasonable rules and regulations for the safe and proper use of parking spaces that Landlord may prescribe from time to time. Tenant Parties (other than visitors) shall register each automobile with Landlord prior to such automobile accessing or using the Parking Areas. Landlord, in Landlord's sole and absolute discretion, may establish from time to time a parking decal or pass card system, security check-in, or other reasonable mechanism to restrict parking in the Parking Areas. The unreserved parking spaces allocated to Tenant under this Lease shall be reduced by Tenant's pro rata share of visitor and accessible parking spaces for the Project. Tenant Parties and their invitees shall abide by all posted roadway signs in and about the Parking Areas. Landlord shall have the right to tow or otherwise remove vehicles of the Tenant Parties and their invitees that are improperly parked, blocking ingress or egress lanes, or violating parking rules, at the expense of Tenant, the owner of the vehicle, or both, and without liability to Landlord. Upon request by Landlord, Tenant shall furnish Landlord with the license numbers and descriptions of any vehicles of the Tenant Parties.

24. Tenant acknowledges that reserved parking spaces, if any, shall only be reserved during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, Legal Holidays excluded. Parking spaces may be used for the parking of passenger vehicles only and shall not be used for parking commercial vehicles or trucks (except sports utility vehicles, mini-vans, and pick-up trucks utilized as personal transportation), boats, personal watercraft, campers, or trailers. All vehicles are to be currently licensed, in good operating condition, parked for business purposes having to do with Tenant's business operated in the Premises, parked within designated parking spaces, one vehicle to each space. No vehicle shall be parked as a "billboard" vehicle in the parking lot. No parking space may be used for the storage of equipment or other personal property. Vehicles shall be parked only in striped parking spaces, except for loading and unloading, which shall occur solely in zones marked for such purpose and be so conducted as to not interfere with traffic flow within the Project or with loading and unloading areas of other tenants. Employee and tenant vehicles shall not be parked in spaces marked for visitor parking or other specific use. All vehicles entering or parking in the parking areas shall do so at owner's sole risk and Landlord assumes no responsibility for any damage, destruction, vandalism or theft. Overnight parking in the Parking Areas is strictly prohibited. Tenant shall be responsible for the Tenant Parties' compliance with Landlord's parking rules and regulations. Any vehicle parked improperly may be towed away. The Tenant Parties who do not operate or park their vehicles in compliance with Landlord's parking rules and regulations shall subject the vehicle to being towed at the expense of the owner or driver. Additionally, Landlord may immobilize (place a "boot") on the improper or improperly parked vehicle and may levy a charge of $100.00 to remove the immobilization device ("boot") for the initial violation. Further, Landlord may levy a charge of $250.00 for any damaged, improperly removed, or destroyed immobilization device for the initial violation. Subsequent fines in both instances described in the immediately preceding two sentences shall double on a cumulative basis (e.g., the fourth violation shall be subject to a fine of $800.00). Such fines shall be paid within 30 days after demand. Tenant shall indemnify, defend, and hold Landlord Parties harmless from and against any and all liability arising from the towing or booting of any vehicles belonging to a Tenant Party. Any applicable notice and cure periods shall not apply to Landlord's parking rules and regulations.

25. All trucks and delivery vans shall be parked in designated areas only and not parked in spaces reserved for cars or stopped in any roadways or on curbs, sidewalks, or landscaping for any period of time All delivery service doors are to remain closed except during the time that deliveries, garbage removal, or other approved uses are taking place. All loading and unloading of goods

shall be done only at the times, in the areas, and through the entrances designated for loading purposes by Landlord. Landlord shall have the right to require that large or cumbersome deliveries be made after normal business hours or on non-Business Days.

26. Tenant shall be responsible for the removal and proper disposition of all crates, oversized trash, boxes, and items termed garbage from the Premises. The corridors and parking and delivery areas are to be kept clear of these items. Tenant shall provide convenient and adequate receptacles for the collection of standard items of trash and shall facilitate the removal of trash by Landlord. Tenant shall ensure that liquids are not disposed of in the receptacles.

27. Landlord shall not be responsible for lost or stolen personal property, equipment, or money occurring anywhere on the Project, regardless of how or when the loss occurs.

28. Tenant shall not conduct any business, loading or unloading, assembling, or any other work connected with Tenant's business in any public areas.

29. Tenant shall give Landlord prompt notice of all accidents to or defects in air conditioning equipment, plumbing, and electric facilities, or any part or appurtenance of the Premises.

30. Tenant agrees and fully understands that the overall aesthetic appearance of the Project is of paramount importance; thus, Landlord shall maintain complete aesthetic control over any and every portion of the Premises visible from outside the Premises including all fixtures, equipment, signs, shades, awnings, displays, art work, wall coverings, or anything else in the Premises that is visible from outside the Premises. Landlord's control over the visual aesthetics shall be complete and arbitrary.

31. Tenant shall not install, operate, or maintain in the Premises or in any other area, any electrical equipment that does not bear the U/L (Underwriters Laboratories) seal of approval, or that would overload the electrical system or any part of the system beyond its capacity for proper, efficient, and safe operation as determined by Landlord, taking into consideration the overall electrical system and the present and future requirements therefor in the Project. Tenant shall not use any portable cooling or heating equipment in the Premises, including the use of any portable electronic or gas heating devices. This rule applies only to Suite 125 of the Premises and not to Suite 160 of the Premises, on the condition that all capital equipment used in Suite 160 space is sub-metered.

32. Tenant shall not allow the Premises to be occupied by more than the density permitted by code.

33. Tenant will take all steps necessary to prevent: inadequate ventilation, emission of chemical contaminants from indoor or outdoor sources, or both, or emission of biological contaminants. Tenant will not knowingly allow any unsafe levels of chemical or biological contaminants (including volatile organic compounds ["VOCs"]) in the Premises, and will take all steps necessary to prevent the release of contaminants from adhesives (for example, upholstery, wallpaper, carpet, machinery, supplies, and cleaning agents) and excess VOC levels.

34. Tenant shall require that in any cleaning or maintenance of the Premises directly contracted by Tenant (and approved by Landlord), the contractor shall use cleaning products certified in accordance with Landlord's Sustainability Guidelines, and at a minimum EcoLogo™, Green Seal™. Landlord reserves the right to approve, acting reasonably, any such tenant cleaning contracts, but without liability. Tenant shall require that any cleaning contracts entered into by Tenant directly require the cleaning contractor to comply with elements of Landlord's Sustainability Guidelines applicable to it, and ensure that the contractor is properly trained on the maintenance of specialized green facilities, such as waterless urinals. In addition, Landlord may require Tenant to provide product data sheets and MSDS or equivalent documents for all cleaning products to be used within the Premises.

35. Tenant shall comply with any recycling programs for the Project implemented by Landlord from time to time.

36. Tenant shall not obtain for use in the Premises ice, drinking water, towel, barbering, bootblacking, floor polishing, lighting maintenance, cleaning, or other similar services from any persons not authorized by Landlord in writing to furnish the services.

37. Tenant shall not place a load on any floor of the Premises exceeding the floor load per square foot area that such floor was designed to carry. Landlord reserves the right to prescribe the weight limitations and position of all heavy equipment and similar items, and to prescribe the reinforcing necessary, if any, that in the opinion of Landlord may be required under the circumstances, such reinforcing to be at Tenant's expense.

38. All contractors performing any work within the Premises must be first be approved by Landlord and comply with Landlord's rules and requirements for contractors performing work in the Project.

39. Tenant shall comply with all rules and regulations imposed by Landlord as to any messenger center Landlord may establish for the Project and as to the delivery of letters, packages, and other items to the Premises by messengers.

40. Landlord reserves the right to grant or deny access to the Project to any telecommunications service provider that is not currently serving the Project. Access to the Project by any telecommunications service provider (unless through Landlord's current Building telecommunications provider's lines) shall be governed by the terms of Landlord's standard telecommunications license agreement and access fees, which must be executed and delivered to Landlord by such provider before it is allowed any access whatsoever to the Project.

41. No vinyl wall covering or wall covering of any kind may be installed on any interior side of any wall which comprises an exterior wall of the Building, unless first approved by Landlord.

42. Tenant may install a wireless data or communications system (or similar system) ("**Wi-Fi Network**") for intranet, internet, or other communications purposes within the Premises. Such Wi-Fi Network shall not interfere with the use or operation of any other space within the Project, including the operations of Landlord or any tenant, licensee, concessionaire, or other occupant of the Building. Landlord shall have the sole right to determine if Tenant's Wi-Fi Network is causing interference. Should any interference occur, Tenant shall take all necessary steps as soon as commercially practicable and no later than five days following such occurrence to correct the interference. If such interference continues after such five day period, Tenant shall immediately cease operating the Wi-Fi Network until such interference is corrected or remedied to Landlord's satisfaction. Tenant shall limit Wi-Fi Network use solely to Tenant's employees, agents, and invitees within the Premises. Tenant shall indemnify, defend, and hold Landlord Parties harmless from and against all claims, losses, or liabilities arising as a result of Tenant's use or construction of any Wi-Fi Network, except for matters directly resulting from Landlord's or Landlord Parties' negligence or willful misconduct. Tenant acknowledges that Landlord has granted and/or may grant leases, licenses, or other rights to operate a Wi-Fi Network to other tenants and occupants of the Project and to telecommunication service providers.

43. All wiring, cabling, or conduit and/or cable bundles installed in the Premises or the Building by or at the request of Tenant shall: (a) be plenum rated and/or have a composition suited for its use in accordance with NFPA 70/National Electrical Code; (b) be "low combustible" cable or wiring, as applicable; (c) be labeled with Tenant's name and the use to which such wiring or cabling, as applicable, is being put every 30 linear feet (and at the point of origination and destination as well) in order to identify such cabling or wiring as belonging to Tenant; (d) be installed in accordance with, and comply with the requirements of, the EIA/TIA standards, the National Electric Code, and any other fire and safety codes applicable to the Building; and (e) be installed and routed in accordance with a routing plan, approved in writing by Landlord, prior to installation, showing "as built" or "as installed" configurations or cable pathways, outlet identification numbers, locations of all wall, ceiling, and floor penetrations, riser cable routing, and conduit routing if applicable. All vertical wiring shall be installed within conduits.

44. Smoking is absolutely prohibited in all areas of the Project. Due to the irritation and known health risks of exposure to second-hand tobacco smoke, increased risk of fire and increased maintenance and cleaning costs, if any Tenant Party is found smoking within any area of the Project (including all outdoor areas and the Parking Areas), Landlord may levy a fine on Tenant related to the Tenant Party of $100.00 for the initial violation and such fine shall double on a cumulative basis for each subsequent violation (e.g., the fourth violation shall subject to a fine of $800.00), which shall be used towards the costs of remediating the area of smoking debris, smell, and residue and further enforcement of this rule. "Smoking" is meant to include all forms of smoking, including "vaping", exhaling, burning, or carrying any lighted cigar, cigarette, pipe, or other smoking or nicotine delivery system or equipment or device in any manner or form, whether electronic or otherwise. Any applicable notice and cure periods shall not apply to this rule.

45. Tenant Parties shall comply with all reasonable procedures required by Landlord related to the health, safety, and welfare of all occupants of the Project, including cleanliness of the Premises, exercising good hand hygiene, maintaining appropriate distances among persons, wearing proper face masks and gloves, consenting to temperature checks, and completing questionnaires regarding potential exposure to communicable diseases to avoid the spread of communicable diseases, and all federal, state, and local laws related to the foregoing.

46. At Landlord's option in its sole discretion, a violation of these Rules and Regulations by any Tenant Party shall be an event of default under this Lease (subject to applicable notice and cure periods). In addition to all remedies provided by this Lease and law, if no fine is specified for the violation of a particular rule or regulation, Landlord may levy a fine on Tenant for a violation of these Rules and Regulations in the amount of $50.00 per violation.

47. Tenant is responsible for all fines levied on its Tenant Parties under these Rules and Regulations as well as any interest, penalties, and costs of collection, including reasonable attorneys' fees and costs. All payments not received by Landlord within 30 days after demand shall bear interest at the lesser of: (a) 12% per annum, or (b) the highest rate of interest permitted to be charged by applicable law, accruing from the date the payment was due through the date payment is actually received by Landlord.

48. Landlord may, on request by any tenant, waive compliance by the tenant with any of these Rules and Regulations provided that (a) no waiver shall be effective unless in writing and signed by Landlord or Landlord's authorized agent, (b) a waiver shall not relieve the tenant from the obligation to comply with the rule or regulation in the future unless expressly consented to by Landlord, and (c) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with these Rules and Regulations unless the other tenant has received a similar waiver in writing from Landlord.

49. Whenever these Rules and Regulations directly conflict with any of the rights or obligations of Tenant under this Lease, this Lease shall govern.

EXHIBIT "E"

TENANT IMPROVEMENTS

Tenant Builds – Tenant's Cost (Allowance)

1. **Condition of Premises**. Landlord has made no representation or promise as to the condition of the Premises. Landlord shall not perform any alterations, additions, or improvements in order to make the Premises suitable and ready for occupancy and use by Tenant. Tenant has inspected the Premises, is fully familiar with the physical condition of the Premises, and shall accept the Premises "as-is," "where-is," without any warranty, express or implied, or representation as to fitness or suitability. Landlord shall not be liable, and Tenant waives and releases all claims, for any latent or patent defect in the Premises or for any costs or expenses related in any way to the Tenant Improvements, except as expressly set forth in this Exhibit.

2. **Plans**. Tenant shall, at its sole cost and expense, perform all work necessary or desirable for Tenant's occupancy of the Premises (the "**Tenant Improvements**"), which shall include the display or representation of a quantum computer. The performance of any Tenant Improvements by Tenant is not a required condition to this Lease. Upon completion of the Plans, Tenant shall furnish to Landlord, for Landlord's written approval, a permit set (final construction drawings) of plans and specifications for the Tenant Improvements (the "**Plans**"). The Plans shall include the following: fully dimensioned architectural and structural plans; electric/telephone outlet diagram; reflective ceiling plan with light switches; mechanical plan; furniture plan; electric power circuitry diagram; plumbing plans; all color and finish selections; all special equipment and fixture specifications; fire sprinkler design drawings, and quantum computer sketch or diagram. The Plans shall be free from any conflicts between or among the various trades (i.e., electrical, plumbing, mechanical, structural, fire/life safety). Tenant shall submit the approved Plans to applicable building authorities for permit promptly following Landlord's approval and Tenant shall thereafter diligently pursue obtaining its building permits. The Plans will be prepared by a licensed architect and the electrical and mechanical plans will be prepared by a licensed professional engineer; provided that, Landlord may require Landlord's Building engineer to prepare the mechanical, plumbing, life safety, and electrical portions of the Final Plans. The Plans shall be produced on CAD. The architect and engineer will be subject to Landlord's approval, which shall not be unreasonably withheld, delayed, or conditioned. The Plans shall comply with all applicable laws, ordinances, directives, rules, regulations, and other requirements imposed by any and all governmental authorities having or asserting jurisdiction over the Premises. Landlord shall review the Plans and either approve or disapprove them within 10 Business Days (and within 5 Business days after any re-submission of Plans). Should Landlord disapprove them, Tenant shall make any necessary modifications and resubmit the Plans to Landlord in final form within 10 Business Days following receipt of Landlord's disapproval of them. The approval by Landlord of the Plans or any similar plans and specifications for any other improvements or the supervision by Landlord of any work performed on behalf of Tenant shall not: (a) imply Landlord's approval of the quality of design or fitness of any material or device used; (b) imply that the Plans are in compliance with any codes or other requirements of governmental authority; (c) impose any liability on Landlord to Tenant or any third party; or (d) serve as a waiver or forfeiture of any right of Landlord. Tenant's Architect will incorporate any requirements of the governing authorities during the permit application and review process and respond to such revisions within five Business Days of receipt of such requirements.

3. **Contractor**. The Tenant Improvements shall be constructed by a licensed and insured general contractor selected and paid by Tenant and approved by Landlord. Tenant may only retain contractors and vendors shown on Landlord's list of approved contractors and vendors, which is subject to change from time to time but may not change once approved. Tenant shall deliver a copy of the contractor's license(s) to do business in the jurisdiction(s) in which the Premises are located, the fully executed contract between Tenant and the general contractor, the general contractor's work schedule, and all building or other governmental permits required for the Tenant Improvement before commencement of the Tenant Improvements. Since Tenant will be considered the "Owner" under the definitions in the Florida Construction Lien Law, Tenant, and not Landlord, will be required to sign the application for the building permit and the Notice of Commencement for the Tenant Improvements. Tenant shall cause the Tenant Improvements to be completed promptly and with due diligence, and in accordance with the Plans in a good and workmanlike manner using new or like-new materials of not less than Landlord's Building Standard grade materials unless otherwise approved by Landlord, which Building Standard standards are attached hereto as **EXHIBIT "E-1."** All work shall be done in compliance with all other applicable provisions of this Lease and with all applicable laws, ordinances, directives, rules, regulations, and other requirements of any governmental authorities having or asserting jurisdiction over the Premises, including the making of any alterations or improvements to the Premises or the Project which are required to comply with the ADA and the payment by Tenant of any impact and utility fees (including hook-up and connection charges), sales taxes, or assessments arising from or solely relating to the Tenant Improvements or occupancy (and not Landlord's original development of the Project or any Landlord capital projects at the Project). Before the commencement of any work by Tenant, Tenant shall furnish to Landlord certificates evidencing the existence of builder's risk, commercial general and auto liability, and workers' compensation insurance complying with the requirements for contractors set forth in the Alterations article of this Lease, or as otherwise reasonably required by Landlord. Any damage to any part of the Project that occurs as a result of the Tenant Improvements shall be promptly repaired by Tenant.

4. **Compliance**. Tenant shall also ensure compliance with the following requirements concerning construction, including all future Alterations:

4.1 Tenant and all construction personnel shall abide by Landlord's reasonable job site rules, requirements, and regulations (whether supplemental or additional to the requirements set forth in this Lease), and fully cooperate with Landlord's construction representatives in coordinating all construction activities in the Project, including reasonable rules and regulations concerning working hours and parking, and, if applicable, use of the Landlord's designated service elevator.

4.2 All transportation of construction materials shall be on the service elevator designated by Landlord only, if applicable.

4.3 Tenant shall deliver to Landlord all forms of approval provided by the appropriate local governmental authorities to certify that the Tenant Improvements have been completed and the Premises are ready for occupancy, including original building permit and a final, unconditional Certificate of Occupancy or its equivalent, including a Certificate of Completion or Certificate of Final Inspection.

4.4 At all times during construction, Tenant shall allow Landlord access to the Premises for inspection purposes. On completion of the Tenant Improvements, Tenant's general contractor shall review the Premises with Landlord and Tenant and secure Landlord's and Tenant's acceptance of the Tenant Improvements.

4.5 Tenant shall be responsible for cleaning up any refuse or other materials left behind by construction personnel at the end of each work day. If required by Landlord, workers shall provide their own temporary toilet facilities, trash facilities, water coolers, and construction materials dumpsters and shall locate them along with any construction trailers or field offices in areas specifically designated by Landlord.

4.6 Any work that may disturb tenants of the Building (including welding, cutting torch, drilling or cutting of the concrete floor slab or temporary interruption of any utility service), shall only occur before or after normal business hours and as otherwise specified by Landlord. Tenant's contractor shall plan and coordinate with Landlord in advance, any work that may require access to or disturb (in any manner) the systems, services, finishes, etc. or other facilities in tenant floors above or below the construction floor. No painting or spraying of chemicals, varnishes, lacquers, finishes, or paint will be allowed during normal business hours. Such activities shall only occur during days and times specifically and reasonably preapproved by Landlord. All workers must stay in their designated work areas and the use of radios, loud music, alcoholic beverages, narcotics, or smoking of any kind, whether electronic or otherwise, is prohibited on the Project.

4.7 Reasonable quantities of water and electricity for lighting, portable power tools, and other common uses as well as use of the construction elevator will be furnished to the contractor at a cost to be assigned at the completion of the job based on usage during the build-out period (including Building Standard charges for pre-scheduled use of the elevator). The contractor shall make all utility connections, furnish any necessary extensions, and promptly and professionally remove such connections and extensions on completion of work.

4.8 Tenant is solely responsible to confirm and coordinate as-built conditions with Tenant's work.

4.9 Any work that will involve the draining of a sprinkler line or otherwise affect the Building's fire sprinkler system must be approved by Landlord in advance. In all instances where this is done, the system shall not be left inoperable except for such period approved by Landlord and otherwise in accordance with applicable codes, insurance and governmental requirements and Tenant will comply, at its expense, with all applicable fire watch requirements.

4.10 All equipment installed shall be compatible with the Base Building fire alarm system and the contractor shall perform work related to any connection to the Base Building fire alarm system only after proper notification to Landlord and on an after-hours basis. Any disruption to the existing fire alarm system or damage as a result of contractor's work will be the sole responsibility of Tenant.

4.11 All additional electrical circuits added to existing electrical panels or any new circuits added to new electrical panels will be appropriately labeled as to the area or equipment serviced by the circuit in question. Any electrical panel covers removed to facilitate installation or connection shall be reattached.

4.12 Tenant shall deliver copies to Landlord of all Notices to Owner received in connection with the Tenant Improvements promptly after receipt of such notices.

4.13 Should a Notice of Commencement be filed in the public records for Tenant's Improvements, the legal description therein shall specifically be limited to Tenant's interest in the Premises, and Tenant shall be responsible for having a

corresponding Notice of Termination timely recorded in the County in which the Premises is located upon the completion of such work.

4.14 Upon completion of the Tenant Improvements Tenant shall also deliver to Landlord a copy of each of the following:

4.14.1 "as-built" construction documents in PDF file format;

4.14.2 general contractor's one-year warranty and subcontractor warrantees, as well as factory warrantees on equipment installed;

4.14.3 operating and maintenance manuals for all equipment installed;

4.14.4 fire sprinkler system permit set of drawings (if required by governmental authorities);

4.14.5 HVAC test and balance reports;

4.14.6 subcontractor listing with contact and phone numbers included;

4.14.7 final payment application from general contractor;

4.14.8 final releases of lien from Tenant's general contractor and all lienors giving notice as defined in the Florida Construction Lien Law (in form required by such Lien Law) and a final contractor's affidavit from the general contractor in accordance with the Florida Construction Lien Law, indicating all "lienors" have been paid in full; and

4.14.9 documentation from the applicable governmental agency evidencing that all final inspections have been completed and all building and other governmental permits have been closed and evidence that any Notice of Commencement filed in connection with the Tenant Improvements has been duly terminated in accordance with the requirements of Florida Construction Lien Law.

5. **Supervisory Fee**. Tenant shall pay to Landlord (or Landlord may deduct from the Tenant Improvement Allowance) an amount equal to 1% of the hard costs portion of the work, as a supervisory fee.

6. **Tenant Improvement Allowance**.

6.1 If and for as long as Tenant is not in default under this Lease beyond any applicable grace period, Tenant shall be entitled to a tenant improvement allowance ("**Tenant Improvement Allowance**" or "**Allowance**") in the amount set forth in the Basic Lease Information and Defined Terms section of this Lease. The Tenant Improvement Allowance shall be paid to Tenant in reimbursement for the total out-of-pocket costs paid by Tenant for the design professional fees (i.e., architect and engineering fees), the "hard costs" of construction of the Tenant Improvements, permit and inspection fees. Up to 20% of the Allowance ($520,000.00), after allocating the Allowance first to the costs of the Tenant Improvements, may be used to reimburse Tenant for Tenant's furniture, trade fixtures, and equipment, cabling and wiring (including low voltage) costs, owner's representative fees, and moving expenses ("**Soft Costs**"). In addition, if the total amount paid by Tenant for the Tenant Improvements is less than the Tenant Improvement Allowance and there is remaining Allowance after Tenant's application to Soft Costs, Tenant shall not receive cash, but may elect to receive a credit against Base Rent not to exceed 20% of the Allowance ($520,000.00). Tenant shall pay the entire amount of the Tenant Improvement costs which is in excess of the Allowance. Tenant's right to application of the Tenant Improvement Allowance shall expire 12 months after the Commencement Date. Any requests for work or reimbursement of allowed items or to elect to receive a credit against Base Rent submitted to Landlord after such date shall not be paid from the Allowance and Tenant shall thereafter be solely responsible for the costs of the Tenant Improvements or allowed items without reimbursement from Landlord and/or shall not receive a credit against Base Rent, as applicable.

6.2 The Allowance shall be disbursed on a percentage of completion basis (i.e., the ratio of the amount to be disbursed, together with all prior disbursements, to the total Allowance will not exceed the ratio of the cost of the Tenant Improvements completed on the date of disbursement to the total cost of the Tenant Improvements including any change orders), subject to a ten percent retainage. By way of example, if the Tenant Improvement Allowance is $100,000, the total Tenant Improvements cost is $500,000, and on the date of Tenant's first draw request 25% of the Tenant Improvements have been completed (i.e., contractor's invoice is equal to $125,000), then Landlord shall be obligated to pay an amount equal to 25% of the Allowance, or $25,000, less the ten percent retainage of $2,500, for a net payment of $22,500. If the request for disbursement of the Allowance pertains to furniture and equipment, moving expenses or other related items, then Tenant shall be entitled to have the Allowance

disbursed with respect to such items without regard to the percentage-of-completion formula specified herein based on paid receipts (or invoices to be paid out of the applicable draw request). Tenant may apply for disbursements of the Allowance not more frequently than monthly (except for the final disbursement). Each request for disbursement shall be itemized on the AIA G702/703 form (or other form reasonably acceptable to Landlord) and shall be accompanied by a contractor's affidavit from Tenant's general contractor in accordance with the Florida Construction Lien Law, releases of lien (in form reasonably required by Landlord in accordance with the Florida Construction Lien Law) from Tenant's general contractor and all lienors giving notice as defined in the Florida Construction Lien Law (which releases (partial or final) may be made subject to receiving payment out of the draw), copies of paid receipts for all items as to which reimbursement is sought (or invoices to be paid out of the applicable draw request), and evidence of payment, including cancelled checks (if applicable), and such other backup information as Landlord may reasonably request. Each request shall constitute Tenant's affirmation that as of the date of the request this Lease is in full force and effect and Landlord is not in default under this Lease, and the final request shall also specify the Commencement Date and acknowledge Tenant's acceptance of the Premises as completed. Disbursement shall be made by Landlord to Tenant not later than 45 days following receipt of all required information concerning the disbursement request. The retainage shall be paid to Tenant within 45 days after all of the following events have occurred: (a) the Tenant Improvements have been substantially completed; (b) Tenant has delivered to Landlord final releases of lien from Tenant's general contractor and all lienors giving notice as defined in the Florida Construction Lien Law and a final contractor's affidavit from the general contractor in accordance with the Florida Construction Lien Law, and all other receipts and supporting information concerning payment for the work that Landlord may reasonably request; (c) Tenant has delivered to Landlord all of the items listed in **Section 4.14** of this Exhibit; and (d) Tenant has moved into the Premises and opened for business in the Premises.

6.3 At Landlord's option, the Tenant Improvement Allowance or any portion of it may be paid by Landlord directly to the general contractor performing the Tenant Improvements or to any lienor giving notice as defined in the Florida Construction Lien Law. If Tenant is in default under this Lease beyond any applicable grace period, or if Landlord has received written notice of any unpaid claims relating to any portion of the Tenant Improvements or materials in connection therewith (other than claims which will be paid in full from such disbursement), or if a Claim of Lien has been recorded against the Project, the Premises, or Tenant's interest in the Premises, by reason of work done, or claimed to have been done, or materials supplied or specifically fabricated, claimed to have been supplied or specifically fabricated, to or for Tenant or the Premises which has not been discharged of record or transferred to a bond in the manner provided by Florida Construction Lien Law, Landlord may, in addition to all its other available rights and remedies, withhold payment of any unpaid portion of the Tenant Improvement Allowance, even if Tenant has already paid for all or a portion of the cost of the Tenant Improvements until cured, at which time payment will be made. These Tenant Improvement Allowance provisions shall not apply to any additional space added to the original Premises at any time after the Date of this Lease, whether by any options under this Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the initial Lease Term, whether under any options under this Lease or otherwise, unless expressly so provided in this Lease or an amendment to this Lease. The rights granted to Tenant under this section to the Allowance are personal to the original named Tenant in this Lease and any assignee under a Permitted Transfer and may not be assigned or exercised by or for the benefit of anyone (including, any subtenant) other than such Tenant or assignee under a Permitted Transfer.

6.4 If Landlord defaults under this Lease by failing to pay the Tenant Improvement Allowance when due, and Tenant has fully complied with the requirements set forth in this Exhibit for the payment of the requested amount, then Tenant may give notice to Landlord of the default and if payment is not made within 30 days of the notice of default, deduct the unpaid amount from the Base Rent to become due under this Lease until fully credited, provided that Tenant shall not be entitled to so offset from the Base Rent due for any month over 25% of the Base Rent due for such month. Any dispute on Tenant's exercise of any rights under this section shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, with the following exceptions. The arbitration shall be held in Palm Beach County, Florida. There shall be a single arbitrator selected by the American Arbitration Association. The arbitrator shall be independent of the parties and have at least ten years' experience in the supervision of the operation and management of major office buildings in the area in which the Building is located. The arbitrator will have no authority to award punitive or other damages not measured by the prevailing party's actual damages. The arbitrator must set forth in any award findings of fact and conclusions of law supporting the decision. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. If Landlord disputes the default and Tenant's right to offset as provided in this section, Tenant will have no right to offset unless Landlord fails to pay amounts determined to be owed in the arbitrator's award within 15 days after Landlord's receipt of the final award.

6.5 In addition to the Tenant Improvement Allowance, Landlord shall reimburse Tenant for the actual cost to pour a new concrete slab in the premises located in the 4930 Building as part of the Tenant Improvements. Such payments shall be made in accordance with the terms of this **Section 6**, including providing to Landlord a pay application describing such work, invoices, and other reasonable supporting information. Tenant shall bid the concrete work to at least three general contractors who have been determined by Landlord to be responsible, qualified, and capable of completing such work for a fair cost.

7. **Supplemental HVAC**. Tenant shall have the right, at its expense, to install supplemental HVAC systems for the Premises, whether as part of the Tenant Improvements pursuant to and in accordance with this Exhibit or as a later Alteration pursuant to and in accordance with the Alterations article of the Lease. All installation costs shall be at Tenant's expense. Prior to any such installation, Tenant shall provide Landlord with the locations and plans and specifications of the supplemental HVAC system, for Landlord's review and reasonable approval, provided that the location and any effect on Building systems shall be subject to

Landlord's sole discretion. Tenant, at its expense, shall be responsible for all maintenance costs of the supplemental HVAC system and electrical or other utility consumption in connection with such usage. Landlord shall have the right to require Tenant to remove such supplemental HVAC system at the expiration or earlier termination of this Lease.

8. **Backup Generator**.

8.1 **General**. Tenant, at its sole expense, may install and operate a backup power generator ("**Generator**") in the exterior location to be designated by Landlord (the "**Site**"). The Generator shall be used solely for Tenant's own business purposes in the event Tenant's primary electrical service is interrupted and not for the benefit of any other tenant or occupant of the Building. Landlord has not made any representations as to the condition or suitability of the Project or the Site for generator use, or that such use is a legal or allowable use. Upon the expiration or earlier termination of this Lease, if Landlord so directs by written notice to Tenant, the Generator Equipment (as defined below) or any part of it shall be removed by Tenant, at Tenant's sole expense, and Tenant shall, at its sole expense, repair and restore the Site or other portion of the Project caused by or resulting from the removal. Tenant shall be solely liable for, and shall indemnify and hold Landlord, its agents, employees, and contractors harmless from and against any and all costs, claims, damages, causes of action, and liability which may arise by reason of any occurrence attributable to or arising out of the installation, maintenance, repair, operation, fuel storage, spills and discharge, environmental contamination, or removal of any of the Generator Equipment, including any claim or cause of action, or demand against Landlord, its agents, employees, and contractors arising out of any such occurrence, except when caused by the gross negligence or willful misconduct of Landlord or its agents, employees, and contractors.

8.2 **Installation/Operation**. Prior to performance of any work, Tenant shall (a) provide Landlord with plans and specifications for all equipment comprising the Generator (such equipment, wiring, and connections to the Premises together with the Generator, the "**Generator Equipment**"); and (b) obtain Landlord's prior written consent to the installation. If Landlord requires, Tenant will have a representative of Landlord present, at Tenant's expense, during the installation. After initial installation, no changes to the Generator Equipment shall be made without the prior written consent of Landlord. Landlord shall have the right, in its sole discretion, to disapprove any work that voids or adversely affects any warranty. Tenant, at its sole expense, shall operate the Generator Equipment in accordance with all applicable laws and requirements of all governmental and quasi-governmental authorities having jurisdiction over the Building, including obtaining all permits required, and with all requirements or recommendations of Landlord's insurer, lender, or both, and Landlord's reasonable rules and regulations. Tenant shall provide copies of all permits obtained upon request. Tenant shall, at its sole cost and expense, obtain electrical service and any other utilities necessary for utilization of the Site, including the installation of a separate meter and main breaker, and shall pay the electrical utility provider directly for the electricity consumed. Landlord shall not be liable to Tenant for any stoppages or shortages of electrical power furnished to the Site because of any act, omission, or requirement of any electrical utility provider, or the act or omission of any other tenant or licensee of the Project, or for any other cause beyond the control of Landlord. Tenant's use of the Generator Equipment shall not, in Landlord's reasonable judgment, interfere with or adversely affect any use of any Common Areas or Building systems, equipment, installations, lines, or machinery of the Project or of any other space or equipment (including radio or telecommunications equipment) used by Landlord, another tenant, or any occupant of the Project. Landlord may from time to time, at Landlord's expense, relocate the Generator Equipment, or any part of it, to other areas in, at, or upon the Project. Upon relocation of the Generator Equipment, Tenant's means of access and cabling will be relocated by Landlord or, at Landlord's option, by Tenant, at Landlord's expense, as required to operate and maintain the Generator Equipment.

8.3 **Service Contract**. As part of its repair and maintenance obligation, Tenant shall enter into an annual contract with a generator repair firm, fully licensed to repair generators in the State of Florida, which firm shall: (a) regularly service and inspect the Generator Equipment on a monthly basis, changing parts as required; (b) perform emergency and extraordinary repairs on the Generator Equipment; and (c) keep a detailed record of all Generator Equipment services performed on the Site and prepare a yearly service report to be furnished to Tenant at the end of each calendar year. Tenant shall furnish to Landlord, at the end of each calendar year, a copy of the yearly service report. Not later than 30 days prior to the Commencement Date and annually thereafter, Tenant shall furnish to Landlord a copy of the maintenance contract described above and proof that the annual premium for the maintenance contract has been paid.

8.4 **No Liability**. Landlord shall have no responsibility or liability for the conduct or safety of any of Tenant's contractors or repair, maintenance, and engineering personnel while in any part of the Project; and shall not be liable for any charge, fine, cost, expense, or damage to the Generator Equipment or any part of the Project, unless proximately caused solely by Landlord or its agents, employees, and contractors' gross negligence or willful misconduct. Tenant shall give Landlord prompt written notice of any accident to any equipment of Landlord. Landlord shall not be liable for any latent defect or change or modification in the Project or Site, nor for any damage to property or persons caused by any overflow or leakage of water, steam, gas, electricity, or any other substance from any other generator whatsoever, except to the extent such damage is caused by the gross negligence or willful misconduct of Landlord or its agents, employees, and contractors. Tenant shall be solely responsible for any loss or damage to the Generator arising from casualty, fire, flood, tornado, or other acts of God.

EXHIBIT "E-1"

BUILDING STANDARD MATERIALS

[as provided to Tenant on or prior to the Date of this Lease]

EXHIBIT "F"

BACKUP GENERATOR AGREEMENT

THIS SUPPLEMENT TO LEASE FOR EMERGENCY STANDBY ELECTRIC POWER SERVICE (this "**Supplement**") is made as of _____, 20____ ("**Supplement Date**") between G&I X BRIC FEE OWNER LLC, a Delaware limited liability company ("**Landlord**"), and _____ ("**Tenant**").

RECITALS:

A. Tenant has entered into that certain lease agreement with Landlord and made a part hereof ("**Lease**") for the premises therein described ("**Premises**").

B. Landlord has available standby electric power generators and related equipment (collectively, "**Generators**"), which are used under Landlord's Standby Power Facilities Program ("**Power Program**") to provide emergency standby electric power service at Boca Raton Innovation Campus, Boca Raton, Florida ("**Complex**") for Landlord's operation of the Complex and to tenants of the Complex and others who wish to subscribe for emergency standby electric power service (collectively, "**Subscribers**").

C. Tenant has elected to subscribe under the Power Program for emergency standby electric power service to the Premises, and Landlord has agreed to make emergency standby electric power service available to the Premises up to the Capacity Reservation, as hereinafter defined ("**Standby Power Service**"), subject to and upon the terms and conditions set forth in this Supplement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt whereof and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Relationship to Lease. This Supplement shall form a part of the Lease. In the event of any inconsistency between the terms of the Lease and the terms of this Supplement as they relate or apply to the Power Program or Standby Power Service, the terms of this Supplement shall control. Capitalized terms used in this Supplement and not otherwise defined herein shall have the same meanings as provided in the Lease.

2. Term. The term of this Supplement shall commence on the Supplement Date and continue for the balance of the Lease Term of the Lease, as the same may be sooner terminated or hereafter extended pursuant to the terms of the Lease. Tenant's rights under this Supplement shall automatically terminate and be null and void upon the expiration or earlier termination of the Lease or Tenant's right to possession of the Premises.

3. Capacity Reservation and Reservation Charge. Tenant shall pay Landlord by federal wire transfer of immediately available funds the certain charges pursuant to Exhibit "A" to this Supplement (collectively, the "**Capacity Reservation Charge**") in connection with Tenant's subscription to Standby Power Service. The Capacity Reservation Charge, plus applicable state and local sales and use taxes, shall be paid by Tenant to Landlord in advance and on or before the first day of each calendar month during the Lease Term at the same time and place and in the same manner as the payment of monthly installments of Base Rent, except that the Capacity Reservation Charge for the first full calendar month for which the Capacity Reservation Charge shall be due shall paid on the Supplement Date. If the Term commences on a day other than the first day of a calendar month, or ends on a day other than the last day of a calendar month, then the Capacity Reservation Charge for such month shall be prorated on the basis of 1/30th of the monthly Capacity Reservation Charge for each day of such month. In consideration of the payment by Tenant to Landlord, or as Landlord may from time to time direct, of the Capacity Reservation Charge as set forth above, Tenant shall be entitled to up to one megawatt of capacity on the Generators for the Premises ("**Capacity Reservation**") subject to the terms and conditions set forth in this Supplement and the Lease (up to eight megawatts in available for the entire Project including all tenants). On the first day of each Lease Year (as defined in Lease) during the Lease Term (and renewal or extension thereof), the annual Capacity Reservation Charge shall increase by three percent (3%) ("**Supplemental Capacity Reservation Charge**"), over the annual Capacity Reservation Charge in effect during the immediately preceding Lease Year. If Tenant fails to timely pay the charges due hereunder which is not cured in five days, this Supplement shall automatically terminate without further notice or action by Landlord, and Landlord may reserve for its own use or sell to other Subscribers the Standby Power Service theretofore reserved for Tenant. The Capacity Reservation Charge and Supplemental Capacity Reservation Charge (if applicable) are non- refundable, shall be paid without any prior demand or notice

therefor, shall in all events be paid without any deduction, recoupment, set-off or counterclaim, and shall not be subject to proration, credit, offset, rebate or abatement for any cause whatsoever, except as expressly provided in Paragraph 4(d) below.

4. Served Systems.

a. Standby Power Service is limited to serving (i) Tenant's equipment and systems located within the Premises and specifically identified by Tenant on Exhibit "B" attached hereto and made a part hereof (collectively, "**Served Systems**"), and (ii) the Complex's central air conditioning service ("**Complex AC**") to the Premises, or if Complex AC is not supplied to the Premises because Tenant has installed a separate or supplemental air conditioning system in the Premises ("**Premises AC**"), Standby Power Service may be applied to the Premises AC; provided, however, in no event shall more than forty (40%) percent of the Standby Power Service reserved for Tenant under the Capacity Reservation ("**40% Limitation**") be used for Complex AC to the Premises or Premises AC, as the case may be. For purposes of this Supplement, "Served Systems" shall include Complex AC to the Premises or Premises AC, whichever is applicable, in either instance subject to the 40% Limitation. Tenant shall include on Exhibit "B" hereto the power required for each piece of equipment included in the Served Systems, including, without limitation, the Complex AC to the Premises or Premises AC, whichever is applicable, subject to the 40% Limitation, and shall further designate on Exhibit "B" which of the Served Systems are "non-essential Served Systems" for purposes of this Supplement.

b. Tenant shall cause the Served Systems to be connected to electrical panels or breakers separate from the main panels and breakers for the Premises so as to permit the disconnection of all electrical systems and equipment, other than the Served Systems, from the Power Program. Tenant shall be solely responsible for the compatibility of the Served Systems with the Generators, including, but not limited to, electrical systems, wire, conduit, panels, transformers, switchgear and breakers in the Premises. Before the Served Systems may be connected to the Generator, Tenant shall make, at Tenant's sole cost and expense, any and all modifications and enhancements to the Served Systems necessary for such compatibility with the Generators. Landlord shall have no liability or responsibility for damage or injury to the Premises, the Served Systems or any of Tenant's equipment or personnel due to any such installation, connection or incompatibility, all such liability being expressly waived by Tenant. Before connecting the Served Systems to the Generator, Tenant shall disconnect any equipment which is not included in the Served Systems identified on Exhibit "B" hereto.

c. Commencing on the Supplement Date, Landlord and its employees, agents, contractors and representatives shall have a non-exclusive right of access to and through the Premises at all times to the extent reasonably necessary for the implementation of the Power Program and the provision of Standby Power Service to the Premises in accordance with the provisions of this Supplement, including the installation, testing, maintenance, operation, repair, replacement and removal of any cabling or other appurtenances connecting the Served Systems to the Generators, provided that (i) Landlord shall make reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises, and (ii) Landlord shall endeavor to provide Tenant with twenty-four (24) hour notice prior to any access to the Premises other than for emergency repairs. Landlord shall have twenty-four (24) hours access to the Premises for any emergency work in connection with the Served Systems, Complex AC or Power Program.

d. Tenant acknowledges that Landlord has made no representation, warranty or guarantee as to the adequacy, effectiveness or efficiency of the Generators to provide an emergency source of power to the Premises or the Served Systems, or any portion thereof, or to Complex AC, at any time during the Term (even if it is determined that the Generators have or may have excess capacity). Tenant further acknowledges that the Generators are intended to first service the emergency power needs of Landlord with respect to the Common Areas of the Complex, and the emergency power needs of other Subscribers who are using the Generators as of the Supplement Date, before the transfer of Standby Power Service to the Premises. If, at any time during the term of this Supplement, Landlord elects to discontinue the Power Program or Landlord reasonably determines that Tenant's use of the Generators adversely impacts the Complex or the use of any other Subscriber's premises, Landlord may so notify Tenant, and Landlord may require Tenant to discontinue use of the Generators no later than the earlier of one hundred twenty (120) days after Landlord's notice, or the date, if any, required under applicable Law ("**Termination Date**"). In such event, Tenant's use of the Generators and subscription under the Power Program shall be null and void from and after the Termination Date, and Landlord shall refund to Tenant any unused portion of the monthly installment of the Capacity Reservation Charge or any unused portion of the monthly installment of the Supplemental Capacity Reservation Charge, whichever is applicable, for the month in which such Termination Date occurs, within thirty (30) days of Tenant's disconnection of the Served Systems from the Generators. Notwithstanding the foregoing, Landlord shall not have the right to terminate Tenant's use of the Generators to allow a Subscriber which is not currently using the Generators to use the Generators for its emergency power needs.

5. Generator Operation.

a. Tenant's Temporary Generators. If Landlord has heretofore permitted Tenant to operate a temporary backup generator for the Premises, Tenant shall, within ten (10) days after the Supplement Date, disconnect such temporary backup generator and remove the same from the Complex and restore the portion of the Complex affected to the condition existing prior to the installation of such temporary backup generator.

b. Emergency Service Use. Tenant acknowledges that the Generators are intended for limited emergency backup use and neither the Generators nor the fuel storage tanks for the Generators are either designed or have the capacity for more than limited and temporary use.

c. Start-up Delay. In the event of a power failure ("**Outage**"), the Generators are designed to start up over a period of three minutes. Landlord shall not be liable or responsible for any direct, indirect, consequential or special damages that may occur due to an interruption of Tenant's business or business operations, or to the Premises or Tenant's equipment, the Served Systems or Complex AC or Premises AC, whichever is applicable, due to any delay in the start-up of the Generators. Tenant shall be responsible to provide for its own backup uniform power supply to the Premises and the Served Systems to address any start-up delay of the Generators.

d. Emergency Representative. Tenant designates _____ as its "Emergency Representative" in the event of an Outage or other emergency. His /Her after hours contact information is: _____: _____ or _____ : _____ The Emergency Representative shall have full authority to act on behalf of Tenant in the event of an Outage or other emergency and shall be available to meet with Landlord and the emergency representatives of other Subscribers to implement emergency procedures established by Landlord in the event of an Outage or other emergency. Tenant may change its Emergency Representative, add one additional Emergency Representative or change the after-hours contact information by notice to Landlord, in writing. After-hours contact information for the Emergency Representative shall include, but not be limited to, home addresses and telephone numbers, cellular telephone numbers and pager numbers. If Tenant has two Emergency Representatives, notices to Tenant under this Supplement shall be deemed made to Tenant if made to either one or both of the Emergency Representatives. Tenant shall notify Landlord, in writing, of any changes in the identity or after-hours contact information of the Emergency Representative. The Emergency Representative shall participate in emergency drills conducted by Landlord from time to time.

e. Generator Operation During Extended Outage. For purposes hereof, any Outage lasting more than one (1) hour shall be deemed an "**Extended Outage**." Tenant acknowledges that the fuel storage capacity of the Generators is not sufficient for continuous or extended use of the Generators to meet the emergency power needs of Landlord and all Subscribers under the Power Program. In the event of an Extended Outage or a series of Outages, Landlord, in its sole and exclusive discretion, shall have the right, but not the obligation, to regulate, reduce and limit the availability of emergency standby electric power service to Subscribers, including Tenant, under the Power Program in order to meet the generator recommendations of the Federal Emergency Management Agency, the safety of all tenants of the Complex and all Subscribers under the Power Program, the availability of fuel supplies or the operating conditions and requirements of the Generators.

In order to administer the Power Program in the best interests of the Complex, Landlord has established the following rules, procedures and protocols for responding to an Extended Outage (which rules, procedures and protocols may be amended at any time and from time to time as provided in Paragraph 5[i] below):

(1) Definitions:

- Level One Outage: An Extended Outage lasting more than one (1) hour, but anticipated by Landlord, in Landlord's sole and exclusive judgment, to last less than three (3) hours.
- Level Two Outage: An Extended Outage lasting or anticipated by Landlord, in Landlord's sole and exclusive judgment, to last more than three (3) hours, but less than twenty-four (24) hours.
- Level Three Outage: An Extended Outage lasting or anticipated by Landlord, in Landlord's sole and exclusive judgment, to last more than twenty-four (24) hours.

(2) Extended Outage Protocols:
In the event of an Extended Outage, Landlord shall advise Tenant, to the extent feasible, of the anticipated level of the Extended Outage, and Tenant shall comply with the following emergency protocols of the applicable level of the Extended Outage, which protocols may be amended by Landlord at any time and from time to time in accordance with Paragraph 5(i) below ("**Protocols**"):

- Level One Outage: The operation of the Served Systems, as contemplated under this Supplement, may continue.
- Level Two Outage: The operation of the Served Systems, as contemplated under this Supplement, may continue. Tenant shall turn off or disconnect all equipment and systems in the Premises which do not constitute Served Systems ("Non-Served Systems") within thirty (30) minutes to one (1) hour of Landlord's notice of the Level Two Outage. Tenant's personnel not required in the operation of the Served Systems may be required by Landlord to immediately vacate the Premises and the Complex, and Tenant shall otherwise comply with Landlord's emergency procedures and rules promulgated from time to time in accordance with the Lease or this Supplement. Landlord may, in Landlord's sole and exclusive judgment, (i) reduce or eliminate Complex AC, (ii) reduce or eliminate non-emergency Common Area systems and services, including, but not limited to, the operation of the cafeteria, conference centers and other amenities or services provided by Landlord to tenants of the Complex, or (iii) require Tenant to turn off or disconnect non-essential Served Systems within thirty (30) minutes to one (1) hour of Landlord's request.
- Level Three Outage: Only the essential Served Systems designated on Exhibit "B" hereto may be permitted to operate during a Level Three Outage. Tenant shall turn off or disconnect all non-essential Served Systems and Non-Served Systems within one (1) hour of Landlord's notice of a Level Three Outage. Tenant's personnel not required in the operation of the essential Served Systems shall immediately vacate the Premises and the Complex, and Tenant shall otherwise comply with Landlord's emergency procedures and rules promulgated from time to time in accordance with the Lease and this Supplement. Landlord may, in Landlord's sole and exclusive judgment, (i) reduce or eliminate Complex AC, (ii) reduce or eliminate non-emergency Common Area systems and services, including, but not limited to, the operation of the cafeteria, conference centers and other amenities or services provided by Landlord to tenants of the Complex, or (iii) require Tenant to turn off, reduce or disconnect all Served Systems (essential and non-essential) due to the unavailability of fuel to service the Generators. During a Level Three Outage, Landlord shall report to Tenant as to the status of the Level Three Outage, anticipated actions by Landlord and the availability of fuel supplies, and shall use reasonable efforts to notify Tenant of an impending planned shut down of Standby Power Service at least one (1) hour prior to such shutdown. Tenant shall, upon Landlord's request, immediately disconnect all non-essential Served Systems from the Standby Power Service and otherwise cooperate with Landlord to maximize fuel supplies and the obtaining of additional fuel supplies. Tenant acknowledges that in the event of a Level Three Outage, fuel may become exhausted and additional fuel unavailable, in which event the Generators may be shut down and Standby Power Service discontinued to the Premises, the Served Systems and Non-Served Systems, in whole or in part, all without liability to Landlord.

f. Generator Maintenance Program. Landlord has entered into a service agreement for the maintenance of the Generators with a generator maintenance company selected by Landlord. The service agreement provides for maintenance of the Generators in accordance with the National Fire Protection Agency Level 2 standards for emergency generators. Copies of the service agreement and repair records for the Generators shall be kept at the management offices of the Complex for inspection by Tenant upon reasonable prior written notice during Business Hours.

g. Planned Maintenance. Landlord may interrupt or reduce the availability of Standby Power Service for a reasonable duration, upon prior notice to Tenant, for the purpose of performing ordinary maintenance, repairs, replacements, connections or changes of or to the Generators or any other equipment or appurtenances related thereto, including any of the foregoing which is required by good engineering and operating practices or by manufacturers' specifications. Landlord shall attempt to restore the availability of Standby Power Service as soon as is reasonably possible.

h. Non-Scheduled Interruption. Landlord shall have the right to interrupt or reduce Standby Power Service for a duration determined necessary by Landlord, without prior notice to Tenant, if (i) a Force Majeure Event (as hereafter defined) has occurred that causes or requires such interruption or reduction of Standby Power Service, or (ii) the Served Systems or the Premises have become dangerous in Landlord's judgment and, as a result thereof, Landlord believes that such interruption or reduction is necessary to prevent injury to persons or damage to property or to prevent the interruption or reduction of emergency standby electric power service to other Subscribers.

i. Rules. Tenant shall comply with, and shall cause any subtenants, assignees, occupants, invitees, employees, contractors and agents to comply with, the rules, procedures and Protocols set forth in this Supplement (collectively, "Rules"). Landlord shall have the right to reasonably amend the Rules and supplement the same with other reasonable rules relating to the Power Program not expressly inconsistent with this Supplement, and all such amendments or new rules shall be binding upon Tenant after five (5) days notice thereof to Tenant and shall constitute "Rules" for purposes of this Supplement. The Rules shall be applied on a non-

discriminatory basis among the Subscribers, but nothing herein shall be construed to give Tenant or any other Person any claim, demand or cause of action against Landlord arising out of the violation of any Rules by any other Subscriber or out of the enforcement or waiver of the Rules by Landlord in any particular instance.

6. Excess Demand Load. Tenant may not exceed the Capacity Reservation during any Outage. If Tenant exceeds the Capacity Reservation during an Outage ("Excess Demand"), Landlord may, in Landlord's sole and exclusive judgment, require Tenant to immediately disconnect non-essential Served Systems and reduce the actual load to the Generators to a level less than the Capacity Reservation. If Tenant fails to take such immediate action, Landlord may reduce Standby Power Service to the Premises so that the actual load does not exceed the Capacity Reservation. Alternatively, if there is sufficient capacity for emergency standby electric power service to the Common Areas and other Subscribers, as determined by Landlord in its sole and exclusive judgment, Landlord may charge Tenant an additional fee for the Excess Demand equal to two hundred percent (200%) of the then current Capacity Reservation Charge or the Supplemental Capacity Reservation Charge, whichever is applicable, prorated for the actual load in excess of the Capacity Reservation ("Excess Demand Fee"). The foregoing rights and remedies are in addition to Landlord's other rights and remedies under this Supplement and at law or in equity, and any additional Rules promulgated or implemented by Landlord in the event of an Extended Outage. The Excess Demand Fee shall be billed by Landlord and paid by Tenant, as Additional Rent under the Lease, within ten (10) Business Days of written demand therefor by Landlord.

7. Use Charges.

a. Tenant shall pay for the fuel consumed by the Generators during an Extended Outage in the proportion that Tenant's electrical usage during such Extended Outage bears to the aggregate electrical usage of all Subscribers consuming fuel during such Extended Outage ("**Tenant's Power Share**"). Landlord may bill Tenant's Power Share of the foregoing directly to Tenant, which shall be payable by Tenant in monthly, quarterly, semi-annually or annual installments, as determined by Landlord under the Power Program.

b. The cost of fuel for Outages which are not Extended Outages and all other costs of maintaining, repairing, testing and servicing the Generators and implementing the Power Program may, at Landlord's option, be treated, budgeted and invoiced as Operating Expenses under the Lease; however, such costs shall not be limited by any exclusions from Operating Expenses specified in the Lease or by any provisions of the Lease limiting Tenant's Prorata Share of Operating Expenses or Overhead Rent. In the alternative, Landlord may bill Tenant's Power Share of the cost of fuel for Outages which are not Extended Outages and all other costs of maintaining, repairing, testing and servicing the Generators and implementing the Power Program directly to Tenant, which shall be payable by Tenant in monthly, quarterly, semi-annually or annual installments, as determined by Landlord under the Power Program.

8. Covenants of Tenant. Tenant covenants that:

a. Tenant shall not add any additional systems or equipment to the Generator at any time without the prior written consent of Landlord, which Landlord may withhold for any reason or no reason, in Landlord's sole and exclusive discretion. Alternatively, Landlord may condition its consent upon Tenant's payment of an additional charge or fee for such inclusion to the Served Systems;

b. Tenant shall not cause or voluntarily permit any modification or alteration to any of the Served Systems or the Premises which would have the effect of increasing the level of electrical demand for the Premises or which would adversely affect the Generators or Landlord's ability to provide emergency standby electric power service under the Power Program for the operation of the Complex or to other Subscribers; and

c. Tenant shall maintain, repair and replace, at Tenant's sole cost and expense, the Served Systems as necessary and appropriate in accordance with prudent and sound engineering practices so that the Served Systems are in proper condition to receive, distribute and use Standby Power Service without damage to the Served Systems, Complex AC, Generators or the other Subscribers.

9. Default by Tenant; Termination by Landlord; Late Charge and Interest. Upon the occurrence of any one (1) or more of the following events, Landlord may discontinue the delivery of Standby Power Service to the Premises and terminate this Supplement and cause Tenant to remove, at Tenant's sole cost and expense, all equipment connecting the Premises and Served Systems to the Generators:

a. Tenant's failure to pay any charges, including, but not limited to, the Capacity Reservation Charge, Supplemental Capacity Reservation Charge or Excess Demand Fee, or any portion thereof (all such charges being collectively sometimes referred to herein as "Charges") as and when due, and not cured within the applicable cure period for a default in payment of Rent under the Lease;

b. A default by Tenant under the Lease which is not cured within any applicable cure period under the Lease; or

c. Tenant's actual electric load connected to the Generators increases in excess of the Capacity Reservation and Tenant fails to immediately disconnect such of Tenant's equipment so as not to exceed the Capacity Reservation (unless Landlord, in Landlord's sole and exclusive discretion, and subject to availability and price, elects to increase the Capacity Reservation).

In addition, and without waiving any such rights, in the event of a default by Tenant hereunder, Landlord may reserve for its own use or sell to other Subscribers the Standby Power Service theretofore reserved for Tenant.

Tenant shall pay a service charge of Two Hundred Dollars ($200.00) for bookkeeping and administrative expenses, if any Charges, or any portion thereof, are not received within five (5) days after the date due. In addition, any Charges paid more than five (5) days after due shall accrue interest from the due date at the Default Rate (as defined in the Lease) until payment is received by Landlord, and Tenant shall pay Landlord a late charge for any Charge which is paid more than five (5) days after its due date equal to five percent (5%) of such payment. Such service charge, late charge and interest payments shall not be deemed consent by Landlord to late payments, nor a waiver of Landlord's right to insist upon timely payments at any time, nor a waiver of any remedies to which Landlord is entitled as a result of the late payment of any Charges. Any and all remedies set forth in this Supplement: (i) shall be in addition to any and all other remedies Landlord may have at law or in equity, (ii) shall be cumulative, and (iii) may be pursued successively or concurrently as Landlord may elect.

10. No Waiver. No provision of this Supplement will be deemed waived by either party unless expressly waived in writing signed by the waiving party. No waiver shall be implied by delay or any other act or omission of either party. No waiver by either party of any provision of this Supplement shall be deemed a waiver of such provision with respect to any subsequent matter relating to such provision. Acceptance of any fee or charge by Landlord shall not constitute a waiver of any breach by Tenant of any term or provision of this Supplement. No acceptance of a lesser amount than the fee or charge stipulated herein shall be deemed a waiver of Landlord's right to receive the full amount due nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due.

11. Permitted Assignment.

a. This Supplement, and the Capacity Reservation, shall not be transferred, assigned, subcontracted, or sold by Tenant, in whole or part, other than in connection with a permitted Transfer of the Lease to a Transferee approved by Landlord or otherwise deemed approved by Landlord under the Lease, but only so long as such Transferee does not require or present a demand load greater than that of Tenant.

b. Landlord may assign its obligations, rights and duties under this Supplement separate and apart from the Lease, and in all events without the consent of Tenant. In such event, this Supplement shall continue in full force and effect without change, abatement or offset, and Landlord shall be automatically relieved of all liability and obligations under this Supplement so long as such are expressly assumed in writing by the assignee.

12. Force Majeure Events. Landlord's ability to install, maintain and operate the Generators and to provide Standby Power Service to the Premises in accordance with this Supplement is subject to the occurrence of any Force Majeure Event. Notwithstanding anything in this Supplement to the contrary, Landlord shall not be chargeable with, or liable to Tenant for, anything or in any amount for any failure to perform or delay caused by any of the following ("**Force Majeure Event**"): fire; earthquake; explosion; flood; hurricane; the elements; acts of God or the public enemy; actions, restrictions, limitations or interference of governmental authorities or agents; enforcement of Laws; war, terrorist act or acts, invasion; insurrection; rebellion; riots; strikes or lockouts; inability to perform, control or prevent which is beyond the reasonable control of Landlord; and any such failure or delay due to said causes or any of them shall not be deemed a breach of or default in the performance of this Supplement by Landlord; provided, however, lack of funds shall not be deemed a Force Majeure Event.

13. Indemnity. Notwithstanding any termination of this Supplement, except to the extent caused by the gross negligence or willful misconduct of Landlord or its agents, employees or contractors (and subject to Section 7.3 of the Lease), Tenant shall defend, indemnify and hold harmless Landlord from and against any and all claims, demands, liabilities, damages, judgments, orders, decrees, actions, proceedings, fines, penalties, costs and expenses, including without limitation, court costs and reasonable attorneys' fees arising from or relating to (a) any loss of life, damage or injury to person, property or business occurring in or from the Premises or the Complex and caused by or in connection with (i) the performance of any of Tenant's obligations under this Supplement with respect to the Premises, Served Systems, Non-Served Systems or Complex AC, or (ii) any violation of the terms of this Supplement, or (iii) any other act or omission of, Tenant, any other occupant of the Premises, or any of their respective agents, employees, contractors or guests, (b) any failure by Tenant to comply with any Rules, Protocols or Laws with respect to Tenant's obligations under this Supplement, or (c) any failure by Tenant to perform any of the agreements, terms, covenants or conditions of this Supplement required to be performed by Tenant. Without limiting the generality of the foregoing, Tenant specifically acknowledges that the indemnity undertaking herein shall apply to claims in connection with or arising out of the transportation, use, storage, maintenance, generation, manufacturing, handling, disposal, release or discharge of any Hazardous Material (whether or not any of such matters shall have been theretofore approved by Landlord). In case Landlord, its agents or employees, shall be made a party to any litigation commenced by or against Tenant, then Tenant shall indemnify, defend and hold them harmless and shall pay all costs, expenses, and reasonable attorneys' fees incurred or paid by them in connection with such litigation. The obligations assumed herein shall survive the expiration or sooner termination of this Supplement. The foregoing indemnity shall be in addition to, and shall not be in discharge of or in substitution for, any of the insurance requirements or any other indemnity provisions of this Supplement or the Lease.

14. Waiver of Claims. TENANT HEREBY WAIVES AND RELEASES LANDLORD, ITS MEMBERS, PARTNERS, AFFILIATES, SUBSIDIARIES, OFFICERS, EMPLOYEES AND AGENTS FROM ALL CLAIMS, DEMANDS, DAMAGES, LIABILITIES, COSTS AND EXPENSES WITH RESPECT TO LANDLORD'S PROVISION, REGULATION, REDUCTION, LIMITATION OR DISCONTINUATION OF EMERGENCY STANDBY ELECTRIC POWER SERVICE, OR LANDLORD'S DECISIONS, ACTS OR OMISSIONS RELATING THERETO, OR THE INABILITY OF LANDLORD TO DELIVER STANDBY POWER SERVICE, IN WHOLE OR IN PART, FOR ANY REASON WHATSOEVER, OR THE OPERATION, MAINTENANCE, REPAIR OR REPLACEMENT OF THE GENERATORS. TENANT FURTHER AGREES THAT LANDLORD SHALL NOT B E LIABLE FOR, AND TENANT WAIVES, ALL CLAIMS FOR LOSS OR DAMAGE TO TENANT'S BUSINESS OR LOSS, THEFT OR DAMAGE TO TENANT'S PROPERTY OR THE PROPERTY OF ANY PERSON CLAIMING BY, THROUGH OR UNDER TENANT, INCLUDING, WITHOUT LIMITATION, ANY DIRECT, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES RESULTING FROM THE INSTALLATION, OPERATION, MAINTENANCE, REPAIR OR REPLACEMENT OF THE GENERATORS OR THE PROVISION OF EMERGENCY STANDBY ELECTRIC POWER SERVICE TO THE PREMISES PURSUANT TO THIS SUPPLEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, TENANT AGREES THAT TENANT'S SUBSCRIPTION FOR EMERGENCY STANDBY ELECTRIC POWER SERVICE SHALL BE AT TENANT'S OWN RISK.

15. Waiver of Warranties. ALL WARRANTIES OF LANDLORD, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING THE GENERATORS OR THE PROVISION OF EMERGENCY STANDBY ELECTRIC POWER SERVICE PURSUANT TO THIS SUPPLEMENT ARE HEREBY DISCLAIMED.

16 Landlord Exculpation. THE LIABILITY OF LANDLORD (AND ANY SUCCESSOR LANDLORD) TO TENANT FOR ANY DEFAULT BY LANDLORD UNDER THIS SUPPLEMENT SHALL BE LIMITED SOLELY AND EXCLUSIVELY TO THE INTEREST OF LANDLORD IN THE COMPLEX AS PROVIDED IN SECTION 8.5 OF THE LEASE. TENANT SHALL LOOK SOLELY TO LANDLORD'S INTEREST IN THE COMPLEX FOR RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LANDLORD. LANDLORD SHALL NOT HAVE ANY PERSONAL LIABILITY UNDER THIS SUPPLEMENT, AND TENANT EXPRESSLY WAIVES AND RELEASES SUCH PERSONAL LIABILITY ON BEHALF OF ITSELF AND ALL PERSONS CLAIMING BY, THROUGH OR UNDER TENANT. IN NO EVENT SHALL LANDLORD B E LIABLE UNDER ANY CIRCUMSTANCES FOR INJURY OR DAMAGE TO, OR INTERFERENCE WITH, TENANT'S BUSINESS, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF RENTS OR OTHER REVENUES, LOSS OF BUSINESS OPPORTUNITY, LOSS OF GOODWILL OR LOSS OF USE, IN EACH CASE, HOWEVER OCCURRING.

17. Miscellaneous.

a. Binding Upon Parties. Each of the terms and provisions of this Supplement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, guardians, custodians, legal representatives, successors and

assigns, subject to the provisions of Paragraph 11 above; and all references herein to Landlord and Tenant shall be deemed to include all such parties. The term "Landlord" as used in this Supplement, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean only the owner or owners of the Complex at the time in question.

b. Governing Law. This Supplement shall be construed in accordance with the laws of the state in which the Complex is located.

c. Severability. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provisions.

d. Headings. The Article and Paragraph headings herein are for convenience of reference and shall in no way define, increase, limit or describe the scope or intent of any provision of this Supplement.

e. Pronouns. Any pronoun used in place of a noun shall indicate and include the masculine or feminine, the singular or plural number, individuals, firms or corporations, and their and each of their respective successors, executors, administrators, assigns, according to the context hereof.

f. Counterparts. This Supplement may be executed in multiple identical counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together shall constitute one and the same agreement.

LANDLORD:

G&I X BRIC FEE OWNER LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

TENANT:

_____

By: _____
Name: _____
Title: _____

EXHIBIT "A"

CAPACITY RESERVATION CHARGE

EXHIBIT "B"

SERVED SYSTEMS

EXHIBIT "G"

CAPACITY RESERVATION CHARGE

Monthly Capacity Reservation Charge: Landlord shall monitor Tenant's load for one month to determine Tenant's peak demand and Landlord shall charge $15.00 for peak demand kilowatt-hour(s)(kWh), payable on a monthly basis.

EXHIBIT "H"

SIGN CONCEPTS

[*****]

D-WAVE QUANTUM INC.

AMENDED AND RESTATED SECURITIES TRADING POLICY

I. Purpose

To describe the standards concerning the handling of non-public information relating to D-Wave Quantum Inc. and its subsidiaries (the "Company") and the buying and selling of securities of the Company.

II. Persons Affected and Prohibited Transactions

The general prohibitions of this Amended and Restated Securities Trading Policy (this "Policy") apply to all directors, officers and employees of the Company. The Company may also determine that other persons shall be subject to this Policy, such as contractors or consultants who may have access to material nonpublic information (such persons, "Covered Consultants"). Restrictions set forth in Part V (blackout periods) and Part VI (pre-clearance) may apply only to directors, executive officers and certain designated officers, employees and Covered Consultants as determined by the Company from time to time. If you are unsure whether you are subject to the restrictions set forth in Parts V or VI, please contact the Company's Legal Department.

The same restrictions described in this Policy also apply to your spouse, minor children and anyone else living in your household, partnerships in which you are a general partner, trusts of which you are a trustee, estates of which you are an executor and investment funds or other similar vehicles with which you are affiliated (collectively "Related Parties"). **You will be responsible for compliance with this Policy by your Related Parties.**

For purposes of this Policy, references to "trading" or to "transactions in securities of the Company" include purchases or sales of Company stock, bonds, options, puts and calls, derivative securities based on securities of the Company, gifts of Company securities, loans of Company securities, hedging transactions involving or referencing Company securities, contributions of Company securities to a trust, the acquisition of Company stock upon the exercise of stock options, sales of Company stock acquired upon the exercise of stock options, broker-assisted cashless exercises of stock options, market sales to raise cash to fund the exercise of stock options and trades in Company stock made under an employee benefit plan, such as a 401(k) plan.

III. Policy Statement

If you possess material nonpublic information (as further discussed below) relating to the Company, neither you nor any Related Party:

- **may effect transactions in securities of the Company (other than pursuant to a pre-arranged trading plan that complies with Rule 10b5-1 ("Rule 10b5-1") under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as described in Part VII below and, if applicable, automatic trading plans pursuant to applicable Canadian securities legislation) or engage in any other action that takes advantage of that information;**

- **may pass that information on to any person outside the Company, except as permitted under applicable Company policies and procedures;**
- **suggest or otherwise recommend that any person effect a transaction in securities of the Company or engage in any other action that takes advantage of that information; or**
- **assist anyone engaged in any of the foregoing activities.**

This Policy will continue to apply after termination of employment or engagement as a Covered Consultant to the extent that you are in possession of material nonpublic information at the time of termination. In such case, no transaction in securities of the Company may take place until the information becomes public or ceases to be material.

This Policy also applies to information, obtained in the course of employment with, engagement as a Covered Consultant of, or by serving as a director or officer of, the Company, relating to any other company, including:

- our customers, clients, suppliers, partners, or economically-linked companies such as a competitors,
- any entity with which we may be negotiating a major transaction or business combination, or
- any entity as to which we have an indirect or direct control relationship or a designee on the board of directors.

Neither you nor any Related Party may effect transactions in the securities of any such other company while in possession of material nonpublic information concerning such company that was obtained in the course of employment with the Company, in the course of your engagement as a Covered Consultant, or in the course of your service as a director or officer of the Company as the authorities view that as "shadow trading" of the material nonpublic information and therefore may hold you liable for insider trading based on that action.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

Material Information. "Material information" is any information that a reasonable investor would consider important in a decision to effect a transaction in securities of the Company. In short, any information that could reasonably affect the price of such securities. Either positive or negative information may be material. Common examples of information that will frequently be regarded as material are:

- projections of future earnings or losses, or other guidance concerning earnings;
- the fact that earnings are inconsistent with consensus expectations;
- a pending or proposed merger, joint venture, acquisition or tender offer;
- a significant sale of assets or the disposition of a subsidiary or business unit;

- changes in dividend policies or the declaration of a stock split or the offering of additional securities;
- changes in senior management or other key employees;
- significant new products or services;
- significant legal or regulatory exposure due to a pending or threatened lawsuit or investigation;
- impending bankruptcy or other financial liquidity problems;
- a material cyber incident that has not been disclosed;
- changes in legislation affecting our business;
- a change in the business, operations or capital of the Company (which includes any decision to implement such a change by the Company's board or by senior management who believe that confirmation of the decision by the Company's board is probable); and
- the gain or loss of a substantial customer, client or supplier.

20-20 Hindsight. Remember, if your transaction in securities of the Company becomes the subject of scrutiny, it will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

Tipping Information to Others. Whether the information is proprietary information about the Company or other information that could have an impact on the price of the Company's securities, you must not pass the information on to others. Penalties will apply whether or not you derive, or even intend to derive, any profit or other benefit from another's actions.

When Information is Public. You may not trade on the basis of material information that has not been broadly disclosed to the marketplace, such as through a press release or a filing with the Securities and Exchange Commission (the "SEC"), and the marketplace has had time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until the end of a full trading day after the information is released. Thus, if information is released on a Monday prior to the opening of the market, trading should not take place until Tuesday.

Transactions under Company Plans. Although this Policy does not generally apply to the exercise of employee stock options (other than cashless exercises as described below), it does apply to the sale of common stock received upon exercise. This Policy does apply, however, to the sale as part of a broker-assisted cashless exercise of a stock option and the market sale for the purpose of raising cash to fund the exercise of an option or to pay taxes. However, this Policy shall not apply to the sale by the Company or at the direction of the Company of shares of common stock subject to restricted stock units or other equity-based incentive compensation that are necessary to generate sufficient proceeds to satisfy withholding obligations relating to such equity-based incentive compensation under a Company-wide program applicable to all Company employees holding such equity-based incentive compensation.

This Policy also applies to the following elections under a 401(k) plan (if and when the Company makes Company securities an investment alternative under our 401(k) plan):

- increasing or decreasing periodic contributions allocated to the purchase of Company securities;
- intra-plan transfers of an existing balance in or out of Company securities;
- borrowing money against the account if the loan results in the liquidation of any portion of Company securities; and
- pre-paying a loan if the pre-payment results in allocation of the proceeds to Company securities.

Confidentiality Obligations. The restrictions set forth in this Policy are designed to avoid misuse of material nonpublic information in violation of the securities laws. These restrictions are in addition to, and in no way alter, the general obligations that each director, officer, employee and Covered Consultant of the Company has to maintain the confidentiality of all confidential or proprietary information concerning the Company and its business, as well as any other confidential information, that may be learned in the course of service to, employment with or engagement by the Company. No such information is to be disclosed to any other person in the Company, unless that person has a clear need to know that information, and no such information may be disclosed to any third parties, except as required or otherwise contemplated by your function or position.

You should take precautions to prevent the unauthorized disclosure or other misuse of such information by maintaining files securely, avoiding discussions of such information in public and taking extra care when distributing such information electronically.

IV. Additional Prohibited Transactions

Because we believe it is improper and inappropriate for any person to engage in short-term or speculative transactions involving the Company's securities, directors, officers, employees and Covered Consultants of the Company, and their Related Parties, are prohibited from engaging in any of the following activities with respect to securities of the Company:

1. ***Purchases of securities of the Company on margin***. You may not purchase securities of the Company on margin or pledge, or otherwise grant a security interest in, securities of the Company in margin accounts.
2. ***Short sales*** (*i.e.*, selling stock you do not own and borrowing the shares to make delivery). The SEC effectively prohibits directors and officers from selling Company securities short. This Policy is simply expanding this prohibition to cover all employees.
3. ***Buying or selling puts, calls, options or other derivatives in respect of securities of the Company***. This prohibition extends to any instrument whose value is derived from the value of any securities (*e.g.,* common stock) of the Company.

Directors, officers, employees and Covered Consultants, and their designees, are prohibited from purchasing any financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds) or otherwise engaging in transactions that are designed to or have the effect of hedging or offsetting any decrease in the market value of the Company's equity securities whether they

are (1) granted to you by the Company as part of your compensation; or (2) otherwise held, directly or indirectly, by you.

Although the Company is not prohibiting standing or limit orders, you should use extreme caution if you engage in standing or limit orders (other than as established in connection with a Rule 10b5-1 plan as described in Part VII below) since you might become aware of material non-public information after establishing an order. This could lead to inadvertent trading while in possession of material non-public information.

V. Blackout Periods – For Directors, Executive Officers, Employees and Certain Other Personnel with Access to Material Nonpublic Information

The Company's announcement of quarterly financial results has the potential to have a material impact on the market for the Company's securities. Therefore, in order to avoid any appearance that its directors, officers, employees, Covered Consultants and other insiders are trading while aware of material nonpublic information, all directors, executive officers and certain other persons who are or may be expected to be aware of quarterly financial results of the Company will be subject to quarterly blackouts on trading.

The Company has established the following "blackout periods" in relation to the publication of its annual and quarterly results: **(a) the period commencing two weeks prior to the end of its fiscal year and ending on and including the second trading day after public announcement of the Company's annual financial results; (b) the period commencing two weeks prior to the end of each of its fiscal quarters and ending on and including the second trading day after public announcement of the Company's financial results for such quarter; and (c) for directors and executive officers, to the extent and during the periods as the Legal Department may direct, including as required by Section 306 of the Sarbanes-Oxley Act of 2002 or its implementing regulations.**

During these blackout periods, the following persons and their Related Parties are **prohibited** from effecting transactions in securities of the Company (except as otherwise expressly provided below):

- directors and their administrative and other assistants;
- executive officers and their administrative and other assistants;
- all employees and Covered Consultants; and
- any other person designated by the Legal Department.

You should be aware that the blackout periods described above may be modified by the Company at any time. In addition, the Company may from time to time determine that effecting transactions in securities of the Company is inappropriate at a time that is outside the blackout periods and, accordingly, may notify you of additional closed periods at any time. Those subject to blackout period requirements will receive notice of any modification by the Company of the closed period policy or of any additional prohibition on trading during a non-blackout period. Persons subject to the blackout period restrictions who terminate their employment or engagement with the Company during a blackout period will remain subject to the restrictions until the end of such period.

The prohibition described in this Part V shall not apply to bona fide gifts of Company securities and contributions of Company securities to a trust so long as the requirements of Part VI below are complied with and the gifting or contributing persons is not a resident in Canada. We do, however, recommend that gifts and contributions be made, whenever possible, outside of a blackout period. You should consider the appearance of any gift viewed in hindsight. Section 16 officers: (i) are required to obtain pre-approval from the Company's Legal Department for gifts of Company securities, and (ii) if Company securities are transferred to a trust formed for estate-planning purposes or a family limited partnership, charitable foundation or similar entity and the director or officer controls the investment and voting decisions of the trust or entity, the director or officer has to confirm in writing that he/she will not permit the trust or entity to trade Company securities during a blackout period or otherwise in violation of this Policy.

The prohibition shall also not apply (i) with respect to a public offering of Company securities specifically authorized by the Company's board of directors or duly authorized board committee or (ii) to the sale by the Company or at the direction of the Company of shares of common stock subject to restricted stock units or other equity-based incentive compensation that are necessary to generate sufficient proceeds to satisfy withholding obligations relating to such equity-based incentive compensation under a Company-wide program applicable to all Company employees and other equity plan participants holding such equity-based incentive compensation. The Legal Department may, on a case-by-case basis, authorize effecting a transaction in Company securities during a blackout period if the person who wishes to effect such a transaction (i) has, at least two business days prior to the anticipated transaction date, notified the Company in writing of the circumstances and the amount and nature of the proposed transaction and (ii) has certified to the Company that they are not in possession of material nonpublic information concerning the Company.

See Part VII below for the principles applicable to transactions under Rule 10b5-1 plans.

VI. Pre-Clearance of Securities Transactions

To provide assistance in preventing inadvertent violations of the law (which could result for example, from failure by directors and officers subject to reporting obligations under Section 16 of the Exchange Act) and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), we are implementing the following procedure:

All transactions in securities of the Company by the following persons and their Related Parties must be pre-cleared with the Company's Legal Department:

- **directors and their administrative and other assistants;**
- **executive officers, any other officer who has an obligation to file reports under Section 16 of the Exchange Act, and their administrative and other assistants;**
- **employees in the accounting, finance and legal departments; and**
- **any other person designated by the Legal Department.**

Persons subject to these restrictions should contact the Legal Department at <u>least two business days (or such shorter period as the Legal Department may determine) in advance</u> and

may not effect any transaction subject to the pre-clearance request unless given clearance to do so, which clearance, if granted, will be valid only for three business days following the approval date. If a transaction for which clearance has been granted is not effected (i.e., the trade is not placed) within such three business day period, the transaction must be pre-cleared again.

To the extent that a material event or development affecting the Company remains nonpublic, persons subject to pre-clearance will not be given permission to effect transactions in securities of the Company. Such persons may not be informed of the reason why they may not trade. Any person that is made aware of the reason for an event-specific prohibition on trading should in no event disclose the reason for the prohibition to third parties and should avoid disclosing the existence of the prohibition, if possible. Caution should be exercised when telling a broker or other person who suggested a trade that the trade cannot be effected at the time.

Note that the pre-clearance procedures may delay the disposition of any security after it is purchased.

See Part VII below for the principles applicable to transactions under Rule 10b5-1 plans.

VII. 10b5-1 Plans.

The SEC has adopted a safe harbor rule, Rule 10b5-1, which provides a defense against insider trading liability for trades that are effected pursuant to a pre-arranged trading plan that meets specified conditions. The trading plan must be properly documented and all of the procedural conditions of the Rule must be satisfied to avoid liability. Rule 10b5-1 plans are available only to directors, officers and certain employees and Covered Consultants as may be designated from time to time by the Company's Legal Department.

Rule 10b5-1 plans allow transactions for the account of an insider to occur during blackout periods or while the insider has material nonpublic information provided the insider has previously given instructions or other control to effect pre-planned transactions in securities of the Company to a third party. The insider must establish the plan at a time when they are not in possession of material nonpublic information and the insider may not exercise any subsequent influence over how, when or whether to effect transactions. In addition to other specified conditions, a Rule 10b5-1 plan would specify in writing in advance the amount and price of the securities to be sold and the date for the sale (or a formula for determining the amount, price and date) or would otherwise not permit the insider to exercise any subsequent influence over how, when or whether to effect the sales. Any Rule 10b5-1 plan must be submitted to the Company's Legal Department for review and approval prior to its execution. After adopting a valid Rule 10b5-1 plan, the insider will have an affirmative defense that a sale under the plan was not made "on the basis of" material nonpublic information. The Company reserves the right to disapprove any submitted Rule 10b5-1 plan, and to suspend or instruct you to terminate any Rule 10b5-1 plan that it has previously approved.

The Company will treat the creation, modification or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 as a transaction subject to the blackout period rules set forth in Part V of this Policy. Transactions effected pursuant to a properly established Rule 10b5-1 plan, however, will not be subject to the blackout periods under Part V of this Policy. All Rule 10b5-1 plans must have a "cooling off period," the length of which will depend on the status of the person subject to this Policy. For directors and executive officers, the applicable "cooling off period" is the later of (1) 90 days after the adoption and (2) two business days following the disclosure of

the Company's financial results in a Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted, subject to a maximum of 120 days. For all other covered persons, the applicable “cooling off period” is at least 30 days from the time of the trading plan is executed to the time of the first trade pursuant to the plan.

The Company will treat the creation, modification or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 as a transaction subject to pre-clearance under Part VI of this Policy at the time the plan is established, modified or terminated. Persons subject to the pre-clearance policy should coordinate any such plans or arrangements with the Company’s Legal Department. Even though each transaction effected under a Rule 10b5-1 plan does not need to be pre-cleared, in the case of an affiliate, it nonetheless must be made in accordance with Rule 144, and in the case of a director or executive officer, must be reported on a Form 4 under Section 16 of the Exchange Act. Notwithstanding any pre-clearance of a Rule 10b5-1 or other trading plan, the Company assumes no liability for the consequences of any transaction made pursuant to such plan.

VIII. Assistance

Any person who has any questions about this Policy or about specific transactions may contact the Company’s Legal Department. Remember, however, that the ultimate responsibility for adhering to this Policy and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment and to ask before acting if you are unsure.

Exhibit 21.1

List of Subsidiaries of D-Wave Quantum Inc.

Name of Subsidiary	Jurisdiction of Organization
DWSI Canada Holdings ULC	Canada
DPCM Capital, Inc.	Delaware
D-Wave Quantum Technologies Inc.	Canada
D-Wave Systems Inc.	Canada
D-Wave Quantum Solutions Inc.	Canada
D-Wave US Inc.	Delaware
D-Wave Government Inc.	Delaware
D-Wave Commercial Inc.	Delaware
D-Wave International Inc.	Canada
D-Wave Japan Co., Ltd.	Japan
D-Wave UK Ltd.	United Kingdom
D-Wave Quantum Services Europe Limited	Ireland
1372934 B.C. Ltd.	Canada
1372929 B.C. Ltd.	Canada
Quantum Circuits, LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated February 26, 2026, with respect to the consolidated financial statements included in the Annual Report of D-Wave Quantum Inc. on Form 10-K for the year ended December 31, 2025. We consent to the incorporation by reference of said report in the Registration Statements of D-Wave Quantum Inc. on Forms S-3 (File No. 333-278449, 333-278450, 333-286008), Form S-3ASR (File No. 333-292825) and on Forms S-8 (File No. 333-267843, 333-292824).

/s/ GRANT THORNTON LLP

Bellevue, Washington
February 26, 2026

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Alan Baratz, certify that:

1. I have reviewed this Annual Report on Form 10-K of D-Wave Quantum Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 26, 2026

By: /s/ Alan Baratz
Alan Baratz
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, John M. Markovich, certify that:

1. I have reviewed this Annual Report on Form 10-K of D-Wave Quantum Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 26, 2026

By: /s/ John M. Markovich
John M. Markovich
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of D-Wave Quantum Inc. (the "Company") on Form 10-K for the period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alan Baratz, President & Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 26, 2026

By: /s/ Alan Baratz
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of D-Wave Quantum Inc. (the "Company") on Form 10-K for the period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John M. Markovich, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 26, 2026

By: /s/ John M. Markovich
Chief Financial Officer
(Principal Financial and Accounting Officer)