

REFINITIV

DELTA REPORT

10-Q

D-WAVE QUANTUM INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1606

 CHANGES 127

 DELETIONS 793

 ADDITIONS 686

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

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

For the transition period from _____ and _____
Commission file number **001-41468**

D-WAVE QUANTUM INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

88-1068854

(I.R.S. Employer
Identification No.)

2650 East Bayshore Road, Palo Alto, California

(Address of Principal Executive Offices)

94303

(Zip Code)

(604) 630-1428

Registrant's telephone number, including area code

(Former name, former address and former fiscal year, if changed since last report)

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
Warrants, each whole warrant exercisable for 1.4541326 shares of common stock at an exercise price of \$11.50	QBTS.WT	New York Stock Exchange

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of November 8, 2023 May 10, 2024, the registrant had 113,401,611 there were outstanding 126,380,683 shares of the registrant's common stock, at par value \$0.0001 outstanding per share. In addition, there were 46,526,886 44,889,286 exchangeable shares outstanding as of November 8, 2023 May 10, 2024, which are convertible into shares of common stock on a one for one basis at any time for no consideration.

Table of Contents

	<u>Page</u>
Part I. Financial Information	3
Item 1. D-Wave Quantum Inc. Financial Statements (Unaudited)	53
Condensed Consolidated Balance Sheets (Unaudited)	5
Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)	6
Condensed Consolidated Statements of Changes in Stockholders' (Deficit) Equity(Deficit)(Unaudited)	7
Condensed Consolidated Statements of Cash Flows (Unaudited)	11
Notes to Condensed Consolidated Financial Statements (Unaudited)	12
Item 2. D-Wave Quantum Inc. Management's Discussion and Analysis of Financial Condition and Results of Operations	3523
Item 3. Quantitative and Qualitative Disclosures About Market Risk	3730
Item 4. Controls and Procedures	3730
Part II. Other Information	32
Item 1.1. Legal Proceedings	3932
Item 1A.1A. Risk Factors	3932
Item 2.2. Unregistered Sales of Equity Securities and Use of Proceeds	3932
Item 3.3. Defaults Upon Senior Securities	3932
Item 4.4. Mine Safety Disclosures	3932
Item 5.5. Other Information	3932
Item 6.6. Exhibits and Financial Statement Schedules	4032
Signatures	4134

CAUTIONARY NOTE REGARDING FORWARD LOOKING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q (this "Report") and in documents incorporated herein by reference may constitute "forward-looking statements" for purposes 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, and Section 21E of the Securities Exchange Act of 1933, 1934, as amended. Unless otherwise indicated or the context otherwise requires, all references in this Report to the terms "D-Wave" and the "Company" refer to D-Wave Quantum Inc., together with its subsidiaries. Our forward-looking statements include, but are not limited to, statements regarding D-Wave Quantum's and D-Wave's D-Wave Quantum's management team's expectations, hopes, beliefs, intentions or strategies regarding the future. 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", "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. **Forward-looking statements** Factors that might cause or contribute to a material difference include those risks discussed below and in **this Part I**, Item 1A, "Risk Factors" in our most recent Annual Report may include, for example, statements about:

- on Form 10-K and our other filings with the Securities and Exchange Commission **D-Wave's future growth and innovations;**
- (the increased adoption of quantum computing solutions and expansion of related market opportunities and use cases;
- D-Wave's expectations regarding product development and functionality;
- D-Wave's financial and business performance, including financial projections and business metrics relating to, among other things, QCaaS revenue, cost of revenue, operating losses and cash flows;
- changes in D-Wave's strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects and plans;
- the ability of D-Wave's products and services to meet customers' compliance and regulatory needs;
- developments and projections relating to D-Wave's products, competitors and industry;
- the impact of the current economic environment due to inflation, increased interest rates, Ukraine/Russia conflict, the Israel-Hamas War, and any evolutions thereof, on D-Wave's business and the actions D-Wave may take in response thereto;
- D-Wave's expectations regarding its ability to obtain and maintain intellectual property protection and not infringe on the rights of others;
- D-Wave's expectations about the Term Loan (as defined below) providing it sufficient cash runway;
- D-Wave's expectations about investments in general and administrative areas and research and development capabilities;
- whether warrant holders will exercise their warrants in certain conditions;
- D-Wave's future capital requirements and sources and uses of cash;
- D-Wave's ability to obtain funding for its operations and future growth; and
- D-Wave's business, expansion plans and opportunities.

"SEC"). You should not place undue reliance on these forward-looking statements in making an investment decision. decision with respect to the securities offered under this Report. 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 the control of D-Wave Quantum. 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 Report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The following

discussion should be read in conjunction with the Company's audited Consolidated Financial Statements and related notes thereto included our most recent Annual Report on Form 10-K. These forward-looking statements are based on information available as of the date of this Report, 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.

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 the control of D-

Wave. 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.

Some factors that could cause actual results to differ include:

- anticipated trends, growth rates, and challenges in companies, such as D-Wave, that are engaged in the business of quantum computing and in the markets in which they operate;
- the risk that D-Wave's securities will not maintain a listing on the New York Stock Exchange ("NYSE");
- risks related to the uncertainty of the unaudited prospective forecasted financial information;
- risks related to the performance of D-Wave's business and the timing of expected business or financial milestones;
- unanticipated technological or project development challenges, including with respect to the cost and/or timing thereof;
- the performance of D-Wave's products and services;
- the effects of competition on D-Wave's business;
- changes in D-Wave's business as well as market, financial, political and legal conditions;
- the risk that D-Wave will need to raise additional capital to execute its business plan, which may not be available on acceptable terms or at all;
- the risk that D-Wave may never achieve or sustain profitability;
- the risk that D-Wave is unable to secure or protect its intellectual property;
- changes in applicable laws or regulations;
- the effect of the current economic environment due to inflation, increased interest rates, Ukraine/Russia conflict, the Israel-Hamas War, geopolitical events, natural disasters, wars, terrorist acts or a combination of these factors on D-Wave's business and the economy in general;
- the ability of D-Wave to execute its business model, including market acceptance of its planned products and services;
- D-Wave's ability to raise capital, including under the Purchase Agreement (as defined below) with Lincoln Park Capital Fund LLC ("Lincoln Park");
- D-Wave's ability to obtain funds under the Term Loan (as defined below);
- the possibility that D-Wave may be negatively impacted by other economic, business, and/or competitive factors;
- risks stemming from inflation;
- any changes to applicable tax laws, including U.S. tax laws; and

- other risks and uncertainties described in Report, including those referenced under the section titled "Risk Factors."

In addition, statements that "D-Wave believes" and similar statements reflect D-Wave's beliefs and opinions on the relevant subject. These statements are based upon information available to D-Wave as of the date of this Report, and while D-Wave believes such information forms a reasonable basis for such statements, such information may be limited or incomplete, and such statements should not be read to indicate that such party has conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Part I - Financial Information

Item 1. Financial Statements

D-Wave Quantum Inc. Condensed Consolidated Balance Sheets

	March 31, 2024	December 31, 2023		
	(Unaudited)			
<i>(In thousands, except share and per share data)</i>				
Assets				
Current assets:				
Cash	\$ 27,304	\$ 41,307		
Trade accounts receivable, net	1,735	1,652		
Inventories	2,079	2,078		
Prepaid expenses and other current assets	2,569	2,009		
Total current assets	33,687	47,046		
Property and equipment, net	2,909	2,551		
Operating lease right-of-use assets	7,879	8,223		
Intangible assets, net	302	179		
Other non-current assets	3,828	1,357		
Total assets	\$ 48,605	\$ 59,356		
Liabilities and stockholders' deficit				
Current liabilities:				
Trade accounts payable	\$ 1,037	\$ 1,465		
Accrued expenses and other current liabilities	6,007	5,343		

Current portion of operating lease liabilities	1,448	1,374
Loans payable, net, current	369	399
Deferred revenue, current	1,999	2,669
Total current liabilities	10,860	11,250
Warrant liabilities	4,282	1,630
Operating lease liabilities, net of current portion	6,978	7,028
Loans payable, net, non-current (including \$31,100 and \$31,400 as of March 31, 2024 and December 31, 2023, respectively, at fair value)	63,043	63,850
Deferred revenue, non-current	399	79
Total liabilities	\$ 85,562	\$ 83,837
Commitments and contingencies (Note 10)		
Stockholders' deficit:		
Common stock, par value \$0.0001 per share; 675,000,000 shares authorized at both March 31, 2024 and December 31, 2023; 161,675,010 shares and 161,113,744 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.	16	16
Additional paid-in capital	473,870	469,081
Accumulated deficit	(500,373)	(483,061)
Accumulated other comprehensive loss	(10,470)	(10,517)
Total stockholders' deficit	(36,957)	(24,481)
Total liabilities and stockholders' deficit	\$ 48,605	\$ 59,356

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

3

D-Wave Quantum Inc. Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)			
<i>(In thousands of U.S. dollars, except share and per share data)</i>	As of		
	September 30, 2023	December 31, 2022	
Assets			
Current assets:			
Cash	\$ 53,317	\$ 7,065	
Trade accounts receivable	763	757	

Inventories	2,244	2,196
Prepaid expenses and other current assets	1,870	3,907
Total current assets	58,194	13,925
Property and equipment, net	1,879	2,294
Operating lease right-of-use assets	8,560	9,133
Intangible assets, net	195	244
Other noncurrent assets	1,351	1,351
Total assets	\$ 70,179	\$ 26,947
Liabilities and stockholders' (deficit) equity		
Current liabilities:		
Trade accounts payable	\$ 1,541	\$ 3,756
Accrued expenses and other current liabilities	9,604	8,640
Loans payable, current	30,006	1,671
Deferred revenue, current	2,177	1,781
Total current liabilities	43,328	15,848
Warrant liabilities	1,971	1,892
Operating lease liabilities, net of current portion	6,884	7,301
Loans payable, noncurrent	9,108	7,811
Deferred revenue, noncurrent	92	9
Total liabilities	61,383	32,861
Commitments and contingencies (Note 11)		
Stockholders' (deficit) equity:		
Common stock par value \$0.0001 per share; 675,000,000 shares authorized at September 30, 2023 and December 31, 2022; 155,288,763 shares and 113,335,530 shares issued and outstanding as of September 30, 2023 and December 31, 2022.	15	11
Additional paid-in capital	462,385	381,274
Accumulated deficit	(443,132)	(376,797)
Accumulated other comprehensive loss	(10,472)	(10,402)
Total stockholders' (deficit) equity	8,796	(5,914)
Total liabilities and stockholders' equity	\$ 70,179	\$ 26,947

	Three Months Ended March 31,	
	2024	2023
(In thousands, except share and per share data)		
Revenue	\$ 2,465	\$ 1,583
Cost of revenue	806	1,162
Total gross profit	1,659	421
Operating expenses:		

Research and development	8,525	10,915
General and administrative	7,566	11,296
Sales and marketing	3,084	2,900
Total operating expenses	19,175	25,111
Loss from operations	(17,516)	(24,690)
Other income, net:		
Interest expense	(1,140)	(212)
Change in fair value of Term Loan	1,199	—
Gain on investment in marketable equity securities	1,660	—
Change in fair value of warrant liabilities	(2,652)	638
Other income (expense), net	1,137	(142)
Total other income, net	204	284
Net loss	\$ (17,312)	\$ (24,406)
Net loss per share, basic and diluted	\$ (0.11)	\$ (0.20)
Weighted-average shares used in computing net loss per share, basic and diluted	161,308,490	123,144,097
Comprehensive loss:		
Net loss	\$ (17,312)	\$ (24,406)
Foreign currency translation adjustment, net of tax	47	(19)
Net comprehensive loss	\$ (17,265)	\$ (24,425)

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

D-Wave Quantum Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss Stockholders' Deficit
For the Three Months Ended March 31, 2024
(Unaudited)

<i>(In thousands, except share and per share data)</i>	For the three months ended		For the nine months ended	
	September 30,	September 30,	September 30,	September 30,
Revenue	\$ 2,562	\$ 1,695	\$ 5,852	\$ 4,778
Cost of revenue	1,033	654	3,197	1,858
Total gross profit	1,529	1,041	2,655	2,920

Operating expenses:				
Research and development	9,459	7,507	29,922	21,799
General and administrative	8,003	5,925	28,875	13,566
Sales and marketing	2,474	2,773	7,862	5,982
Total operating expenses	19,936	16,205	66,659	41,347
Loss from operations	(18,407)	(15,164)	(64,004)	(38,427)
Other income (expense), net:				
Interest expense	(1,247)	(1,069)	(2,482)	(3,588)
Change in fair value of warrant liabilities	1,433	2,603	(79)	2,603
Government assistance	1,051	—	1,051	—
Change in fair value of Term Loan	1,701	—	1,356	—
Term Loan debt issuance costs	(725)	—	(2,118)	—
Lincoln Park Purchase Agreement issuance costs	—	(629)	—	(629)
Other income (expense), net	365	948	(59)	1,301
Total other income (expense), net	2,578	1,853	(2,331)	(313)
Net loss	\$ (15,829)	\$ (13,311)	\$ (66,335)	\$ (38,740)
Net loss per share, basic and diluted	\$ (0.12)	\$ (0.11)	\$ (0.50)	\$ (0.32)
Weighted-average shares * used in computing net loss per share, basic and diluted	133,222,318	116,256,805	131,373,959	122,337,727
Comprehensive loss:				
Net loss	\$ (15,829)	\$ (13,311)	\$ (66,335)	\$ (38,740)
Foreign currency translation adjustment, net of tax	15	56	(70)	18
Comprehensive loss	\$ (15,814)	\$ (13,255)	\$ (66,405)	\$ (38,722)

* Weighted-average shares for the three and nine months ended September 30, 2022 have been retroactively restated to give effect to the Merger.

(In thousands, except share data)	Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss		Total stockholders' deficit
	Shares	Amount					
Balance at December 31, 2023	161,113,744	16	469,081	(483,061)	(10,517)		(24,481)
Issuance of common stock under stock-based compensation plans	561,266	—	8	—	—		8
Stock-based compensation	—	—	5,515	—	—		5,515
Tax withholding related to vesting of restricted stock units	—	—	(734)	—	—		(734)
Foreign currency translation adjustment, net of tax	—	—	—	—	47		47

Net loss	—	—	—	(17,312)	—	(17,312)
Balances at March 31, 2024	161,675,010	16	473,870	(500,373)	(10,470)	(36,957)

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

D-Wave Quantum Inc.
Condensed Consolidated Statements of Stockholders' (Deficit) Equity
For the Three Months Ended September 30, 2023 March 31, 2023
(Unaudited)

<i>(In thousands, except share data)</i>	Stockholders' (Deficit) Equity						<i>Total stockholders' (deficit) equity</i>
	Common stock		Additional paid-in capital		Accumulated deficit	other comprehensive loss	
	Shares	Amount	 	 	 	 	
Balances at June 30, 2023	128,028,658	\$ 12	\$ 409,885	\$ (427,303)	\$ (10,487)	\$ (27,893)	
Exercise of stock options	786,202	—	683	—	—	—	683
Issuance of common stock in connection with the Purchase Agreement	26,247,450	3	45,660	—	—	—	45,663
Issuance of common stock in connection with the ESPP	226,453	—	273	—	—	—	273
Stock-based compensation	—	—	5,884	—	—	—	5,884
Foreign currency translation adjustment, net of tax	—	—	—	—	—	15	15
Net loss	—	—	—	(15,829)	—	—	(15,829)
Balance at September 30, 2023	155,288,763	\$ 15	\$ 462,385	\$ (443,132)	\$ (10,472)	\$ 8,796	

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

<i>(In thousands, except share data)</i>	Accumulated deficit						<i>Total stockholders' deficit</i>
	Common stock		Additional paid-in capital		Accumulated deficit	other comprehensive loss	
	Shares	Amount	 	 	 	 	
Balances at December 31, 2022	113,335,530	11	381,274	(400,346)	(10,402)	(29,463)	

Issuance of common stock in connection with the Lincoln Park Purchase Agreement	13,239,654	1	15,682	—	—	15,683
Issuance of common stock under stock-based compensation plans	598,368	—	546	—	—	546
Stock-based compensation	—	—	6,755	—	—	6,755
Short-swing profit settlement	—	—	244	—	—	244
Foreign currency translation adjustment, net of tax	—	—	—	—	(19)	(19)
Net loss	—	—	—	(24,406)	—	(24,406)
Balances at March 31, 2023	127,173,552	12	404,501	(424,752)	(10,421)	(30,660)

D-Wave Quantum Inc.
Condensed Consolidated Statements of Stockholders' (Deficit) Equity
For the Three Months Ended September 30, 2022
(Unaudited)

Stockholders' Deficit								
<i>(In thousands, except share data)</i>	Non-redeemable convertible preferred stock		Common stock		Accumulated other Total stockholders' deficit			
	Shares	Amount	Shares	Amount	Additional paid-in capital	Accumulated deficit	comprehensive loss	deficit
Balances at June 30, 2022	137,765,828	\$189,881	3,341,327	\$ 2,811	\$ 147,754	\$ (350,697)	\$ (10,481)	\$ (20,732)
Retroactive application of Merger	(15,201,495)	—	(368,692)	(2,811)	2,811	—	—	—
Adjusted Balances, beginning of period*	122,564,333	189,881	2,972,635	—	150,565	(350,697)	(10,481)	(20,732)

Issuance of common stock upon conversion of D-Wave Systems preferred stock in connection with the Merger	(122,564,333)	(189,881)	96,764,117	10	189,871	—	—	—
Issuance of common stock in connection with the Lincoln Park Purchase Agreement (Note 4)	— —	—	381,540	—	3,271	—	—	3,271
Merger, net of redemptions and transaction costs	— —	—	4,327,512	—	(16,242)	—	—	(16,242)
Issuance of common stock in connection with the PIPE								
Investment	— —	—	5,816,528	1	39,999	—	—	40,000
Exercise of warrants	— —	—	115,025	—	910	—	—	910
Stock-based compensation	— —	—		—	1,781	—	—	1,781
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	56	56
Net loss	—	—	—	—	—	(13,311)	—	(13,311)

Balances at								
September								
30, 2022	—	\$	—	110,377,357	\$	11	\$ 370,155	\$ (364,008)
								\$ (10,425)
								\$ (4,267)

* Shares of legacy non-redeemable convertible preferred stock and legacy common stock have been retroactively restated to give effect to the Merger.

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

D-Wave Quantum Inc.
Condensed Consolidated Statements of Stockholders' (Deficit) Equity
For the Nine Months Ended September 30, 2023
(Unaudited)

<i>(In thousands, except share data)</i>	Stockholders' (Deficit) Equity							
	Common stock				Accumulated other comprehensive loss			
	Shares	Amount	Additional paid-in capital	Accumulated deficit	loss			
Balances at December 31, 2022	113,335,530	\$ 11	\$ 381,274	\$ (376,797)	\$ (10,402)	\$ (5,914)		
Exercise of stock options	2,239,676	—	1,890	—	—	—	1,890	
Issuance of common stock in connection with the Purchase Agreement	39,487,104	4	61,342	—	—	—	61,346	
Issuance of common stock in connection with the ESPP	226,453	—	273	—	—	—	273	
Stock-based compensation	—	—	17,362	—	—	—	17,362	
Short-swing profit settlement	—	—	244	—	—	—	244	
Foreign currency translation adjustment, net of tax	—	—	—	—	(70)	(70)		
Net loss	—	—	—	(66,335)	—	—	(66,335)	

Balances at September 30, 2023	155,288,763	\$ 15	\$ 462,385	\$ (443,132)	\$ (10,472)	\$ 8,796
---------------------------------------	--------------------	--------------	-------------------	---------------------	--------------------	-----------------

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

D-Wave Quantum Inc.
Condensed Consolidated Statements of Stockholders' (Deficit) Equity
For the Nine Months Ended September 30, 2022
(Unaudited)

Stockholders' (Deficit) Equity								
Non-redeemable convertible preferred stock		Common stock				Accumulated paid-in capital		
<i>(In thousands, except share data)</i>	Shares	Amount	Shares	Amount	Additional paid-in capital	Accumulated deficit	other comprehensive loss	Total stockholders' (deficit) equity
Balances at December 31, 2021								
2021	137,765,828	\$ 189,881	3,166,949	\$ 2,610	\$ 146,240	\$ (325,268)	\$ (10,443)	\$ 3,020
Retroactive application of Merger								
Merger	(15,201,495)	—	(349,451)	(2,610)	2,610	—	—	—
Adjusted Balances, beginning of period*								
period*	122,564,333	189,881	2,817,498	—	148,850	(325,268)	(10,443)	3,020
Issuance of common stock upon conversion of D-Wave Systems preferred stock in connection with the Business Combination (Note 3)								
(Note 3)	(122,564,333)	(189,881)	96,764,117	10	189,871	—	—	—

Issuance of common stock in connection with the ELOC (Note 3)	—	—	381,540	—	3,271	—	—	3,271
Business Combination, net of redemptions and transaction costs (Note 3)	—	—	4,327,512	—	(16,242)	—	—	(16,242)
Issuance of common stock in connection with the PIPE Investment (Note 3)	—	—	5,816,528	1	39,999	—	—	40,000
Old D-Wave exercise of stock options	—	—	155,137	—	141	—	—	141
Exercise of warrants	—	—	115,025	—	910	—	—	910
Old D-Wave stock-based compensation	—	—	—	—	3,355	—	—	3,355
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	18	18
Net loss	—	—	—	—	—	(38,740)	—	(38,740)
Balances at September 30, 2022	—	\$	—	110,377,357	\$	11	\$	370,155
						\$	(364,008)	\$
							(10,425)	\$
								(4,267)

* Shares of legacy non-redeemable convertible preferred stock and legacy common stock have been retroactively restated to give effect to the Merger.

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

D-Wave Quantum Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

Three Months Ended

March 31,

Three Months Ended

March 31,

Three Months Ended

March 31,

(in thousands)

Cash flows from

operating activities:

Cash flows from

operating activities:

Cash flows from

operating activities:

Net loss

Net loss

Net loss

Adjustments to

reconcile net

loss to cash

used in

operating

activities:

Adjustments to

reconcile net

loss to cash

used in

operating

activities:

Adjustments to

reconcile net

loss to cash

used in

operating

activities:

Depreciation

and

amortization

Depreciation
and
amortization
Depreciation
and
amortization
Stock-based
compensation
Stock-based
compensation
Stock-based
compensation
Amortization of
operating right-
of-use assets
Amortization of
operating right-
of-use assets
Amortization of
operating right-
of-use assets
Non-cash
interest
expense
Non-cash
interest
expense
Non-cash
interest
expense
Change in fair
value of
Warrant
liabilities
Change in fair
value of
Warrant
liabilities
Change in fair
value of
Warrant
liabilities

Change in fair

value of Term

Loan

Change in fair

value of Term

Loan

Change in fair

value of Term

Loan

Gain on

marketable

securities

Gain on

marketable

securities

Gain on

marketable

securities

Unrealized

foreign

exchange loss

(gain)

Unrealized

foreign

exchange loss

(gain)

Unrealized

foreign

exchange loss

(gain)

Change in

operating

assets and

liabilities:

Change in

operating

assets and

liabilities:

Change in

operating

assets and

liabilities:

Trade
accounts
receivable

Trade
accounts
receivable

Trade
accounts
receivable

Inventories

Inventories

Inventories

Prepaid
expenses
and other
current
assets

Prepaid
expenses
and other
current
assets

Prepaid
expenses
and other
current
assets

Trade
accounts
payable

Trade
accounts
payable

Trade
accounts
payable

Accrued
expenses
and other
current
liabilities

Accrued
expenses
and other

current
liabilities

Accrued
expenses
and other
current
liabilities

Deferred
revenue

Deferred
revenue

Deferred
revenue

Operating
lease
liability

Operating
lease
liability

Operating
lease
liability

Other non-
current
assets

Other non-
current
assets

Other non-
current
assets

**Net cash used in
operating activities**

**Net cash used in
operating activities**

**Net cash used in
operating activities**

**Cash flows from
investing activities:**

**Cash flows from
investing activities:**

**Cash flows from
investing activities:**

Purchase of
property and
equipment

Purchase of
property and
equipment

Purchase of
property and
equipment

Purchase of
convertible note

(Note 4)

Purchase of
convertible note

(Note 4)

Purchase of
convertible note

(Note 4)

Sales of
marketable equity
securities (Note 4)

Sales of
marketable equity
securities (Note 4)

Sales of
marketable equity
securities (Note 4)

Expenditures for
internal-use
software

Expenditures for
internal-use
software

Expenditures for

internal-use

software

Purchase of

software

Purchase of

software

Purchase of

software

Net cash used in

investing activities

Net cash used in

investing activities

Net cash used in

investing activities

Cash flows from

financing activities:

Cash flows from

financing activities:

Cash flows from

financing activities:

Proceeds from

Lincoln Park

Purchase

Agreement

Proceeds from

Lincoln Park

Purchase

Agreement

Proceeds from

Lincoln Park

Purchase

Agreement

Proceeds from

issuance of

common stock

upon exercise of

stock options

Proceeds from
issuance of
common stock
upon exercise of
stock options

Proceeds from
issuance of
common stock
upon exercise of
stock options

Payment of tax
withheld for
common stock
issued under
stock-based
compensation
plans

Payment of tax
withheld for
common stock
issued under
stock-based
compensation
plans

Payment of tax
withheld for
common stock
issued under
stock-based
compensation
plans

Short swing profit
settlement

Short swing profit
settlement

Short swing profit
settlement

Debt payments

Debt payments

Debt payments

**Net cash provided
by (used in)**

financing activities

**Net cash provided
by (used in)**

financing activities

**Net cash provided
by (used in)**

financing activities

Effect of exchange

rate changes on cash

and cash equivalents

Effect of exchange

rate changes on cash

and cash equivalents

Effect of exchange

rate changes on cash

and cash equivalents

Net increase

(decrease) in cash

and cash equivalents

Net increase

(decrease) in cash

and cash equivalents

Net increase

(decrease) in cash

and cash equivalents

Cash and cash

equivalents at

beginning of period

Cash and cash

equivalents at

beginning of period

Cash and cash

equivalents at

beginning of period

Cash and cash

equivalents at end of

period

Cash and cash

equivalents at end of

period

Cash and cash
equivalents at end of
period

**Supplemental
disclosure of non-
cash investing and
financing activities:**

**Supplemental
disclosure of non-
cash investing and
financing activities:**

**Supplemental
disclosure of non-
cash investing and
financing activities:**

Inventory applied to
capital projects

Inventory applied to
capital projects

Inventory applied to
capital projects

Operating lease
right-of-use assets
recognized in
exchange for new
operating lease
obligations

Operating lease
right-of-use assets
recognized in
exchange for new
operating lease
obligations

Operating lease
right-of-use assets
recognized in
exchange for new
operating lease
obligations

Purchases of
property and
equipment included
in accounts payable
Purchases of
property and
equipment included
in accounts payable
Purchases of
property and
equipment included
in accounts payable
Bonus settled in
vested share based
compensation
awards
Bonus settled in
vested share based
compensation
awards
Bonus settled in
vested share based
compensation
awards

	Nine months ended September 30,	
<i>(in thousands)</i>	2023	2022
Cash flows from operating activities:		
Net loss	\$(66,335)	\$(38,740)
Adjustments to reconcile net loss to cash used in by operating activities:		
Depreciation and amortization	828	1,038
Stock-based compensation	17,362	3,355

Amortization of operating right of use assets	573	493
Non-cash interest expense	2,405	1,616
Non-cash final fee payment for Venture Loan	—	1,808
Non-cash Lincoln Park Purchase Agreement issuance costs	—	629
Change in fair value of Warrant liabilities	79	(2,603)
Change in fair value of Term Loan	(1,356)	—
Debt issuance costs netted from Term Loan		
proceeds	993	—
Government assistance	(1,051)	—
Unrealized foreign exchange loss (gain)	(15)	(1,226)
Other non- cash activities	35	266
Change in operating assets and liabilities:		

Trade accounts receivable	7	1
Research incentives receivable	—	1,448
Inventories	(235)	(684)
Deferred offering costs	—	1,250
Prepaid expenses and other current assets	2,035	(3,815)
Trade accounts payable	(2,267)	614
Accrued expenses and other current liabilities	965	1,704
Deferred revenue	479	(1,051)
Operating lease liabilities, net of current portion	(412)	(442)
Net cash used in operating activities	(45,910)	(34,339)
Cash flows from investing activities:		
Purchase of property and equipment	(141)	(249)
Purchase of software	(35)	(67)
Net cash used in investing activities	(176)	(316)

Cash flows from financing activities:		
Proceeds from issuance of common stock from the PIPE investment	—	40,000
(Note 3)		
Merger, net of redemption and transaction costs (Note 3)	—	4,100
Transaction costs paid directly by D-Wave Systems	—	(6,528)
Proceeds from exercise of public warrants	—	910
Proceeds from promissory note - related party	—	420
Payment on directors and officers financing arrangement	(1,449)	(864)
Proceeds from Lincoln Park Purchase Agreement	61,346	—
Proceeds from issuance of common stock in connection with ESPP	273	—
Proceeds from government assistance	1,487	3,124

Proceeds from issuance of common stock upon exercise of stock options	1,890	141
Proceeds from debt financing	29,007	19,870
Debt payments	(390)	(20,000)
Venture Loan interest and final payment fee	—	(1,808)
Government loan payment	—	(398)
Short swing profit settlement	244	—
Net cash provided by financing activities	92,408	38,967
Effect of exchange rate changes on cash and cash equivalents	(70)	(31)
Net increase in cash and cash equivalents	46,252	4,281
Cash and cash equivalents at beginning of period	7,065	9,483
Cash and cash equivalents at end of period	\$ 53,317	\$ 13,764
Supplemental disclosure of noncash investing and financial activities:		
Transfer from inventory to property and equipment	\$ 152	\$ —

Purchases of property and equipment included in accounts payable	\$ 53	\$ —
Non-cash directors and officers insurance	\$ —	\$ 2,893
Initial warrant liabilities recognized in connection with closing of the Merger	\$ —	\$ 8,101
Non-cash Merger financing	\$ —	\$ 5,713
Issuance of shares for payment of Lincoln Park Purchase Agreement commitment fee	\$ —	\$ 3,271
Conversion of convertible preferred stock to common stock	\$ —	\$ 189,871

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

D-Wave Quantum Inc.
Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. Description of business **DESCRIPTION OF BUSINESS**

D-Wave Quantum Inc. ("D-Wave" or the "Company") was incorporated 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 a commercial quantum computing company that provides customers with a full suite of professional services and web-based access to its superconducting quantum computer systems and integrated software environment through its cloud service, Leap™. Historically, the Company has developed its own annealing superconducting quantum computer and associated software, and its current generation quantum system is the Advantage™ system.

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

2. Basis of Presentation and Summary of Significant Accounting Policies BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited interim condensed consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial reporting and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, the condensed consolidated balance sheet as of December 31, 2022, has been derived from the audited consolidated financial statements at that date, but certain notes or other information that are normally required by U.S. GAAP have been omitted if they substantially duplicate the disclosures contained in the Company's annual audited consolidated financial statements.

Certain information and footnote disclosure normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to instructions, rules and regulations prescribed by the United States Securities and Exchange Commission ("SEC"). In the opinion of the Company, the unaudited financial information for the interim periods presented reflects all adjustments, which are normal and recurring, necessary for a fair presentation of the condensed consolidated statement statements of operations and comprehensive loss, condensed consolidated balance sheet, sheets, and condensed consolidated statements of cash flows. Interim results should not be regarded as indicative of results that may be expected for any other period or the entire year.

The interim condensed consolidated financial statements included herein have been prepared on the same basis as the audited annual consolidated financial statements and reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the our Annual Report on Form 10-K as of and for the year ended December 31, 2022 December 31, 2023 filed with the SEC.

The condensed consolidated statement of operations and comprehensive loss for the three and nine month periods ended September 30, 2023 are not necessarily indicative of the results to be anticipated for the entire year ending December 31, 2023 or thereafter. All references to September 30, 2023 and 2022 in the notes to condensed consolidated financial statements are unaudited. SEC on March 29, 2024.

Principles of Consolidation

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

Liquidity and going concern Going Concern

The Company has prepared its condensed consolidated financial statements assuming that it will continue as a going concern. Since its inception, the Company has incurred net losses and negative cash flows from operations. As of **September 30, 2023** **March 31, 2024**, the Company had an accumulated deficit of **\$443.1 million** **\$500.4 million**. For the three and nine months ended **September 30, 2023** **March 31, 2024** and 2023, the Company incurred a net loss of **\$15.8 million** **\$17.3 million** and **\$66.3 million** **\$24.4 million**, respectively. For the three and nine months ended September 30, 2022, the Company incurred a net loss of **\$13.3 million** and **\$38.7 million**, respectively. For the nine month period ended September 30, 2023 and 2022, the Company had net cash outflows from operating activities of **\$45.9 million** **\$12.1 million** and **\$34.3 million** **\$13.6 million**, respectively. As of **September 30, 2023** **March 31, 2024**, the Company had **\$53.3 million** cash of cash **\$27.3 million** and working capital (current assets less current liabilities) of **\$14.9 million** **\$22.8 million**. Additionally, total liabilities exceeded total assets at March 31, 2024 by **\$37.0 million**. The Company expects to incur additional operating losses and negative cash flows from operating activities as it continues to expand its commercial operations and research and development programs.

On **April 13, 2023**, **April 13, 2023** (the "Closing Date"), the Company entered into the finalized a Term Loan and Security Agreement (the "Term" ("Term Loan")), by and between the Company and with PSPIB Unitas Investments II Inc. ("PSPIB" or the "Lender"), a related party to the Company's largest shareholder. As further described The Term Loan, outlined in Note **76** - Loans payable, the Term Loan net, provides for an aggregate principal amount of \$50.0 million to be made available to the Company **\$50.0 million** in three tranches, subject to certain terms and conditions as defined in the Term Loan, including a with financial covenant that measures the Company's revenue against certain minimum percentages of budgeted revenue per quarter. performance requirements. The first two tranches of the Term Loan, **\$15.0 million** each amounting to **\$15.0 million** in principal, were advanced to D-Wave disbursed on April 14, 2023, and July 13, 2023, respectively. The Lender agreed to modify certain conditions to the funding of the second tranche of the Term Loan, including delaying the delivery of a board-approved operating budget and plan for the Company's fiscal years 2023 through 2027 to August 31, 2023 (later extended to December 31, 2023); modifying the condition that, prior to the funding of the second tranche, the Company shall have nominated an additional director that is either an employee of PSPIB or an independent director selected from PSPIB nominees to require such appointment at a later time at PSPIB's option; and modifying notice deadline requirements for the registration or filings of intellectual property. PSPIB has also agreed to waive certain covenants under the Term Loan that the Company did not meet, including the minimum revenue financial covenant for the second and third fiscal quarters ended June 30, 2023 and September 30, 2023, respectively. The availability of the third tranche of \$20.0 million is subject to the satisfaction of certain conditions, contingent on meeting specific criteria, including the closing of a \$25.0 million non-dilutive financing on terms reasonably acceptable to the Lender, the intellectual property valuation report submitted as a condition precedent to the second tranche remaining satisfactory to the Lender and the board-approved operating budget for 2023 through 2027 to be submitted by December 31, 2023, being satisfactory to the Lender. The deadline to provide the operating budget was extended to December 31, 2023 from August 31, 2023 by the fourth amendment to the Term Loan dated October 6, 2023, closure. There can be no assurance that the Company will be able to meet the conditions necessary to draw on the third tranche or will be able to comply tranche. As of March 31, 2024, the Company was in compliance with the covenants of the Term Loan, or that PSPIB will agree to waive covenants under the Term Loan in the future. **Loan**.

In conjunction with the Merger, the Company and D-Wave Systems entered into a purchase agreement with Lincoln Park Capital Fund, LLC ("Lincoln Park") on **June 16, 2022** **June 16, 2022** (the "Purchase Agreement" or the "Purchase Agreement")

which provides D-Wave the sole right, but not the obligation, to direct Lincoln Park to buy specified dollar amounts up to \$150 million of D-Wave's common stock, par value \$0.0001 per share (the "Common Shares") through November 1, 2025. The Purchase Agreement may provide the Company and D-Wave 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 share of common stock of the Company, par value \$0.0001, (the "Common Shares") and a floor price of \$1.00 at or below which the Company may not sell to Lincoln Park any Common Shares. When the Company sells shares 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 discretion. For During the nine months ended September 30, 2023 March 31, 2024, the Company has received \$61.3 million in proceeds through the issuance of 39,487,104 did not issue any Common Shares to Lincoln Park under the Purchase Agreement. In order for the Company to issue Common Shares under the Purchase Agreement, the Company's share price must be above the floor price of \$1.00 per share. \$1.00. There is no assurance that the floor price will not fall below \$1.00 preventing the Company from being able to make sales to Lincoln Park in the future.

To the extent that sufficient capital is not obtained through the cash received in connection with the proceeds of the Term Loan or the issuance of Common Shares under the Purchase Agreement with Lincoln Park, management will be required to obtain additional capital through the issuance of debt and/or equity, or other arrangements. However, there can be no assurance that D-Wave will be able to raise additional capital when needed or under acceptable terms. The issuance of additional equity may dilute existing stockholders and newly issued shares may contain senior rights and preferences compared to the currently outstanding common stock. Any future debt may contain covenants and limit D-Wave's ability to pay dividends or make other distributions to stockholders. If D-Wave is unable to obtain additional financing, operations will be scaled back or discontinued.

The As of December 31, 2023, the Company is was not currently in compliance with, and may be unable to regain and/or maintain compliance with certain continued listing standards of the New York Stock Exchange ("NYSE"). On March 1, 2024, the NYSE provided D-Wave with a notification letter of recombination based on a calculation of the Company's average closing share price for the 30 trading days ended February 29, 2024, which reflected an average closing share price above the NYSE's \$1.00 minimum requirement. D-Wave will continue to be traded on the NYSE, subject to its continued compliance with all applicable listing standards.

If the Company is unable to cure any event of noncompliance maintain compliance with any the continued listing standard standards of the NYSE and is not able to cure any violations within the applicable timeframe and other parameters set forth time periods allotted by the NYSE, or if the Company fails to maintain compliance with certain continued listing standards that do not provide for a cure period, any, it will result in the delisting of the Company's common stock from the NYSE, which could negatively impact the trading price, trading volume and liquidity of, and have other material adverse effects on, the Company's common stock and its ability to raise capital.

In connection with the Company's assessment of going concern considerations in accordance with Financial Accounting Standard Board's Accounting Standards Codification ("ASC") Topic 205-40, "Basis of Presentation—Going Concern", management has determined that the Company's liquidity condition raises substantial doubt about the Company's ability to continue as a going concern, which is considered to be for a period of one year from the issuance of these financial statements. These condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty. Such adjustments could be material.

Use of estimates

The preparation of the condensed **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 condensed consolidated financial statements and accompanying notes as of the date of the condensed 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) fair value of financial instruments, and (iii) long term revenue forecasts used in the accounting for the SIF Loan (see below and Note 6 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, increased interest rates, Ukraine/Russia conflict, the Israel-Hamas War, and any evolutions thereof. The change could be material in future periods. As of the date of issuance of these condensed 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.

Debt Investment in securities

The Company holds investments in the equity securities of privately held companies, which are valued based on their original cost. 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 holds an investment in a convertible note (the "Note") of Zapata Computing, Inc. ("Zapata"). (see Note 4 for further information). The Company accounts for the Note as a loan receivable pursuant to ASC 310, as the Note does not meet the definition of a security. As of March 31, 2024, the common stock into which the Note is convertible was not readily convertible to cash, and so the conversion feature was not bifurcated from the debt host. The loan receivable was recorded at cost.

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 6 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.

Term Loan fair value option election

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 825-10-15-4 and does not meet the definition of any of the financial instruments found within ASC 825-10-15-5 that are not eligible for the fair value option. At the date of issuance, the fair value of the Term Loan is 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.

10

Changes in the fair value of the Term Loan, other than changes associated with the Company's own credit risk, are recorded as gains or losses in the Company's condensed consolidated statements of operations and comprehensive loss in each reporting period. Changes in fair value attributable to the Company's own credit risk are recorded in other comprehensive income or loss in the Company's condensed consolidated statements of operations and comprehensive loss in each reporting period; there have been no such changes for the three and nine months ended September 30, 2023 March 31, 2024. Under the fair value option, debt issuance costs are recorded in other expense in the Company's condensed consolidated statements of operations and comprehensive loss.

The Term Loan is subject to certain repayment and prepayment provisions which the Company has considered in their valuation analysis. The valuation analysis performed as of the issuance date on April 13, 2023 and September 30, 2023 March 31, 2024 did not consider any amendments to the Term Loan that occurred subsequent to September 30, 2023 March 31, 2024 (See Note 7) 6). To estimate the fair value of the Term Loan under the optional prepayment scenario, we have utilized the binomial lattice model. Additionally, we have employed a Monte Carlo simulation model was utilized to forecast both the probability for an event of default in the valuation analysis which would result in a mandatory prepayment of the outstanding principal and accrued and unpaid interest and the probability of the issuance of Common Shares under the Purchase Agreement to determine the estimated proceeds to be paid to the Lender along with a mandatory prepayment premium of 10%. Additionally, the Company estimated the probability for an event of default in the valuation analysis which would result in a mandatory prepayment of the outstanding principal and accrued and unpaid interest. A binomial lattice model was utilized to determine the impact on the valuation of optional prepayments, in the event a mandatory prepayment does not occur. The Company assessed the fair value of the Term Loan at issuance date and as of September 30, 2023 resulting in unrealized gains of \$1.7 million and \$1.4 million for the three and nine months ended September 30, 2023, respectively.

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.

The Company carries its marketable investments at cost, plus did not transfer any assets or minus changes resulting from observable price changes liabilities in orderly transactions for identical or similar investments by out of Level 3 during the same issuer, as they represent investments in privately held companies for which there are no quoted market prices. As of September 30, 2023 and December 31, 2022, the carrying values of the Company's marketable investments were \$1.2 million, respectively, and were reported in other noncurrent assets in the condensed consolidated balance sheets. three months ended March 31, 2024 or 2023.

11

The following table presents information about the Company's liabilities that are measured at fair value on a recurring basis as of September 30, 2023 March 31, 2024 and indicates the place in the fair value hierarchy of the valuation inputs the Company utilized to determine each such fair value (in thousands):

		September				As of March 31, 2024
Description	Description	Level	30, 2023	Description	Level	
Liabilities:	Liabilities:					
Warrant	Warrant					
Liabilities	Liabilities					
– Public	– Public					
Warrants	Warrants	1	\$ 1,091			
Warrant Liabilities –						
Public Warrants						
Warrant Liabilities –						
Public Warrants						
Warrant	Warrant					
Liabilities	Liabilities					
– Private	– Private					
Placement	Placement					
Warrants	Warrants	2	\$ 880			

Term Loan	Term Loan	3 \$ 29,800
-----------	-----------	-------------

The Warrants are accounted for as liabilities in accordance with ASC 815-40 and are presented within warrant liabilities in the condensed consolidated balance sheets. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the condensed consolidated statements of operations, operations and comprehensive loss.

For periods subsequent to the detachment of the Public Warrants from the Units, the close price of the Public Warrants was used as the fair value of the Warrants as of each relevant date. The subsequent measurements of the Public Warrants after the detachment of the Public Warrants from the Units are classified as Level 1 fair value measurements due to the use of an observable market quote in an active market. The subsequent measurements of the Private Warrants after the detachment of the Public Warrants from the Units are classified as Level 2 fair value measurements due to the use of an observable market quote for the Public Warrants, which are considered to be a similar asset in an active market.

As of September 30, 2023, noted above, the liabilities for the Warrants were calculated by multiplying the quoted market price per DPCM Public Warrant of \$0.11 by the 17,916,606 Warrants outstanding (see Note 8).

The Company elected the fair value option for its the Term Loan. This liability The valuation of the Term Loan is deemed classified as Level 3 fair measurements, attributable to be the utilization of the Monte Carlo simulation, recognized as a Level 3 valuation. The Company adjusts the Term Loan to fair value with adjustments recorded in change in fair value of Term Loan on the accompanying condensed consolidated statements of operations and comprehensive loss.

Government assistance

The Company receives various forms of government assistance including (i) government grants (ii) investment credits, and (iii) government loans, for research and development initiatives from Canadian government agencies.

During the three and nine months ended September 30, 2022, the Company recorded Scientific Research and Experimental Development ("SR&ED") investment tax credits of nil and \$0.1 million, respectively, as an offset to its research and development expenses in its condensed consolidated statements of operations and comprehensive loss. Upon entering into the Transaction Agreement on February 7, 2022, the Company is no longer a Canadian Controlled Private Corporation. As a result, beginning February 7, 2022, SR&ED investment tax credits can be applied to reduce income taxes payable to the Canadian government and any such investment tax credits that are not realized will be reflected as investment tax credit carryforwards. During the three and nine months ended September 30, 2023, the Company did not record any SR&ED investment tax credits. valuation technique.

Recent accounting pronouncements issued and adopted

No recently issued accounting pronouncements that the Company has adopted have had a material effect on the Company's results of operations, cash flows or financial condition.

Recent accounting pronouncements not yet adopted

No other recently Segment Reporting

In November 2023, the Financial Accounting Standards Board ("FASB") issued accounting pronouncements Accounting Standards Update ("ASU") 2023-07, Segment Reporting--Improvements to Reportable Segment Disclosures, which requires incremental disclosures about a public entity's reportable segments but does not change the definition of a segment or the guidance for determining reportable segments. The new guidance requires disclosure of significant segment expenses that are (1) regularly provided to (or easily computed from information regularly provided to) the chief operating decision maker and (2) included in the reported measure of segment profit or loss. The new standard also allows companies to disclose multiple

measures of segment profit or loss if those measures are used to assess performance and allocate resources. The guidance will first be effective during in our annual disclosures for the year ending December 31, 2024, and will be adopted retrospectively unless impracticable. Early adoption is permitted. We are in the process of assessing the impact of ASU 2023-07 on our disclosures.

Income Tax Disclosures

In December 2023, had, or the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures, which requires disaggregated information about our effective tax rate reconciliation as well as information on income taxes paid. The new guidance will first be effective in our annual disclosures for the year ending December 31, 2025, and should be applied on a prospective basis with the option to apply retrospectively. Early adoption is permitted. We are expected to have, a material in the process of assessing the impact of ASU 2023-09 on the Company's results of operations, cash flows or financial condition.our disclosures.

3. Merger

On August 5, 2022, the Company completed the Merger. Upon the closing of the Merger, the following occurred:

- Each non-redeeming share of DPCM Class A common stock was converted into the right to receive 1.4541326 Common Shares (the "Exchange Ratio"), such that 902,213 shares of DPCM Class A common stock that were not redeemed were exchanged for 1,311,937 Common Shares;
- All outstanding warrants of DPCM were converted into the right to receive Warrants. Each such Warrant is exercisable for 1.4541326 Common Shares, at any time commencing on September 4, 2022, the date that is 30 days after the completion of the Merger. The number of Common Shares received upon the exercise of Warrants will be rounded down to the nearest whole number of Common Shares;
- 3,015,575 shares of DPCM Class B common stock held by Sponsor and DPCM's officers, directors and other special advisors were converted into Common Shares on a one-for-one basis; and
- Pursuant to an arrangement effected under Part 9, Division 5 of the Business Corporations Act (British Columbia) (the "Arrangement") all holders of outstanding non-redeemable convertible preferred shares of D-Wave Systems received equity interests in D-Wave in exchange for their equity interests in D-Wave Systems. The aggregate consideration paid to former shareholders of D-Wave Systems in connection with the Merger was approximately 99,736,752 Common Shares and Exchangeable Shares (as defined below) (excluding options of D-Wave Systems and warrants of D-Wave Systems).

"Exchangeable Shares" refers to shares in the capital of D-Wave Quantum Technologies Inc., or ExchangeCo, 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.

In connection with the Merger and concurrently with the execution of the Transaction Agreement, on February 7, 2022, DPCM and the Company entered into separate subscription agreements with a number of investors (each a "PIPE Investor"), pursuant to which the PIPE Investors agreed to purchase, and the Company agreed to sell to the PIPE Investors, a number of Common Shares (the "PIPE Shares") equal to the aggregate purchase price for all Common Shares subscribed for by each PIPE Investor, divided by \$10.00 and multiplied by the Exchange Ratio for an aggregate purchase price of \$40.0 million (the "PIPE

Investment"), such that the PIPE Investors purchased 5,816,528 PIPE Shares in the aggregate. The PIPE Investment closed simultaneously with the consummation of the Merger.

On August 2, 2022, the DPCM shareholders voted to approve the Merger. Management determined that once this vote had occurred, it was probable that D-Wave Quantum Inc. would be required to pay Lincoln Park the Commitment Fee associated with the Purchase Agreement. As such, on August 2, 2022, D-Wave Quantum Inc. incurred a \$2.6 million liability payable to Lincoln Park, which was the amount of cash contractually required to settle the Commitment Fee. Other than the Commitment Fee liability, D-Wave Quantum, Inc. had no other assets, liabilities, or operations prior to the closing of the Merger on August 5, 2022.

The Merger was accounted for as a reverse recapitalization in accordance with U.S. GAAP. Under this method of accounting, DPCM was treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the Merger was treated as the equivalent of the Company issuing shares for the net assets of DPCM,

accompanied by a recapitalization. The net assets of DPCM were stated at historical cost, with no goodwill or other intangible assets recorded.

4. Revenue from contracts with customers 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):

		Three months ended September 30,	
		2023	2022
		Three Months Ended March 31,	
		Three Months Ended March 31,	
		Three Months Ended March 31,	
			2024
Type of products or services			
Type of products or services			
Type of products or services	Type of products or services		
QCaaS	QCaaS	\$1,132	\$1,346
QCaaS			
QCaaS			

Professional services	Professional services	1,421	347
Other revenue		9	2
Professional services			
Professional services			
Other revenue*			
Other revenue*			
Other revenue*			
Total revenue			
Total revenue			
Total revenue	Total revenue	\$2,562	\$1,695
Timing of revenue recognition	Timing of revenue recognition		
Timing of revenue recognition			
Timing of revenue recognition			
Revenue recognized over time	Revenue recognized over time	\$2,506	\$1,660
Revenue recognized at a point in time	Revenue recognized at a point in time	56	35
Revenue recognized at a point in time			
Revenue recognized at a point in time			
Total revenue	Total revenue	\$2,562	\$1,695
Total revenue			
Total revenue			
Nine months ended September 30,			

	2023	2022
Type of products or services		
QCaaS	\$ 3,333	\$ 3,905
Professional services	2,482	812
Other revenue	37	61
Total revenue	\$ 5,852	\$ 4,778
Timing of revenue recognition		
Revenue recognized over time	\$ 5,713	\$ 4,618
Revenue recognized at a point in time	139	160
Total revenue	\$ 5,852	\$ 4,778

*Other revenue includes training, support, maintenance and printed circuit board sales. For the three months ended March 31, 2023, training and maintenance have been reclassified from professional services to other revenue.

Geographic Information

The following table presents a summary of revenue by geography for the years ended March 31, 2024 and 2023, based on the addresses of our customers, for the three and nine months ended September 30, 2023 and 2022 (in thousands): customer location:

	Three months ended September 30,	
	2023	2022
	\$ 1,083	\$ 951
United States	299	293
Japan	287	237
Germany	311	—
Switzerland	582	214
Other		
Total revenue	\$ 2,562	\$ 1,695

	Nine Months Ended September 30,	
	2023	2022
	Three Months Ended March 31,	
	Three Months Ended March 31,	

Three Months Ended March 31,				
2024				
United States	United States	\$1,814	\$2,461	
United States				
Germany				
Germany				
Germany				
Japan	Japan	920	1,008	
Germany		865	757	
Switzerland		686	—	
Japan				
Japan				
Other				
Other				
Other	Other	1,567	552	
Total revenue	Total revenue	\$5,852	\$4,778	
Total revenue				
Total revenue				

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

Significant customers

The Company had significant customers during the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023. 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 year period end.

The tables below present the significant customers on a percentage of total revenue basis for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023.

	Three months ended September 30,	
	2023	2022
Customer A	13 %	15 %
Customer B	9 %	11 %
Customer C	— %	10 %
Customer D	12 %	— %
Customer E	12 %	— %

**Nine
Months
Ended
September
30,**
2023 2022

**Three
Months
Ended March
31,**
2024

Customer A

Customer A

Customer A	Customer A	2 %	13 %
Customer B	Customer B	12 %	13 %
Customer C		12 %	— %

Customer B

Customer B

As of **September 30, 2023** each of **March 31, 2024** and **December 31, 2022, 2023**, there were three and two significant customers, respectively, that comprised ten percent or more of outstanding accounts receivable balances, respectively, balances. All revenues derived from major customers above are located in the United States, Germany and other European countries during the three and nine month period ended September 30, 2023 and the United States and Germany during the three and nine month period ended September 30, 2022.

Contract balances

The following table provides information about account receivable, contract assets and liabilities as of **September 30, 2023**, **March 31, 2024** and **December 31, 2022** **December 31, 2023** (in thousands):

	September 30, 2023	December 31, 2022
Contract assets:		
Trade accounts receivable, excluding unbilled receivables	\$ 395	\$ 757
Unbilled receivables ¹	368	58
Total contract assets	\$ 763	\$ 815
Contract liabilities:		
Deferred revenue, current	\$ 2,177	\$ 1,781
Deferred revenue, noncurrent	92	9
Customer deposit ²	45	45
Total contract liabilities	\$ 2,314	\$ 1,835

	As of March 31, 2024	As of December 31, 2023
Trade accounts receivable and contract assets, net:		
Trade account receivable, excluding unbilled receivables	\$ 1,098	\$ 644
Contract asset for unbilled receivables	637	1,008
Contract liabilities:		
Deferred revenue, current	\$ 1,999	\$ 2,669
Deferred revenue, non-current	399	79
Customer deposit ¹	45	45
Total contract liabilities	\$ 2,443	\$ 2,793

¹As of December 31, 2022, there was an immaterial amount of unbilled receivables classified as prepaid expenses and other current assets on the condensed consolidated balance sheets.

²Customer deposit is included in "Accrued accrued expenses and other current liabilities" liabilities on the condensed consolidated balance sheets.

The allowance for doubtful accounts balance credit loss was nil immaterial as of **September 30, 2023** **March 31, 2024** and **December 31, 2022**, **December 31, 2023**. Write-offs were immaterial during the three months ended March 31, 2024 and 2023.

The revenue recognized in the condensed consolidated statements of operations and comprehensive loss that was included in the contract liability balance at the beginning of each period was \$1.4 million and \$1.2 million for the three months ended March 31, 2024 and 2023, respectively.

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

	Nine months ended
	September 30, 2023
Balance at beginning of period	\$ 1,790
Deferral of revenue	4,353
Recognition of deferred revenue	(3,874)
Balance at end of period	\$ 2,269

Total deferred revenue as of December 31, 2022 was \$1.8 million, of which \$1.7 million was recognized as revenues during the nine months ended September 30, 2023.

	Three Months Ended March 31,	
	2024	2023
Balance at beginning of period	\$ 2,748	\$ 1,790
Deferral of revenue	2,113	1,166
Recognition of deferred revenue	(2,463)	(1,120)
Balance at end of period	\$ 2,398	\$ 1,836

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 **September 30, 2023** **March 31, 2024**, the aggregate amount of remaining performance obligations that were unsatisfied or partially unsatisfied related to customer contracts was **\$4.4 million**. This amount included deferred revenue on the Company's condensed consolidated balance sheets, **\$7.4 million**, of which approximately **84% 57%** is expected to be recognized to revenue in the next 12 months, 91% is expected to be recognized to revenue in the next two years and substantially all of the remainder will 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.

14

4. BALANCE SHEET DETAILS

Inventories

Inventories consisted of the following (in thousands):

	As of March 31,	As of December 31,
	2024	2023

Raw materials	\$ 2,054	\$ 2,052
Work-in-process	25	26
Total inventories	\$ 2,079	\$ 2,078

Prepaid expenses and other current assets

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

	As of March 31, 2024	As of December 31, 2023*
Prepaid services	\$ 736	\$ 386
Prepaid software	588	543
Prepaid insurance	537	490
Prepaid rent	148	150
Other	560	440
Total prepaid expenses and other current assets	\$ 2,569	\$ 2,009

*Certain amounts presented in the table above as of December 31, 2023 have been reclassified to conform to the current period presentation.

Other non-current assets

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

	As of March 31, 2024	As of December 31, 2023
Investment in equity securities	\$ 2,574	\$ 1,168
Loan receivable	1,021	—
Long-term deposits	189	189
Contract acquisition costs	44	—
Total	\$ 3,828	\$ 1,357

5. Balance sheet details On January 5, 2024, one of the Company's equity interest investments was acquired by another entity and based on the transaction terms, was considered an observable price change. 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 other income during the three months ended March 31, 2024.

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. Simultaneously, Zapata purchased a multi-year subscription to the Company's Leap quantum cloud service. As part of the collaboration, the Company purchased a convertible Senior Secured 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 is 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.

Accrued expenses and other current liabilities

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

	September 30, 2023	December 31, 2022
Accrued expenses:		
Accrued transaction costs	\$ —	\$ 2,459
Accrued professional services	2,642	1,858
Accrued compensation and related benefits	3,707	1,641
Other accruals	993	233
Other current liabilities:		
Other payroll expenses	722	451
Customer deposit	45	45
Current portion of operating lease liabilities	1,390	1,533
Promissory note, related party (Refer to Note 9 - Promissory note, related party)	105	420
Total accrued expenses and other current liabilities	\$ 9,604	\$ 8,640

	As of March 31, 2024	As of December 31, 2023*
Accrued compensation and related benefits	\$ 2,080	\$ 3,245
Accrued professional services	1,420	1,092
Other accruals	2,507	1,006
Total accrued expenses and other current liabilities	\$ 6,007	\$ 5,343

Prepaid expenses and other *Certain amounts presented in the table above as of December 31, 2023 have been reclassified to conform to the current assets consisted of the following (in thousands):

	September 30, 2023	December 31, 2022
Prepaid expenses:		
Prepaid services	\$ 377	\$ 391
Prepaid software	563	559
Prepaid rent	182	96
Prepaid commissions	87	268
Prepaid insurance	338	697
Other	142	89

Other current assets:

Receivable research incentives	128	264
Security deposits	17	36
Directors and officers insurance	36	1,449
Unbilled receivables	—	58
Total prepaid expenses and other current assets	\$ 1,870	\$ 3,907

period presentation.

6. Property and equipment, net **5. PROPERTY AND EQUIPMENT, NET**

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

	September 30, 2023	December 31, 2022	
	As of March 31, 2024		As of December 31, 2023
Quantum computer systems	Quantum computer systems	\$ 13,711	\$ 13,714
Lab equipment	Lab equipment	6,838	6,666
Computer equipment	Computer equipment	3,614	3,545
Leasehold improvements	Leasehold improvements	1,075	1,075
Furniture and fixtures	Furniture and fixtures	372	319
Construction-in-progress	Construction-in-progress	119	86
Total property and equipment	Total property and equipment	\$ 25,729	\$ 25,405
Less: Accumulated depreciation	Less: Accumulated depreciation	(23,850)	(23,111)
Total Property and equipment, net		\$ 1,879	\$ 2,294

**Total
property
and
equipment,
net**

Depreciation expense for the three month period ended **September 30, 2023** **March 31, 2024** and **2022** **2023** was \$0.2 million and \$0.3 million, respectively. Depreciation expense for the nine month period ended September 30, 2023 and 2022 was \$0.7 million and \$1.0 million, respectively. The Company has not acquired any property and equipment under capital leases.

As of September 30, 2023 and December 31, 2022, substantially all of the Company's long-lived assets, consisting of property and plant, net, and operating lease right-of-use assets, amounting to \$10.4 million and \$11.4 million, respectively, are located in North America, principally in Canada.

7. Loans payable

16

6. LOANS PAYABLE, NET

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, loans payable, net, consisted of the refundable government loans, SIF Loan, the TPC loan (as defined below) and the Term Loan. The following table shows tables show the component of loans payable (in thousands):

	Interest Rate	September 30,		December 31,	
		2023	2022	2023	2022
Loans payable, current:					
Term Loan ¹	11.00%	\$ 29,800	\$ 16	—	—
TPC Loan, due 2024	Interest free	206	206	206	206
Financing of directors and officers insurance, due 2023	4.24%	—	—	1,449	—
Other loans payable, current, due 2023	Interest free	—	—	16	—
Total loans payable, current		\$ 30,006	\$ 1,671		
Loans payable, noncurrent:					
SIF Loan ¹	Interest free	\$ 8,834	\$ 7,293	—	—
TPC Loan, due 2025	Interest free	274	518	—	—
Total loans payable, noncurrent		\$ 9,108	\$ 7,811		

	Effective Interest Rate	As of March 31,		As of December 31,	
		2024	2023	2024	2023
Loans payable, net, current:					
TPC Loan, due 2024	Interest free	\$ 369	\$ 399	—	—
Total loans payable, net, current		\$ 369	\$ 399		
Loans payable, net, non-current:					
SIF Loan ¹	Interest free	\$ 31,574	\$ 32,072	—	—

Term Loan, due 2027	11.00%	31,100	31,400
TPC Loan, due 2025	Interest free	369	378
Total loans payable, net, non-current		\$ 63,043	\$ 63,850

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

The following table shows the component of the Company's non-current indebtedness carried at fair value and amortized cost:

	As of March 31, 2024	As of December 31, 2023
SIF Loan	\$ 31,574	\$ 32,072
TPC Loan, due 2025	369	378
Total loans payable, net, non-current, at amortized cost	31,943	32,450
Fair value option - Term Loan	31,100	31,400
Total loans payable, net, non-current	\$ 63,043	\$ 63,850

TPC loan

In 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 estimated fair value of the TPC Loan (Level 2) at March 31, 2024 was \$0.7 million. The fair value of the TPC Loan was valued using a discounted cash flow model, with key inputs relating to terms, discount rate and expectations for defaults and prepayments.

SIF Loan

On November 20, 2020, the Company entered into an agreement (the "SIF Loan") with the Strategic Innovation Fund ("SIF"), whereby SIF agreed to make a repayable contribution to the Company. As of December 31, 2023, the Company had received the full C\$40.0 million (the "Contribution"), in eight tranches between November 2020 and December 2023. Funds from the SIF Loan are to be used for projects involving the adaptation of research findings for commercial applications that have the potential for market disruption; development of current product and services through the implementation of new or incremental technology that will enhance the Company's competitive capability; and development of process improvements which reduce the environmental footprint of current production through the use of new or improved technologies.

The annual repayment amounts to be repaid under the SIF Loan are determined using a revenue-based formula, and are capped at 150% of the Contribution. The contractual repayment period is 15 years (the "Repayment Cap"). Repayments are due in up to 15 years and commences in the first year in which the Company reports annual revenue of \$70.0 million (the "Benchmark Year"). In each of those years, an annual repayment amount is due. Each annual repayment must be paid by installments, commencing on April 30 of the second fiscal year following the year for which the annual repayment due will be calculated. If the Benchmark Year is not achieved within 14 years following the fiscal year in which the project is completed, the Company first reports annual revenue of at least \$70.0 million (the "Benchmark Year"). If the SIF Loan is forgiven, the SIF Loan is initially recorded at fair value, and subsequently at amortized cost. As the Company fails to reach \$70.0 million in annual

revenue after 14 years from origination, or if the Contribution is interest free, the difference between the carrying value and initial fair value is recorded as government assistance on the consolidated statement of operations and comprehensive loss.

The initial fair value total of the SIF Loan 15 revenue-based annual installments is determined by using a discounted cash flow analysis for less than the loan, which requires a number of assumptions. The significant assumptions used in determining the discounted cash flows include estimating the principal amount, and timing of future revenue for the Company and the appropriate discount rate. In determining the appropriate discount rates, the Company considered the weighted average cost of capital for the Company, risk adjusted based on the development risks of the Company's product. Management used a discount rate of 26% to discount the SIF Loan. Should projected revenue not any remaining repayment obligation will be achieved as predicted, the adjustment to the fair value of the SIF Loan could be material. On September 19, 2023, the Company received an additional SIF tranche in the amount of \$1.5 million (C\$2.0 million) and recognized a \$1.1 million discount on the tranche as government assistance on the condensed consolidated statement of operations and comprehensive loss. At September 30, 2023, the carrying value of the loan approximates its fair value. The nominal amount of the SIF Loan is \$28.0 million (C\$38.0 million) as of September 30, 2023. For the three months ended September 30, 2023, the Company recognized \$0.4 million in interest expense and \$0.2 million in foreign currency gains related to the SIF Loan. For the nine months ended September 30, 2023, the Company recognized \$1.1 million in interest expense and \$0.1 million in foreign currency gains related to the SIF Loan.forgiven.

Repayments of the SIF contributions could Loan can also be triggered upon default of the agreement, or termination of the agreement, or upon a change of control that has not been approved by the Canadian government. As of March 31, 2024, the Company is not aware of events that would trigger default or termination of the agreement.

17

The Canadian government approved gross proceeds of the transaction with DPCM conditionally on May 9, 2022 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 March 31, 2024 and December 31, 2023, with the Company calculated a weighted average effective interest rate for all conditions being satisfied tranches of 2.46% and 2.46%, respectively based on the closing date most recent revenue projections at each reporting date.

The estimated fair value of the Merger SIF Loan (Level 3) at March 31, 2024 was \$5.1 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 revenue for the Company and the appropriate discount rate.

Term Loan

On April 13, 2023, the Company entered into the Term Loan with PSPIB. PSPIB, a related party to the Company's largest shareholder. Under the Term Loan, term loans in aggregate principal amount of \$50.0 million \$50.0 million are to be made available to the Company in three tranches, subject to certain terms and conditions.

The Term Loan matures on March 31, 2027, is secured by a first-priority security interest in substantially all of the Company's assets and contains certain operational and financial covenants, including a financial covenant that measures the

Company's revenue against certain minimum percentages of budgeted revenue per quarter. The Term Loan is subject to a 2% drawdown fee and requires that any proceeds from the issuance of Common Shares under the Purchase Agreement be applied towards the repayment of advances under the Term Loan. Such repayments are subject to a premium payment equal to 10.0% of the amount then prepaid to the Lender, in addition to the regular prepayment premium applicable on that date, except as modified by the amendment to the Term Loan as discussed below. The Term Loan is subject to a prepayment premium due to the Lender equal to 3% of the amount prepaid/repaid within the first year of the Closing Date, 2% in the second year, 1% in the third year and no prepayment premium thereafter. At the Company's discretion, the Term Loan bears interest on a monthly basis at either (i) 10.0% payable in cash, or (ii) 11.0% payable in kind ('PIK'), with the latter added to the principal value of the Term Loan. For the three and nine months ended March 31, 2024, September 30, 2023 the Company recognized \$0.8 million and \$1.20.9 million in PIK interest expense related to the Term Loan, respectively. The PIK interest expense is included in interest expense on the condensed consolidated statements of operations and comprehensive loss.

Prior to PSPIB's advance of the first tranche, the Company satisfied several closing conditions including the provision of a cash flow forecast and the board of directors' retention of an advisor. The first and second tranche of the Term Loan, each in an aggregate principal amount of \$15.0 million, were advanced to D-Wave on April 14, 2023 and July 13, 2023, respectively, with the third tranche of \$20.0 million to be made automatically available to the Company subject to the satisfaction of certain conditions. For the three and nine months ended September 30, 2023, the Company has recorded debt issuance cost of \$2.1 million as other expense in its condensed consolidated statements of operations and comprehensive loss. PSPIB has agreed to waive certain covenants under the Term Loan that the Company did not meet, including the minimum revenue financial covenant for the fiscal quarters ended June 30, 2023 and September 30, 2023. As a result of not meeting the minimum revenue covenant, as of September 30, 2023 March 31, 2024, the Company assessed its ability to meet such covenant over was in compliance with the next 12 months in accordance with ASC Topic 470, "Debt" and determined that covenants of the Term Loan may be callable over this period. Therefore the Term Loan was classified as a current liability on the Company's consolidated balance sheets as of September 30, 2023. There can be no assurance that PSPIB will agree to waive the minimum revenue or other covenants under the Term Loan in the future. Loan.

The availability of the third tranche is subject to the Company closing a \$25.0 million non-dilutive financing on terms reasonably acceptable to the Lender, the intellectual property valuation report submitted as a condition precedent to the second tranche remaining satisfactory to the Lender and providing a board-approved operating budget for 2023 through 2027 by August 31, 2023 August 31, 2023 that is satisfactory to the Lender. The deadline to provide the operating budget was extended to December 31, 2023 from August 31, 2023 by the fourth amendment to the Term Loan dated October 6, 2023, and the budget was provided prior to the extended deadline. There can be no assurance that the Company will be able to meet the conditions necessary to draw on the third tranche.

The Term Loan was amended such that the Company may issue up to \$50.0 million under the Lincoln Park Purchase Agreement without the requirement to pay down the Term Loan to the extent that the proceeds under the Purchase Agreement are received prior to December 31, 2023. On February 7, 2024, the fifth amendment of the Term Loan was entered into to amend Section 1.1 "Permitted Investments" to include the investment in Zapata in the form of a senior secured promissory note (see Note 4 for further information). As amended, the Term Loan requires that any proceeds from the issuance of Common Shares under the Purchase Agreement in excess of \$50.0 million shall be applied towards the repayment of advances under the Term Loan in addition to a premium payment equal to 10% of the amount then prepaid to the Lender. On April 16, 2024, the Term Loan was further amended that the Company may issue up to \$30.0 million under the

Purchase Agreement without the requirement to pay down the Term Loan to the extent that the proceeds under the Purchase Agreement are received between April 16, 2024 and September 30, 2024. Refer to Note 12 - Subsequent events for further details.

Any unrealized gain or loss on the Term Loan is included in change in fair value of term loan on the condensed consolidated statements of operations and comprehensive loss.

The Term Loan was classified as a Level 3 fair value measurement and measured using the binomial lattice model and the Monte Carlo simulation model. Key inputs for the simulations are summarized below.

18

	As of March 31, 2024
Weighted-average risk-free rate	5.47% Range: 5.46% to 5.49%
Default Trigger Event probability	5.00% on July 1 2024
ELOC financing trigger event probability	25.00% from December 31, 2023 through July 1, 2024
Weighted-average market yield rate (Default Trigger Event)	15.85%
Weighted-average market yield rate (Call Option)	14.38% Range: 11.86% to 15.74%
Weighted-average market yield volatility	5.00%

The following table summarizes the difference between the fair value and the amortized cost of the Term Loan as of March 31, 2024:

	Amortized Cost	Unrealized Gains	Fair Value
Term Loan, due 2027	\$ 32,939	\$ 1,839	\$ 31,100

The following table summarizes the changes in the Term Loan:

	Three months ended March 31, 2024
Beginning balance	\$ 31,400
PIK interest expenses	899
Change in fair value	(1,199)
Ending balance	<u><u>\$ 31,100</u></u>

8. Warrant liabilities 7. WARRANT LIABILITIES

Public and Private Warrants

In conjunction with the Merger, the Company assumed 10,000,000 DPCM public warrants (the "Public Warrants") and 8,000,000 DPCM private warrants (the "Private Warrants", collectively the "Warrants"). During the ~~nine~~ three months ended ~~September 30, 2023~~ March 31, 2024, no DPCM public or private warrants were exercised.

As of ~~September 30, 2023~~ March 31, 2024, the Company has ~~17,916,606~~ 17,916,609 Warrants outstanding. As part of the Merger, as described in Note 3 - Merger, each DPCM Public Warrant and Private Warrant that was issued and outstanding immediately prior to the Merger was automatically and irrevocably converted into one D-Wave Quantum warrant. The Warrants are subject to the terms and conditions of the warrant agreement entered into between DPCM, Continental Stock Transfer & Trust Company and the Company (the "Warrant Agreement Amendment" as specified in the Transaction Agreement).

Each such Warrant will be exercisable at an exercise price of \$11.50 for 1.4541326 Common Shares, or an approximate exercise price per Common Share of \$7.91, subject to adjustments. The Warrants may be exercised for a ~~whole~~ ~~whole~~ number of shares of the Company. No fractional shares will be issued upon exercise of the Warrants. The Warrants will expire on August 5, 2027, or earlier upon redemption or liquidation.

The Private Warrants are identical to the Public Warrants except that the Private Warrants are exercisable on a cashless basis and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company may redeem the Public Warrants:

- in whole and not in part;
- at \$0.10 per warrant upon a minimum of 30 days' prior written notice of redemption; provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares based on the redemption date and the fair market value of the Common Share;

19

- if, and only if, the last reported sales price of the shares of the Common Shares for any twenty (20) trading days within the thirty (30) trading-day period ending on the third trading day prior to the date on which a notice of redemption is given equals or exceeds \$10.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalization and the like) (the "Reference Value");
- if the Reference Value is less than \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalization and the like), the Private Warrants must also be concurrently called for redemption on the same terms as the outstanding Public Warrants, as described above; and
- if, and only if, there is an effective registration statement covering the issuance of the Common Shares issuable upon exercise of the warrants and a current prospectus relating thereto available throughout the 30-day period after written notice of redemption is given, or an exemption from registration is available.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the ~~Warrant Agreement Amendment~~ ~~warrant agreement~~. The exercise price and number of the Common Shares issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or

23

consolidation. However, the warrants will not be adjusted for issuance of the Common Shares at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants.

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 (as defined below) of 0.889657 (the "Conversion Ratio") established in the Merger. The agreement was terminated November 28, 2022 and as a result, any unvested Warrant Preferred Shares will not warrants vest and become exercisable. based on various contractual milestones. As of the termination date of November 28, 2022, the agreement, approximately 40% of the warrants to acquire up to 2,889,282 Common Shares had vested, resulting in warrants exercisable into 1,155,713 Common Shares available to be issued 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\$2.16 per Common Share until November 29, 2026. As of March 31, 2024, no additional Warrant Preferred Shares were vested or probable of vesting.

8. 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 ISO and NSO, restricted stock, RSU or other awards to the Company's employees, officers, directors, advisors, and outside consultants. After the closing of the Merger effective August 5, 2022, no additional awards were issued under the 2020 Plan. Stock options granted under the 2020 Plan will be converted applying the Conversion Ratio to the underlying common stock at the exercise date.

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. 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 condition. Awards issued under the 2022 Plan have vesting periods ranging from under one year to four years from the original grant date, and all awards issued to date under the 2022 Plan will expire ten years from the original grant date.

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

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		
		Weighted average	remaining	Aggregate intrinsic value (\$)
		exercise price (\$)	contractual term (years)	
Outstanding as of December 31, 2023	11,464,447	1.64	6.80	—
Granted	2,921,082	1.30	—	—
Exercised	(10,443)	0.91	—	9
Forfeited and expired	(122,179)	3.35	—	—
Outstanding as of March 31, 2024	<u>14,252,907</u>	1.56	7.23	12,718
Options exercisable as of March 31, 2024	<u>11,573,180</u>	1.29	6.83	11,406
Options unvested as of March 31, 2024	<u>2,679,727</u>	2.74	8.93	—

As of March 31, 2024, out of the total 14,252,907 options that have been issued and are currently outstanding, 10,447,710 options were granted under the 2020 Plan. These options will be converted applying the Conversion Ratio into a maximum of 9,294,878 Common Shares upon exercise.

Restricted stock unit awards

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

	Number of Outstanding	Weighted average		
		Grant Date Fair Value (\$)	remaining	Aggregate intrinsic value (\$)
			contractual term (years)	
Unvested as of December 31, 2023	7,045,813	3.13	9.08	6,201
Granted	5,362,486	1.79	—	—
Forfeited and expired	(156,738)	2.73	—	—
Vested	<u>(1,791,317)</u>	0.73	—	—
Unvested as of March 31, 2024	<u>10,460,244</u>	2.86	12.55	21,339

Employee Stock Purchase Plan

During the three months ended March 31, 2024, no common shares were issued under the ESPP.

Stock-based compensation expense

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

	Three Months Ended March 31,	
	2024	2023
Cost of revenue	\$ 175	\$ 377
Research and development	1,121	2,760
General and administrative	1,958	3,294

Sales and marketing	255	324
Total stock-based compensation	\$ 3,509	\$ 6,755

As of March 31, 2024, total unrecognized stock-based compensation cost, net of estimated forfeitures, related to our unvested stock awards was \$30.2 million. This amount is based on an estimated future forfeiture rate of 2.7% per year and will be recognized over a weighted-average period of approximately 1.67 years.

9. Related PROMISSORY NOTE - RELATED PARTY

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. Refer to Note 6 - Loans payable, net for further description of the Term Loan.

Promissory notes

In 2022, On February 28, 2022, an affiliate of DPCM and one of its affiliates entered into two issued an unsecured promissory notes note of up to \$1.0 million each with to the Sponsor (the "Affiliate Note") for additional working capital. \$0.2 million was drawn on the Affiliate Note. As part of the Merger, the Company assumed and amended the Affiliate Note. The Affiliate Note had been fully repaid as of December 31, 2023.

Similarly, on April 13, 2022, DPCM obtained an unsecured promissory note of up to \$1.0 million from the Sponsor (the "DPCM Notes" Note"). The purpose of the DPCM Notes was to provide DPCM with for additional working capital. All amounts \$0.2 million was drawn on the DPCM Notes were provided directly to DPCM. Note. The DPCM Notes are not convertible Company also assumed and bear no interest. amended this note. The principal balance of the DPCM Notes was originally due and payable upon the earlier of the date on which DPCM consummates its initial business combination, or the date that the winding up of DPCM is effective. A total of \$0.4 million has Affiliate Note had been drawn on the DPCM Notes, of which \$0.1 million remains outstanding fully repaid as of September 30, 2023 December 31, 2023.

In connection with the Merger, the DPCM Notes were assumed by the Company and were amended and restated effective December 31, 2022. The amended and restated notes have identical terms as the DPCM Notes except that the Company must pay the principal balance in equal installments on December 31, 2022, March 31, 2023, and June 30, 2023.

In February 2023, these DPCM Notes were further amended and restated such that the Company must pay the principal balance in four equal installments on each of April 30, 2023, June 30, 2023, August 31, 2023, and October 31, 2023. Only the installment due on October 31, 2023 remains unpaid as of September 30, 2023.

The execution of the amended and restated DPCM Notes These transactions are considered related party transactions as these notes are payable to they involve affiliates of the Company.

Short swing profit settlement

For During the nine three months ended September 30, 2023 March 31, 2023, the Company recorded approximately \$0.2 million related to the short swing profit settlement remitted by a shareholder of the Company under Section 16(b) of the Securities Exchange Act of 1934, as amended. The Company recognized the proceeds as an increase to additional paid-in-capital in the condensed consolidated balance sheets statements of stockholders' deficit, as of September 30, 2023, and well as in financing activities in the condensed consolidated statements of stockholder's (deficit) equity, as well as in cash provided by financial

activities in the condensed consolidated statement of cash flows for the **nine** **three** months ended **September 30, 2023** **March 31, 2023**.

10. Stock-based compensation COMMITMENTS AND CONTINGENCIES

For the **nine** months ended **September 30, 2023** and **2022**, stock-based compensation is associated with stock options, restricted stock units ("RSUs"), and the Company's Employee Stock Purchase Plan ("ESPP").

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 outstanding	Weighted average exercise price (\$)	Weighted average remaining contractual term (years)		Aggregate intrinsic value (\$)
			Weighted average	remaining	
			contractual term (years)	Aggregate intrinsic value (\$)	
Balance as of December 31, 2022		15,387,546 \$	1.76	7.12 \$	8,763
Granted		—	—	—	—
Exercised		(2,329,067)	0.81	—	144
Forfeited		(1,019,743)	3.57	—	—
Expired		(388,956)	2.36	—	—
Balance as of September 30, 2023		11,649,780 \$	1.66	7.32 \$	1,618
Options exercisable as of September 30, 2023		9,809,565 \$	1.24	7.13 \$	1,438
Options unvested as of September 30, 2023		1,840,072 \$	3.89	8.35 \$	180

As of September 30, 2023, out of the total 11,649,780 options that have been issued and are currently outstanding, 10,587,799 options were originally granted under the 2020 Equity Incentive Plan (the "2020 Plan"). These options will be converted applying the conversion ratio of 0.889657 (the "Conversion Ratio") into 9,419,509 Common Shares upon exercise.

The aggregate intrinsic value of stock options was calculated as the difference between the exercise price of the stock options and the estimated 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 September 30, 2023, total unrecognized compensation cost related to unvested stock option grants was approximately \$5.6 million. This amount is expected to be recognized over a weighted average period of approximately 0.81 years.

The total fair values of the stock options vested during the nine months ended September 30, 2023 and 2022 was \$3.1 million and \$3.1 million respectively.

Restricted stock unit awards

RSUs granted to employees under D-Wave's 2022 Equity Incentive Plan (the "2022 Plan") generally vest 25% on the first anniversary of the grant date, and then 6.25% each quarter subsequent to the first anniversary for twelve quarters. RSUs granted

to members of the Board of Directors are subject to a service condition, and generally will be fully vested on the date of the Company's 2024 annual shareholder meeting.

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

	Number of Outstanding	Weighted average Grant Date Fair Value (\$)
Unvested as of December 31, 2022		
Granted	8,143,304	\$ 5.69
Forfeited	4,423,933	0.89
Vested	(1,446,883)	4.63
	(167,605)	4.02
Unvested as of September 30, 2023		
Expected to vest as of September 30, 2023	<u>10,952,749</u>	<u>\$ 3.93</u>
	<u>10,436,290</u>	<u>\$ 3.97</u>

As of September 30, 2023, the unrecognized stock-based compensation cost related to the RSUs was \$24.3 million, which is expected to be recognized over a weighted-average period of 2.38 years.

Employee Stock Purchase Plan

In August 2022, the Company established the 2022 Employee Stock Purchase Plan (the "ESPP"). During the nine months ended September 30, 2023, 226,453 shares of common stock were issued under the ESPP.

Stock-based compensation expense

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

	Three months ended September 30,	
	2023	2022
Cost of revenue	\$ 353	\$ 45
Research and development	2,347	360
General and administrative	2,913	644
Sales and marketing	271	732
Total stock-based compensation	\$ 5,884	\$ 1,781
	Nine months ended September 30,	
	2023	2022
Cost of revenue	\$ 963	\$ 80
Research and development	6,771	536
General and administrative	8,849	1,948

Sales and marketing	779	791
Total stock-based compensation	\$ 17,362	\$ 3,355

11. Commitments and contingencies

Leases *Lease obligations*

The Company primarily enters into leases for office space that are classified as operating leases. During each of the nine months ended September 30, 2023, and 2022, March 31, 2024 and 2023, total operating lease costs were \$1.1 million, \$0.5 million and \$0.4 million, respectively.

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 September 30, 2023 March 31, 2024 and 2022, 2023, the Company was not subject to any material litigation or pending litigation claims.

22

12. Net loss per share

As a result of the Merger (see Note 3), for the three months ended September 30, 2022, the Company has retroactively adjusted the weighted average shares outstanding prior to August 5, 2022 to give effect to the Conversion Ratio used to determine the number of Common Shares into which they were converted. **11. NET LOSS PER SHARE**

The following table sets forth the computation of the basic and diluted net loss per share attributable to common stockholders for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands, except share and per share data):

For the three months ended September 30,	
2023	2022
Three Months Ended March 31,	
Three Months Ended March 31,	
Three Months Ended March 31,	

2024

Numerator:

Numerator:

Numerator: **Numerator:**

Net loss attributable to common stockholders - basic and diluted	Net loss attributable to common stockholders - basic and diluted	\$ (15,829)	\$ (13,311)
---	---	-------------	-------------

Net loss attributable to
common stockholders -
basic and diluted

Net loss attributable to
common stockholders -
basic and diluted

Denominator:

Denominator:

Denominator: **Denominator:**

Weighted- average common stock outstanding	Weighted- average common stock outstanding	133,222,318	116,256,805
--	--	-------------	-------------

Weighted-average common
stock outstanding

Weighted-average common
stock outstanding

Net loss per
share
attributable to
common
stockholders -
basic and
diluted

Net loss per
share
attributable to
common
stockholders -
basic and
diluted

\$ (0.12) \$ (0.11)

Net loss per share
attributable to common
stockholders - basic and
diluted

Net loss per share
attributable to common
stockholders - basic and
diluted

	For the nine months ended September 30,	
	2023	2022
Numerator:		
Net loss attributable to common stockholders - basic and diluted	\$ (66,335)	\$ (38,740)
Denominator:		
Weighted-average common stock outstanding	131,373,959	122,337,727
Net loss per share attributable to common stockholders - basic and diluted	\$ (0.50)	\$ (0.32)

As of September 30, 2023 For the three months ended March 31, 2024 and 2022, 2023 the Company's potentially dilutive securities were stock options, the Warrant Shares, and the Public Warrants and Private Warrants. Warrants and the unvested restricted stock unit awards.

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:

	As of September 30,	
	2023	2022
Public Warrants as converted to Common Shares (Note 8)	14,420,064	14,426,301
Private Warrants as converted to Common Shares (Note 8)	11,633,061	11,633,060
D-Wave Systems Warrant Shares as converted to Common Shares (Note 8)	1,155,713	2,889,282
Options to purchase common stock as converted to Common Shares ¹	9,419,509	13,532,543
Options to purchase Common Shares under the 2022 Equity Incentive Plan	1,061,981	1,500,081
Unvested restricted stock unit awards	10,952,749	—
Total	48,643,077	43,981,267

¹ Stock options granted under the 2020 Plan will be converted applying the Conversion Ratio to the underlying common stock at the exercise date.

	Three Months Ended March 31,	
	2024	2023
Public Warrants as converted to Common Shares (Note 7)	14,420,065	14,420,065
Private Warrants as converted to Common Shares (Note 7)	11,633,060	11,633,060
D-Wave Systems Warrant Shares as converted to Common Shares (Note 7)	1,155,713	2,889,282
Stock options issued and outstanding	13,100,076	13,026,724
Unvested restricted stock unit awards	10,460,244	—

Total	50,769,158	41,969,131
-------	------------	------------

13. Subsequent events 12. SUBSEQUENT EVENTS

The Company has evaluated subsequent all events occurring through May 13, 2024, the filing of this Report, and determined that there have been no events that have occurred that would require adjustments to our disclosures in date on which the condensed consolidated financial statements were issued, and during which time, nothing has occurred outside the normal course of business operations that would require disclosure except for the following:

Sixth Amendment to Term Loan

On October 20, 2023 April 16, 2024, the Company was notified entered into the sixth amendment to the Term Loan (the "Amendment") with PSPIB.

The Amendment provides for an additional period for which no prepayment of the advances under the Term Loan is required with respect to aggregate gross proceeds of up to \$30 million received by the New York Stock Exchange Company pursuant to the share issuances under the Purchase Agreement or the Universal Shelf (as defined in the Term Loan) between April 16, 2024 and September 30, 2024 (the "NYSE" "Second Prepayment Exemption") that it is not. Additionally, the Amendment allows for an additional prepayment premium exemption with respect to aggregate gross proceeds up to \$20 million received by the Company pursuant to the Purchase Agreement or the Universal Shelf subsequently to the receipt of aggregate gross proceeds of \$30 million under the Second Prepayment Exemption. Under such additional prepayment premium exemption, the additional premium included in compliance with Section 802.01C the Prepayment Premium (as defined in the Term Loan) and equal to 10% of the NYSE Listed Company Manual because amount then prepaid to PSPIB for any mandatory prepayment pursuant to Section 2.3(a)(ii) under the average closing price of Purchase Agreement will not be applicable.

Subsequent to the Company's Common Stock was less than \$1.00 over a consecutive 30 trading-day period. The notice does not result in the immediate delisting of the Company's common stock from the NYSE. On October 24, 2023, Amendment, the Company notified the NYSE that it intends to cure the stock price deficiency and to return to compliance issued 9,616,070 Common Shares in connection with the NYSE continued listing standard. The Company can regain compliance at any time within the six-month period following receipt Purchase Agreement for total proceeds of the NYSE notice if on the last trading day of any calendar month during the cure period the Company has a closing share price of at least \$1.00 and an average closing share price of at least \$1.00 over the 30 trading-day period ending on the last trading day of that month. Under the NYSE's rules, if the Company determines that, if necessary, it will cure the stock price deficiency by taking an action that will require stockholder approval, it must so inform the NYSE in the above referenced notification and the price condition will be deemed cured if the price promptly exceeds \$1.00 per share, and the price remains above that level for at least the following 30 trading days. The Company intends to consider available alternatives, including but not limited to a reverse stock split, that are subject to shareholder approval. The Company's common stock will continue to be listed and trade on the NYSE during this period, subject to the Company's compliance with other NYSE continued listing standards.

\$13.4 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is intended to assist you in understanding our present business and the results of operations together with our present financial condition. This section should be read in conjunction with our unaudited condensed consolidated financial statements and the accompanying notes contained in Part I, Item 1 of this Report, as well as our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 filed with the Securities and Exchange Commission on April 18, 2023 March 29, 2024. 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 of the Merger merger between DPCM Capital, Inc. ("DPCM"), D-Wave Systems Inc., and certain other affiliated entities through a series of transactions (the "Merger") on August 5, 2022 (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 Report. All dollar amounts are expressed in thousands of United States dollars ("\$"), unless otherwise indicated.

Overview

We are a commercial quantum computing company that provides customers with a full suite of professional services and web-based access to our superconducting quantum computer systems and integrated software environment through our cloud service, Leap™, quantum cloud service. Historically, we have developed our own annealing superconducting quantum computer and associated software, and our current generation quantum system is the D-Wave Advantage™ system. We are a leader in the development and delivery of quantum computing systems, software and services, and we are the world's first commercial supplier of quantum computers—and the only company developing both annealing quantum computers and gate-model quantum computers.

Our business model is focused primarily on generating revenue from providing customers access to our quantum computing systems via the cloud in the form of Quantum Computing quantum computing as a Service service ("QaaS") products, and from providing professional services wherein we assist our customers in identifying and implementing quantum computing applications. We have three operating facilities, which we lease, in North America. These facilities are located in Burnaby, British Columbia, Richmond, British Columbia, and Palo Alto, California.

During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we recognized generated revenue from our cloud totaling \$2.5 million and professional services of \$2.6 million and \$1.7 million \$1.6 million, respectively. We have incurred significant operating losses since inception. For the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, our net loss was \$66.3 million losses were \$17.3 million and \$38.7 million \$24.4 million, respectively. We expect to continue to incur significant losses for the foreseeable future as we continue to invest in various a number of research and development programs and as well as a variety of go-to-market initiatives. As of September 30, 2023 March 31, 2024, we had an accumulated deficit of \$443.1 million \$500.4 million.

Macroeconomic Environment

Unfavorable conditions in the economy in the United States, Canada and abroad, including conditions resulting from changes in gross domestic product growth, labor shortages, supply chain disruptions, inflationary pressures, rising interest rates, 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 Palestine or elsewhere, could cause a decrease in business investments on our products and negatively affect the growth of our business and our results of operations.

The recent trends towards rising inflation may materially adversely affect our business and corresponding financial position and cash flows. Inflationary factors, interest rates and overhead costs may adversely affect our operating results. High interest and inflation rates also present a recent challenge impacting the U.S. and Canadian economies and could make it more difficult for us to obtain traditional financing on acceptable terms, if at all, in the future. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, we may experience increases in the near future

(especially if inflation rates remain high or continue to rise) on our operating costs, including our labor, due to supply chain constraints and employee availability and wage increases, which may result in additional stress on our working capital resources.

Key Components of Results of Operations

Revenue

We primarily currently generate our revenue primarily through subscription sales to access our QCaaS cloud platform and professional services that assist our customers in identifying related to the development and implementing applications that leverage our QCaaS cloud platform. implementation of quantum computing applications. 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 primarily recognized based over time on a percentage of completion basis as services are being delivered. using the costs incurred input measure of progress.

24

We expect that there will be a decrease in our cloud based recurring QCaaS revenue, as a percentage of total revenue, in 2023 when compared to 2022 due to increased demand for professional services engagements. In subsequent periods, we expect that the general trend will be for QCaaS revenue as a percentage of total revenue to increase due to an increasing number of QCaaS agreements being driven by the completion of professional services engagements yielding production applications that require QCaaS services, as well as by customers that choose to access our Leap cloud service without utilizing our professional services organization. organization.

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, specifically such as personnel-related expenses, including stock-based compensation, and costs associated with maintaining the cloud platform on which we provide the QCaaS resides. The cost of revenue also includes product and depreciation and amortization related to our quantum computing systems and related software.

We expect our total cost of revenue to increase trend upward in absolute dollars in future periods, corresponding to our anticipated growth in professional services revenue and related headcount as well necessary to support our customers and to maintain the QCaaS cloud offering. Because the costs of delivering offering, operate our QCaaS cloud offering are less than the costs for quantum computing systems, and to deliver our professional services, we anticipate that an increase services. In the short term, decreases in share based compensation expenses may offset the expected long-term upward trend. We expect our cost of revenue as a percentage of total revenue to trend downward over time due to a higher mix of QCaaS revenue will increase our gross margin in the longer term. that has a lower cost to deliver compared to professional service revenue.

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, consulting and engineering services, 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 to continue to make substantial investments in our research and development capabilities. 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, to complete the development of our gate model quantum computer, and to broaden the functionality, 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, in the short term, decreases in share based compensation expenses may offset the expected long-term upward trend.

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 decrease in absolute dollars in the near term due to significant investments in scaling up our ability to operate as a public company made in prior years. However, in longer term future periods we expect general and administrative expenses to increase in absolute dollars as we continue to invest in our general and administrative components, in particular in more comprehensive compliance and governance functions, increased IT security and compliance, and enhanced expanded internal controls over financial reporting. reporting in accordance with the Sarbanes-Oxley Act.

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 generally expect our sales and marketing expenses to continue to increase in absolute dollars for the foreseeable future as we invest future. However, non-cash expenses like stock-based compensation could decrease these costs in various go-to-market initiatives. the short term.

Other income (expense), net

Other income (expense), net is primarily comprised of change in fair value of warrant liabilities and debt, debt issuance costs, interest expense and foreign currency gains or losses. 25

Results of Operations

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

(In thousands, except share and per share data)	Three Months Ended September 30,	
	2023	2022

Revenue	\$ 2,562	\$ 1,695
Cost of revenue	1,033	654
Total gross profit	1,529	1,041
Operating expenses:		
Research and development	9,459	7,507
General and administrative	8,003	5,925
Sales and marketing	2,474	2,773
Total operating expenses	19,936	16,205
Loss from operations	(18,407)	(15,164)
Other income (expense), net:		
Interest expense	(1,247)	(1,069)
Change in fair value of warrant liabilities	1,433	2,603
Government assistance	1,051	—
Change in fair value of Term Loan	1,701	—
Term Loan debt issuance costs	(725)	—
Lincoln Park Purchase Agreement issuance costs	—	(629)
Other income (expense), net	365	948
Total other income (expense), net	2,578	1,853
Net loss	\$ (15,829)	\$ (13,311)
Foreign currency translation adjustment, net of tax	15	56
Comprehensive loss	\$ (15,814)	\$ (13,255)

	Nine Months Ended September 30,	
	2023	2022
(In thousands, except share and per share data)		
Revenue	\$ 5,852	\$ 4,778
Cost of revenue	3,197	1,858
Total gross profit	2,655	2,920
Operating expenses:		
Research and development	29,922	21,799
General and administrative	28,875	13,566
Sales and marketing	7,862	5,982
Total operating expenses	66,659	41,347
Loss from operations	(64,004)	(38,427)
Other income (expense), net:		
Interest expense	(2,482)	(3,588)
Change in fair value of warrant liabilities	(79)	2,603

Government assistance	1,051	—
Change in fair value of Term Loan	1,356	—
Term Loan debt issuance costs	(2,118)	—
Lincoln Park Purchase Agreement issuance costs	—	(629)
Other income (expense), net	(59)	1,301
Total other income (expense), net	(2,331)	(313)
Net loss	\$ (66,335)	\$ (38,740)
Foreign currency translation adjustment, net of tax	(70)	18
Comprehensive loss	\$ (66,405)	\$ (38,722)

	Three Months Ended March 31,	
	2024	2023
(In thousands, except share and per share data)		
Revenue	\$ 2,465	\$ 1,583
Cost of revenue	806	1,162
Total gross profit	1,659	421
Operating expenses:		
Research and development	8,525	10,915
General and administrative	7,566	11,296
Sales and marketing	3,084	2,900
Total operating expenses	19,175	25,111
Loss from operations	(17,516)	(24,690)
Other income, net:		
Interest expense	(1,140)	(212)
Change in fair value of Term Loan	1,199	—
Gain on investment in marketable equity securities	1,660	—
Change in fair value of warrant liabilities	(2,652)	638
Other income (expense), net	1,137	(142)
Total other income, net	204	284
Net loss	\$ (17,312)	\$ (24,406)
Foreign currency translation adjustment, net of tax	47	(19)
Net comprehensive loss	\$ (17,265)	\$ (24,425)

Comparison of the Three Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**

Revenue

Revenue increased by \$0.9 million, or 51% to \$2.6 million for the three months ended September 30, 2023 as compared to \$1.7 million for the three months ended September 30, 2022. The increase was due primarily to an increase in QCaaS revenue of \$0.5 million, due to an increase in the number of QCaaS customers and average revenue per QCaaS customer, as well as an increase of \$0.3 million in professional services revenue, primarily driven by an increase in delivery of professional services projects that enable our customers to identify and implement applications that leverage our QCaaS cloud platform, partly offset by lower QCaaS revenue due to non-renewal for several customer contracts that were partially replaced with new customer contracts.

Cost of Revenue

Cost of revenue increased by \$0.4 million, or 58% to \$1.0 million for the three months ended September 30, 2023 as compared to \$0.7 million for the three months ended September 30, 2022. The increase in cost of revenue was driven primarily by an increase in personnel related costs, including \$0.3 million related to stock-based compensation expense.

Operating Expenses

Research and Development Expenses

(In thousands, except percentages)	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
Research and development	\$ 9,459	\$ 7,507	\$ 1,952	26 %

Research and development expenses increased by \$2.0 million, or 26% to \$9.5 million for the three months ended September 30, 2023 compared to \$7.5 million for the three months ended September 30, 2022. The increase was primarily a result of our continuous efforts to broaden the functionality of our QCaaS cloud platform and improve the reliability, availability and scalability of our cloud platform. In particular, our personnel-related expenses increased \$2.2 million (including \$2.0 million related to stock-based compensation expense). These increases were offset by decreases in facilities costs of \$0.1 million and a reduction in professional fees of \$0.1 million.

General and Administrative Expenses

(In thousands, except percentages)	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
General and administrative	\$ 8,003	\$ 5,925	\$ 2,078	35 %

General and administrative expenses increased \$2.1 million, or 35%, to \$8.0 million for the three months ended September 30, 2023 as compared to \$5.9 million for the three months ended September 30, 2022. Our personnel-related expenses increased \$2.5 million (including \$2.3 million related to stock-based compensation expense), partly offset by a \$1.0 million decrease in legal, audit, and other professional fees resulting from the Merger occurring in the comparable period.

Sales and Marketing Expenses

(In thousands, except percentages)	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
Sales and marketing	\$ 2,474	\$ 2,773	\$ (299)	(11)%

Sales and marketing expenses decreased \$0.3 million, or 11%, to \$2.5 million for the three months ended September 30, 2023 as compared to \$2.8 million for the three months ended September 30, 2022. The decrease was primarily a result of decreased promotional expenses of \$0.3 million and professional fees of \$0.1 million, offset by increased personnel costs of \$0.1 million.

Other Income (Expense), net

	Three Months Ended September 30,				Change	
	2023		2022		Amount	%
	\$	2,578	\$	1,853	\$	725
Other income (expense), net						39 %

Other income, net increased by \$0.7 million or 39%, to \$2.6 million for the three months ended September 30, 2023 as compared to \$1.9 million for the three months ended September 30, 2022, with the increases comprised of changes in fair value of warrant liabilities of \$1.4 million, benefits from government assistance of \$1.1 million and change in fair value of Term Loan of \$1.7 million. The increases were partly offset by higher interest expense of \$1.2 million due to a higher debt balance and debt issuance costs of \$0.7 million.

Comparison of the Nine Months Ended September 30, 2023 and 2022

Revenue

Revenue increased \$1.1 million, or 22%, to \$5.9 million for the nine months ended September 30, 2023 as compared to \$4.8 million for the nine months ended September 30, 2022. The increase in revenue was primarily driven by an increase in delivery of professional services that enable our customers to identify and implement applications that leverage our QCaaS cloud platform, partly offset by lower QCaaS revenue due to non-renewal for several customer contracts that were partially replaced with new customer contracts.

Cost of Revenue

Cost of revenue increased \$1.3 million, or 72%, to \$3.2 million for the nine months ended September 30, 2023 as compared to \$1.9 million for the nine months ended September 30, 2022. The increase in cost of revenue was primarily driven by an increase in personnel related costs, including \$0.9 million in non-cash stock-based compensation, costs of personnel costs and quantum computing infrastructure costs of \$0.2 million, \$0.1 million and \$0.1 million, respectively.

Operating Expenses

Research and Development Expenses

	Nine Months Ended September 30,				Change	
	2023		2022		Amount	%
	\$	29,922	\$	21,799	\$	8,123
Research and development						37 %

(In thousands, except percentages)	Three Months Ended March 31,				Change	
	2024		2023		Amount	%
	\$	8,525	\$	10,915	\$	(2,390)
Research and development						(22)%

Research and development expenses increased decreased by \$8.1 million \$2.4 million, or 37% 22%, to \$29.9 million \$8.5 million for the nine months ended September 30, 2023 March 31, 2024 compared to \$21.8 million \$10.9 million for the nine months ended September 30, 2022 March 31, 2023. The increase in particular, the decrease was primarily a result of our continuous efforts to broaden the functionality of our QCaaS cloud platform and improve the reliability, availability and

scalability of our cloud platform. In particular, our personnel-related expenses increased \$6.5 million (including \$6.2 million related to driven by decreases in stock-based compensation expense) expenses of \$1.6 million, fabrication expenses of \$0.3 million, other personnel costs of \$0.2 million and our wafer fabrication costs increased \$0.9 million due to higher activity rates. facilities expenses of \$0.2 million.

General and Administrative Expenses

	Nine Months Ended September 30,		Change	
	2023	2022	Amount	%
General and administrative	\$ 28,875	\$ 13,566	\$ 15,309	113 %

(In thousands, except percentages)	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
General and administrative	\$ 7,566	\$ 11,296	\$ (3,730)	(33)%

General and administrative expenses increased \$15.3 million decreased by \$3.7 million, or 113% 33%, to \$28.9 million \$7.6 million for the nine three months ended September 30, 2023 March 31, 2024 as compared to \$13.6 million \$11.3 million for the nine three months ended September 30, 2022 March 31, 2023. The increase decrease was primarily a result driven by decreases in professional fees of operating as a public company. In particular, our legal, accounting, tax and consulting fees increased \$4.4 million \$2.1 million, our personnel-related expenses increased \$8.6 million (including \$6.9 million related to stock-based compensation expense), expense of \$1.3 million and insurance costs increased \$1.4 million of \$0.3 million, partially offset by an increase in personnel costs of \$0.4 million.

Sales and Marketing Expenses

	Nine Months Ended September 30,		Change	
	2023	2022	Amount	%
Sales and marketing	\$ 7,862	\$ 5,982	\$ 1,880	31 %

(In thousands, except percentages)	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
Sales and marketing	\$ 3,084	\$ 2,900	\$ 184	6 %

Sales and marketing expenses increased \$1.9 million, or 31%, to \$7.9 million for the nine months ended September 30, 2023 as compared to \$6.0 million remained steady for the three months ended September 30, 2022. The increase was primarily a result of our efforts March 31, 2024, in comparison to expand our go-to-market initiatives. The increase was comprised of higher

personnel-related expenses of \$1.4 million, mainly attributed to salary and commission increases, promotional costs of \$0.1 million and consulting of \$0.2 million.

the same period in 2023.

Other Income (Expense), net

	Nine Months Ended September 30,		Change	
	2023	2022	Amount	%
Other income (expense), net	\$ (2,331)	\$ (313)	\$ (2,018)	645 %

Interest Expense

Other

(In thousands, except percentages)	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
Interest expense	\$ (1,140)	\$ (212)	\$ (928)	438 %

Interest expense net increased by \$2.0 million \$0.9 million, or 645% 438%, to \$2.3 million \$1.1 million for the nine three months ended September 30, 2023 March 31, 2024 as compared to \$0.3 million \$0.2 million for the nine three months ended September 30, 2022 March 31, 2023. The increases were driven increase is primarily due to accrued interest related to the Term Loan, which commenced in the second quarter of 2023. Refer to Note 6 to the accompanying unaudited condensed consolidated financial statements for further details.

Change in fair value of Term Loan

(In thousands, except percentages)	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
Change in fair value of Term Loan	\$ 1,199	\$ —	\$ 1,199	n/a

Change in fair value of Term Loan increased by \$1.5 million in increased debt and equity issuance costs, \$2.6 million in unfavorable changes in \$1.2 million for the three months ended March 31, 2024 as compared to zero for the three months ended March 31, 2023. As previously mentioned, on April 13, 2023, the Company entered into a Term Loan with PSPIB. The Company opted for the fair value of warrant liabilities, and a \$1.4 million reduction in unrealized foreign exchange gains. These increases were partly offset by \$1.1 million in government assistance related option for accounting the Term Loan (see Note 2 to the SIF loan, \$1.4 million accompanying condensed consolidated financial statements). Changes in favorable changes in the fair value of the Term Loan, excluding changes due to the Company's own credit risk, are recorded as gains or losses in the Company's condensed consolidated statements of operations and comprehensive loss in each reporting period. The fair value of the Term Loan varies primarily based on the market yield rate, market yield volatility, probability for an event of default and the probability of the issuance of shares of D-Wave's common stock, par value \$0.0001, (the "Common Share") under a purchase agreement with Lincoln Park on June 16, 2022 (the "Purchase Agreement").

Gain on investment in marketable equity securities

	Three Months Ended March 31,	Change

(In thousands, except percentages)	2024	2023	Amount	%
Gain on investment in marketable equity securities	\$ 1,660	\$ —	\$ 1,660	n/a

Gain on investment in marketable equity securities increased by \$1.7 million for the three months ended March 31, 2024 as compared to zero for the three months ended March 31, 2023. On January 5, 2024, an investee of the Company was acquired for a combination of cash and stock in an 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.

27

Change in fair value of warrant liabilities

(In thousands, except percentages)	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
Change in fair value of warrant liabilities	\$ (2,652)	\$ 638	\$ (3,290)	(516)%

Fair value of warrant liabilities increased by \$2.7 million for the three months ended March 31, 2024 as compared to a decrease of \$0.6 million for the three months ended March 31, 2023. The fair value of the warrant liabilities varies primarily with the trading price of the Public Warrants listed on the New York Stock Exchange (see Note 2 to the accompanying condensed consolidated financial statements).

Other income (expense), net

(In thousands, except percentages)	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
Other income (expense), net	\$ 1,137	\$ (142)	\$ 1,279	(901)%

Other income (expense), net increased by \$1.3 million or 901%, to \$1.1 million for the three months ended March 31, 2024 as compared to \$(0.1) million for the three months ended March 31, 2023. The increase was primarily driven by the net impact of foreign exchange gains and losses of \$1.1 million reduction and increase in interest expense. income of \$0.2 million.

Liquidity and Capital Resources

We have Since its inception, the Company has incurred net losses and experienced negative cash flows from operations since inception. To date, our primary sources operations. As of capital have been through private placements March 31, 2024, the Company had an accumulated deficit of convertible preferred shares, private placements \$500.4 million. For the three months ended March 31, 2024 and 2023, the Company incurred a net loss of common stock, revenue \$17.3 million and \$24.4 million, respectively, and the Company had net cash outflows from the sale operating activities of our products \$12.1 million and services, government assistance and debt financing. During the nine month period ended September 30, 2023 and 2022, we incurred net losses of \$66.3 million and \$38.7 million \$13.6 million, respectively. We expect As of March 31, 2024, the Company had cash of \$27.3 million and working capital (current assets less current liabilities) of \$22.8 million. Additionally, total liabilities exceeded total assets at March 31, 2024 by \$37.0 million. The Company expects to incur additional operating losses and higher negative cash flows from operating expenses for the foreseeable future activities as we continue it continues to invest in expand its commercial operations and research and development and go-to-market programs. We have determined that additional financing will be

required to fund our operations for the next 12 months and our ability to continue as a going concern is dependent upon obtaining additional capital and financing.

Our primary uses of cash are to fund our operations as we continue to grow our business. We will require a significant amount of cash for expenditures as we invest in expanding our commercial organization, as well as ongoing research and development and business operations. Until such time as we can generate significant revenue from sales of our QCaaS offering and our professional services, we expect to finance our cash needs through public and/or private equity (including sales pursuant to the Purchase Agreement) and/or debt financings or other capital sources. However, we may be unable to raise sufficient funds or enter into such other arrangements, when needed, on favorable terms, or at all. In particular, uncertain and unfavorable conditions in the United States and global macroeconomic environment, including inflationary pressures, rising interest rates, banking collapses, and financial and credit market fluctuations, could reduce our ability to access capital on favorable terms, or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be, or could be, diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, or substantially reduce our quantum computing development and go-to-market efforts.

As of September 30, 2023On April 13, 2023 (the "Closing Date"), we have 17,916,606 Warrants outstanding, each Warrant being exercisable for 1.4541326 Common Shares of the Company at an exercise price of \$11.50. Whether warrant holders will exercise their Warrants, and therefore the amount of cash proceeds we would receive upon exercise, is dependent upon the trading price of the Common Shares. Therefore, if and when the trading price of the Common Shares is less than approximately \$7.91, the effective exercise price of the Warrants per one Common Share we expect that warrant holders will not exercise their Warrants. Our Common Shares have closed below \$7.91 since October 11, 2022. Therefore, we do not expect warrant holders to exercise their Warrants in the short-term and as such we do not expect to rely on the cash exercise of Warrants to fund our operations. Instead, we intend to rely on other sources of cash discussed below to continue to fund our operations. If we are unable to raise additional funds through equity or debt financings when needed, we will be required to delay, limit, or substantially reduce our quantum computing development and go-to-market efforts.

finalized a Term Loan and Security Agreement

On April 13, 2023, we entered into the ("Term Loan, by and between us and Loan") with PSPIB Unitas Investments II Inc. (the ("PSPIB" or the "Lender" or "PSPIB") as, a related party to the lender. Under the Company's largest shareholder. The Term Loan, loans outlined in aggregate principal amount of \$50.0 million are to be made available to us Note 6 - Loans payable, net, provides \$50.0 million in three tranches, subject to certain terms and conditions and a 2.0% drawdown fee. The Term Loan matures on March 31, 2027 and is secured by a first-priority security interest in substantially all of our assets and contains certain operational and with financial covenants, including a financial covenant that measures our revenue against certain minimum percentages of budgeted revenue per quarter. The Term Loan requires that any proceeds from the issuance of Common Shares under the Purchase Agreement be applied towards the repayment of advances under the Term Loan in addition to a premium payment equal to 10.0% of the amount then prepaid to the Lender, except as modified by the amendment to the Term Loan as described below. The Term Loan is subject to a prepayment premium due to the Lender equal to 3% of the amount prepaid/repaid within the first year of the Closing Date, 2% in the second year, 1% in the third year and no prepayment premium thereafter. At our

discretion, the Term Loan bears interest on a monthly basis at either (i) 10.0% payable in cash, or (ii) 11.0% payable in kind (PIK), with the latter added to the principal value of the Term Loan.

performance requirements. The first two tranches of the Term Loan, \$15.0 million each, amounted to \$15.0 million in principal, were advanced to us on April 14, 2023, and July 13, 2023, respectively, with the third tranche of \$20.0 million to be made automatically available subject to the satisfaction of certain conditions. Prior to PSPIB's advance of the first tranche, the Company satisfied several closing conditions is contingent on meeting specific criteria, including the provision of a cash flow forecast and the board of directors' retention of an advisor. The Lender agreed to modify certain conditions to the funding of the second tranche of the Term Loan, including delaying the delivery of a board-approved operating budget and plan for the Company's fiscal years 2023 through 2027 to August 31, 2023 (later extended to December 31, 2023); modifying the condition that, prior to the funding of the second tranche, the Company shall have nominated an additional director that is either an employee of PSPIB or an independent director selected from PSPIB nominees to require such appointment at a later time at PSPIB's option; and modifying notice deadline requirements for the registration or filings of intellectual property. PSPIB has also agreed to waive certain covenants under the Term Loan that the Company did not meet, including the minimum revenue financial covenant for the second and third fiscal quarters ended June 30, 2023 and September 30, 2023, respectively. The second tranche was advanced to us after we satisfied several closing conditions, including providing the Lender with an intellectual property valuation report and SIF's consent to the grant of security interests in D-Wave's project intellectual property associated with the SIF Loan. non-dilutive financing closure. There can be no assurance that the Company will be able to meet the conditions necessary to draw on the third tranche or will be able to comply with the third tranche. As of March 31, 2024, the Company was in compliance with the covenants of the Term Loan, or that PSPIB will agree to waive covenants under the Term Loan in the Term Loan.

In conjunction with the future. The availability of the third tranche is subject to us closing a \$25.0 million non-dilutive financing on terms reasonably acceptable to the Lender, the intellectual property valuation report submitted as a condition precedent to the second tranche remaining satisfactory to the Lender and providing a board-approved operating budget for 2023 through 2027 by December 31, 2023 that is satisfactory to the Lender.

The Term Loan was amended on July 20, 2023 such that Merger, the Company may issue up to \$50.0 million under the Lincoln Park Purchase Agreement described below without the requirement to pay down the Term Loan to the extent that the proceeds under the Purchase Agreement are received prior to October 18, 2023. As amended, the Term Loan requires that any proceeds from the issuance of Common Shares under the Purchase Agreement in excess of \$50.0 million shall be applied towards the repayment of advances under the Term Loan in addition to a premium payment equal to 10% of the amount then prepaid to the Lender.

On October 6, 2023 the Company and D-Wave Systems entered into the fourth amendment to the Term Loan. Under the amendment, the deadline for the Company to deliver to PSPIB a board-approved operating budget and plan for the Company's fiscal years 2023 through 2027 was extended to December 31, 2023. In addition, the amendment extended the period for which no prepayment of the advances under the Term Loan is required with respect to aggregate gross proceeds of up to \$50.0 million the Company receives pursuant to share issuances under the Purchase Agreement to the extent proceeds are received prior to December 31, 2023.

Lincoln Park Purchase Agreement

The Purchase Agreement with Lincoln Park Capital Fund, LLC ("Lincoln Park") on June 16, 2022, which provides D-Wave the sole right, but not the obligation, to direct Lincoln Park to buy specified dollar amounts up to \$150.0 million of D-Wave's common stock, par value \$0.0001 per share through November 1, 2025. The Purchase Agreement may provide the Company and D-Wave 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 may not sell to Lincoln Park any Common Shares. When we sell the Company sells shares 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 discretion. For During the nine three months ended September 30, 2023 March 31, 2024, the Company has received \$61.3 million in proceeds through the issuance of 39,487,104 did not issue any Common Shares to Lincoln Park under the Purchase Agreement. Agreement. In order for the Company to issue Common Shares under the Purchase Agreement, the Company's share price must be above the floor price of \$1.00 per share. Since October 11, 2023, the price of our Common Shares has closed below the \$1.00 floor price. We may not sell any Common Shares to Lincoln Park unless and until the price of our Common Shares subsequently exceeds the \$1.00 floor price. \$1.00. There is no assurance that the floor price of our Common Shares will exceed not fall below \$1.00 which will affect our ability preventing the Company from being able to generate proceeds under make sales to Lincoln Park in the Purchase Agreement. future.

To the extent that sufficient capital is not obtained through the cash received in connection with the proceeds of the Term Loan and/or the issuance of Common Shares under the Purchase Agreement with Lincoln Park, management will be required to obtain additional capital through the issuance of additional debt and/or equity, or other arrangements. However, there can be no assurance that D-Wave will be able to raise additional capital when needed or under acceptable terms, especially if D-Wave fails to maintain the listing of its Common Shares on the NYSE. terms. The issuance of additional equity may dilute existing stockholders and newly issued shares may contain senior rights and preferences compared to the currently outstanding Common Shares. common stock. Any future debt may contain covenants and limit D-Wave's ability to pay dividends or make other distributions to stockholders. If D-Wave is unable to obtain additional financing, operations will be scaled back or discontinued.

Our future capital requirements

28

As of December 31, 2023, the Company was not in compliance with certain continued listing standards of the New York Stock Exchange ("NYSE"). On March 1, 2024, the NYSE provided D-Wave with a notification letter of recompliance based on a calculation of the Company's average closing share price for the 30 trading days ended February 29, 2024, which reflected an average closing share price above the NYSE's \$1.00 minimum requirement. D-Wave will continue to be traded on the NYSE, subject to its continued compliance with all applicable listing standards.

If the Company is unable to maintain compliance with the continued listing standards of the NYSE and is not able to cure any violations within the adequacy of available funds time periods allotted by the NYSE, if any, it will depend on many factors, including those set forth result in the section titled "Risk Factors" delisting of the Company's common stock from the NYSE, which could negatively impact the trading price, trading volume and liquidity of, and have other material adverse effects on, the Company's common stock and its ability to raise capital.

In connection with the Company's assessment of going concern considerations in accordance with Financial Accounting Standard Board's Accounting Standards Codification ("ASC") Topic 205-40, "Basis of Presentation—Going Concern", management has determined that the Company's liquidity condition raises substantial doubt about the Company's ability to continue as a going concern, which is considered to be for a period of one year from the issuance of these financial statements. These condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this Report. uncertainty. Such adjustments could be material.

Cash Flows

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

	Nine months ended September 30,	
	2023	2022
Net cash (used in) provided by:		
Operating Activities	\$ (45,910)	\$ (34,339)
Investing Activities	(176)	(316)
Financing Activities	92,408	38,967
Effect of exchange rate changes on cash and cash equivalents	(70)	(31)
Net increase in cash and cash equivalents	\$ 46,252	\$ 4,281

	Three Months Ended March 31,	
	2024	2023
Net cash provided by (used in):		
Operating Activities	\$ (12,119)	\$ (13,574)
Investing Activities	(1,205)	(76)
Financing Activities	(726)	15,592
Effect of exchange rate changes on cash and cash equivalents	47	(19)
Net increase (decrease) in cash and cash equivalents	\$ (14,003)	\$ 1,923

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.

Net For the three months ended March 31, 2024, net cash used in operating activities during was \$12.1 million, a decrease of \$1.5 million from \$13.6 million for the nine three months ended September 30, 2023 was \$45.9 million, resulting March 31, 2023. The change is primarily from due to a decrease in net loss of \$66.3 million, adjusted for non-cash charges \$7.1 million, offset by a decrease in noncash items of \$1.4 million \$3.1 million and a decrease in depreciation and amortization, including amortization cash released from working capital of operating right of use assets, \$17.4 million \$2.5 million. The decrease in noncash items was primarily due to a decrease in stock-based compensation \$0.1 million in change of \$3.2 million, an increase in fair value of public Term Loan of \$1.2 million and private warrants, \$1.1 a gain on marketable securities of \$1.7 million, benefit from the SIF Loan, \$2.4 million in non-cash interest and \$0.6 million in working capital adjustments.

Net cash used in operating activities during the nine months ended September 30, 2022 was \$34.3 million, resulting primarily from offset by a net loss increase in fair value of \$38.7 million, adjusted for non-cash charges warrant liabilities of \$1.5 million in depreciation and amortization including amortization of operating right of use assets, \$3.4 million in stock-based compensation, \$1.6 million in non-cash interest on government loans, \$0.3 million in other non-cash activities and \$1.0 million in working capital adjustments.

\$3.3 million.

Cash Flows Used in Investing Activities

Net cash used in investing activities during the nine months ended September 30, 2023 March 31, 2024 was \$0.2 million \$1.2 million, an increase of \$1.1 million in cash used in investing activities from \$0.1 million for the three months ended March 31, 2023. The increase is primarily representing additions due to purchase of \$0.1 million convertible note of \$1.0 million and an increase in purchase of property and equipment equipment of \$0.2 million. On February 8, 2024, the Company purchased a convertible Senior Secured Note with a principal amount of \$1.0 million from Zapata. Refer to Note 2 and Note 4 to the unaudited condensed consolidated financial statements for further details.

Cash Flows Provided by (Used in) Financing Activities

Net cash used in investing financing activities during the nine months ended September 30, 2022 March 31, 2024 was \$0.3 million, primarily representing additions \$0.7 million, a decrease of \$0.2 million in property and equipment.

Cash Flows Provided by Financing Activities

Net \$16.3 million from cash provided by financing activities of \$15.6 million for the three months ended March 31, 2023. The decrease is primarily due to absence of Common Shares issuance to Lincoln Park under the Purchase Agreement during the nine months ended September 30, 2023 was \$92.4 million, primarily reflecting proceeds from March 31, 2024 and the Lincoln Park Purchase Agreement payment of \$61.3 million, net proceeds from the first and second tranches tax withheld for common stock issued under stock-based compensation plans of the Term Loan of \$29.0 million, proceeds from government assistance of \$1.5 million and stock option exercise proceeds of \$1.9 million, partially offset by payments for financed Directors and Officers Insurance premiums of \$1.4 \$0.7 million.

Net cash provided by financing activities during the nine months ended September 30, 2022 was \$39.0 million, primarily reflecting net proceeds received from the Venture Loan and Security Agreement, dated as of March 3, 2022, between D-Wave and its subsidiaries and PSPIB, as lender, for \$19.9 million, and net proceeds received from the SIF Loan for \$3.1 million.

29

Contractual Obligations and Commitments

As of September 30, 2023 March 31, 2024, there have been no material changes with regard to contractual obligations from those disclosed in our "Management's Discussion and Analysis on Financial Condition and Results of Operations—Contractual Obligations and Commitments" in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies from those disclosed in our "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2023 December 31, 2022.

Recent Recently Issued and Adopted Accounting Pronouncements Standards

See A discussion of recent accounting pronouncements is included in Note 2 of our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information regarding recently issued accounting pronouncements. 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable to Smaller Reporting Companies.

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Evaluation of Disclosure Controls and Procedures

In accordance with the Exchange Act Rules 13a-15(e) and 15d-15(e), we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of **September 30, 2023** **March 31, 2024**. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, due to a material weakness in our internal control over financial reporting specifically related to D-Wave's control environment in relation to our financial statement close process (i.e., lack of sufficient accounting and financial reporting personnel with requisite knowledge and experience in the application of complex areas of GAAP and SEC rules to facilitate accurate and timely financial reporting and to perform sufficient review over certain financial statement areas), as previously disclosed in Item 9A of our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, our disclosure controls and procedures were not effective as of the end of the period covered by this Report.

Notwithstanding the material weakness described above, we have concluded that our unaudited **condensed** consolidated financial statements included in this Quarterly Report on Form 10-Q are fairly stated in all material respects in accordance with U.S. GAAP for the periods presented therein.

Remediation Efforts on Previously Reported Material Weakness

We are implementing measures designed The Company is devoting significant time, attention, and resources to improve remediating the above material weakness. The Company has undertaken and continues to execute the following steps intended to remediate the material weakness described above and strengthen our internal controls, over financial reporting specifically:

- The Company hired experienced finance and accounting executives in the positions of SVP Finance, VP Corporate Controller, and Senior Manager of Financial Reporting and Technical Accounting.
- The Company continues to remediate this material weakness including adding additional qualified develop accounting personnel with a level of accounting knowledge and experience in the application of US GAAP commensurate with our financial reporting requirements and the complexity of our operations and transactions, including providing adequate training and supervision to our staff.
- The Company has engaged external specialists as needed to provide assistance in accounting for significant, non-routine or complex GAAP and SEC rules, engaging transactions.
- The Company has engaged external consultants to assist with the financial statement close process, Company in designing, implementing, 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 monitoring an appropriate

system of our internal review of underlying information related to financial reporting and to formalize and enhance our internal control procedures. control.

30

The Company has made significant progress in addressing the previously identified material weakness, however the material weakness will not be considered remediated until our remediation plan has been fully implemented, the applicable controls operate have operated for a sufficient period of time, and we have concluded, through testing, that the newly implemented and enhanced controls are have been designed and operating effectively. We are continuing to work on the implementation effectively for a sufficient period of our remediation plan, following which we will continue to test such controls over time.

Changes in Internal Control Over Financial Reporting

Other than the ongoing remediation to address the material weakness described above, 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 three months ended **September 30, 2023** **March 31, 2024** that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

31

Part II - Other Information

Item 1. Legal Proceedings

To the knowledge of our management, there is no litigation currently pending or contemplated against us, any of our officers or directors in their capacity as such or against any of our property.

From time to time, we may become involved in legal proceedings relating to claims arising from in the ordinary course of business. Our management believes that there There are currently no claims pending or actions pending threatened legal proceedings or claims against us the ultimate disposition of which could that, in our opinion, are likely to have a material adverse effect on our business, operating results, of operations, 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 1A. Risk Factors

There have been no material changes from the risk factors set forth in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, as filed with the SEC on **April 18, 2023**, with the exception of the risk factor discussed below.

If we are unable for any reason to meet the continued listing requirements of the NYSE, such action or inaction could result in a delisting of our securities.

On October 20, 2023, we were notified by the NYSE that we are not in compliance with Section 802.01C of the NYSE Listed Company Manual because the average closing price of our Common Shares was less than \$1.00 over a consecutive 30 trading-day period. The notice had no immediate impact on the listing of our Common Shares, which will continue to be listed and traded on the NYSE during the period allowed to regain compliance, subject to our compliance with other listing standards. On October 24, 2023, we notified the NYSE that we intend to cure the stock price deficiency and to return to compliance with the NYSE continued listing standard. We can regain compliance at any time within the six-month period following receipt of the NYSE notice if on the last trading day of any calendar month during the cure period our Common Shares have a closing share price of at least \$1.00 and an average closing share price of at least \$1.00 over the 30 trading-day period ending on the last trading day of that month. Under the NYSE's rules, if we determine that we will cure the stock price deficiency by taking an action that will require stockholder approval at our next annual meeting of stockholders, the price condition will be deemed cured if the price promptly exceeds \$1.00 per share, and the price remains above that level for at least the following 30 trading days.

The delisting of our Common Shares from the NYSE will likely make it more difficult for us to raise capital on favorable terms in the future. Such a delisting would likely have a negative effect on the price of our securities and would impair your ability to sell or purchase our securities when you wish to do so. In the event of a delisting, actions taken by us to restore compliance with listing requirements may not allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities, prevent such securities from dropping below any minimum bid price requirement or prevent future non-compliance with the NYSE listing requirements. March 29, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On November 7, 2023, after nearly 9 years at D-Wave, Victoria Brydon, Chief People Officer, provided her resignation letter.

Securities Trading Plans of Directors and will be leaving the Company as of December 13, 2023. Executive Officers

During the three months ended March 31, 2024, none of the Company's directors or officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement", as such terms are defined under Item 408 of Regulation S-K.

Item 6. Exhibits and Financial Statement Schedules

Exhibit No.	Description	Incorporated by Reference Exhibits			
		Filer	Form	Exhibit	Filing Date
10.1	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
10.2	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
10.3	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
10.4†	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
10.5†	Amendment to Full-Time Employment Agreement, between Victoria Brydon and D-Wave Systems Inc., dated July 10, 2023.	D-Wave Quantum Inc.	10-Q	10.14	August 10, 2023
10.6*	Limited Waiver to Loan and Security Agreement, dated as of November 7, 2023, by and between D-Wave Quantum Inc. and PSPIB Unitas Investments II Inc.				
31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of the Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1#*	Certification of the Chief Executive Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2#*	Certification of the Principal Financial and Accounting Officer pursuant to U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	* Inline XBRL Instance Document				
101.SCH	Inline XBRL Taxonomy Schema Document				
*					
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document				
*					
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document				
*					
101.LAB	Inline XBRL Taxonomy Label Linkbase Document				
*					
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document				
*					

104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
------	---

Exhibit No.	Description	Incorporated by Reference Exhibits			
		Filer	Form	Exhibit	Filing Date
10.1†	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
10.2†	Third Amendment to the Lease, dated as of February 14, 2024, between Embarcadero Joint Venture and D-Wave Commercial Inc.	D-Wave Quantum Inc.	10-K	10.67	March 29, 2024
10.3	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
10.4†#	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
10.5†#	Amendment to the Full-Time Employment Agreement, dated as of March 4, 2022, between D-Wave Commercial Inc. and Diane Nguyen, dated April 17, 2024.	D-Wave Quantum Inc.	8-K	10.3	April 19, 2024
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.				
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.

**The 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 attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are will not be deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act, of 1933, as amended, or except to the Securities Exchange Act of 1934, as amended, whether made before or after extent that the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing. 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).

33

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.

November 9, 2023 May 13, 2024

By: /s/ John M. Markovich

John M. Markovich

Chief Financial Officer

(Principal Financial and Accounting Officer)

41

LIMITED WAIVER TO LOAN AND SECURITY AGREEMENT

LIMITED WAIVER TO LOAN AND SECURITY AGREEMENT (this “Waiver”), dated as of November 7, 2023, by and between D-WAVE QUANTUM INC., a Delaware corporation (the “Borrower”), and the Lender (as defined below) party hereto.

WITNESSETH:

WHEREAS, the Borrower, D-Wave Systems Inc., a British Columbia corporation, D-Wave US Inc., a Delaware corporation, D-Wave Government Inc., a Delaware corporation, D-Wave Commercial Inc., a Delaware corporation, D-Wave International Inc., a Canadian corporation, D-Wave Quantum Solutions Inc., a Canadian corporation, Omni Circuit Boards Ltd., a British Columbia corporation, DPCM Capital, Inc., a Delaware corporation, 1372929 B.C. Ltd, a British Columbia corporation, 1372934 B.C. LTD., a British Columbia corporation, DWSI Canada Holdings ULC, a British Columbia corporation, D Wave Quantum Technologies Inc., a British Columbia corporation, and each other Person hereafter joined thereto as a guarantor (collectively or individually, as the context may dictate, the “Guarantors” and together with the Borrower, the “Loan Parties”) and PSPIB Unitas Investments II Inc., a Canadian corporation, as Collateral and as Lender (the “Lender”), are parties to that certain Loan and Security Agreement, dated as of April 13, 2023 (as amended pursuant to that certain First Amendment to Loan and Security Agreement dated as of June 16, 2023, that certain Limited Waiver and Second Amendment to Loan and Security Agreement dated as of July 13, 2023, that certain Third Amendment to Loan and Security Agreement dated as of July 20, 2023, and that certain Fourth Amendment to Loan and Security Agreement dated as of October 6, 2023 and as further amended, modified, supplemented, renewed, restated or replaced from time to time, the “Existing Loan Agreement”);

WHEREAS, Section 7.16(b)(ii) of the Loan Agreement provides that the Borrower shall not permit or cause the consolidated revenue of the Borrower and its Subsidiaries to be, for the fiscal quarter ending September 30, 2023, less than 75% of the consolidated revenue set forth in the Budget delivered for the fiscal quarter ending June 30, 2023 (the “**July 2023 Budget**”) with respect to the fiscal quarter ending September 30, 2023, tested at quarter-end (the “**2023 Q3 Permitted Variance Covenant**”);

WHEREAS, in that certain Fourth Amendment to Loan and Security Agreement dated as of October 6, 2023, the Lender agreed to amend the date of delivery of the July 2023 Budget to December 31, 2023;

WHEREAS, in the absence of the July 2023 Budget, and based on the Borrower’s board-approved operating budget as of the Closing Date, the Borrower will not meet the requirements of the 2023 Q3 Permitted Variance Covenant and Lender has agreed to waive the 2023 Q3 Permitted Variance Covenant, subject to the terms and conditions hereof;

NOW THEREFORE, in consideration of the covenants and agreements contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Existing Loan Agreement.
2. Subject to the terms and conditions set forth herein, the Lender hereby waives the 2023 Q3 Permitted Variance Covenant.

3. For certainty, the waiver provided in Section 2 hereof is provided solely in respect of the 2023 Q3 Permitted Variance Covenant and no other obligation, requirement or right of the Lender under the Loan Agreement is being waived or affected and all of the terms of the Loan Agreement and all other Loan Documents shall remain in full force and effect. The

2

Lender expressly reserves all rights, powers and discretions which it may have under the Loan Agreement or any other Loan Document.

4. This Waiver constitutes a Loan Document for the purposes of the Loan Agreement.
5. Time is of the essence of this Waiver.
6. This Waiver will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.
7. This Waiver is governed by and will be construed in accordance with the laws of the State of New York. Section 15 of the Loan Agreement applies to this Waiver (mutatis mutandis).
8. This Waiver may be executed by the parties hereto in one or more counterparts, each of which shall be deemed to be an original and all of which will constitute together the one and the same agreement.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the day and year first above written.

BORROWER:

D-WAVE QUANTUM INC.

By: /s/ Alan Baratz

Name: Alan Baratz
Title: President & CEO

Signature Page - Waiver

LENDER:

PSPIB UNITAS INVESTMENTS II INC.

By: /s/ Adam Smalley
Name: Adam Smalley
Title: Authorized Signatory

By: /s/ Jonathan Ostrzega
Name: Jonathan Ostrzega
Title: Authorized Signatory

Signature Page - Waiver

34

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 Quarterly Report on Form 10-Q 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
 - c) 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: November 9, 2023 May 13, 2024

By: /s/ Alan Baratz

Alan Baratz

President and Chief Executive Officer
(Principal Executive Officer)

**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 Quarterly Report on Form 10-Q 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) 13a-15(f) and 15d-15(f) 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
 - c)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: **November 9, 2023** **May 13, 2024**

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 Quarterly Report of D-Wave Quantum Inc. (the "Company") on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024** 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 **result** **results** of operations of the Company.

Dated: **November 9, 2023** **May 13, 2024**

By: /s/ Alan Baratz

President and Chief Executive Officer

(Principal Executive Officer)

**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 Quarterly Report of D-Wave Quantum Inc. (the "Company") on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024** 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 **result** **results** of operations of the Company.

Dated: **November 9, 2023** **May 13, 2024**

By: /s/ John M. Markovich

Chief Financial Officer

(Principal Financial and Accounting Officer)

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.