# 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, 2026

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

**For the transition period from to**

**Commission file number 001-43328**

# Quantinuum Inc.

(Exact name of registrant as specified in its charter)

| **Delaware** | **41-4095842** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **303 S Technology Court Broomfield, CO 80021** | **80021** |
| (Address of Principal Executive Offices) | (Zip Code) |

**(855) 888-7686**

Registrant's telephone number, including area code

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Class A common stock, par value $0.0001 per share** | **QNT** | **The Nasdaq Stock Market LLC** |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☒

As of November 9, 2026, the registrant had 45,555,575 shares of Class A common stock, $0.0001 par value per share, and 220,260,482 shares of Class B common stock, $0.0001 par value per share, outstanding.

**Table of Contents**


| | | Page |
|---|---|---|
| **PART I - FINANCIAL INFORMATION** | | |
| | Cautionary Note Regarding Forward-Looking Statements | 1 |
| Item 1. | Financial Statements | 3 |
| | Condensed Consolidated Balance Sheets | 3 |
| | Condensed Consolidated Statements of Operations | 4 |
| | Condensed Consolidated Statements of Comprehensive Loss | 5 |
| | Condensed Consolidated Statements of Cash Flows | 6 |
| | Condensed Consolidated Statements of Temporary Equity and Shareholders' Equity | 7 |
| | Notes to the Condensed Consolidated Financial Statements | 10 |
| Item 2. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 34 |
| Item 3. | Quantitative and Qualitative Disclosures About Market Risk | 48 |
| Item 4. | Controls and Procedures | 48 |
| **PART II - OTHER INFORMATION** | | |
| Item 1. | Legal Proceedings | 49 |
| Item 1A. | Risk Factors | 49 |
| Item 2. | Unregistered Sales of Equity Securities and Use of Proceeds | 109 |
| Item 3. | Defaults Upon Senior Securities | 110 |
| Item 4. | Mine Safety Disclosures | 110 |
| Item 5. | Other Information | 110 |
| Item 6. | Exhibits | 111 |
| Signatures | | 112 |

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future financial condition, future operations, projected costs, prospects, plans, objectives of management, and expected market growth, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "shall," "should," "expects," "plans," "could," "target," "projects," "contemplates," "believes," "estimates," "potential," "goal," "objective," "roadmap," or "continue," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our progress in developing our quantum computing systems;
- the performance and quality of our quantum computing systems, our private cloud, or other information systems, our research and development activities, our facilities or our other fixed assets;
- the performance and quality of the public cloud, internet or other infrastructure or third-party systems on which we rely;
- the availability of suppliers for components of the equipment we use to build and operate our products, services and solutions;
- our ability to achieve the project milestones and comply with the requirements of our award agreement with the U.S. Department of Commerce ("Department of Commerce"), and the Department of Commerce's rights to withhold, suspend or claw back funding;
- our ability to expand or increase the capacity of our infrastructure or to repair or replace defective equipment;
- our ability to implement our roadmaps and plans for commercialization involving technology that is not yet available for customers and the ability of that technology to meet desired technical specifications;
- our ability to successfully compete in the quantum computing industry;
- our ability to establish and maintain long-term business prospects among current and future partners and customers;
- our ability to commercialize quantum computers from our relationships with cloud providers;
- our ability to reduce the cost of developing our quantum computers and price our quantum systems competitively;
- the development of the quantum computing industry;
- the broad quantum advantage of quantum computers;
- the reliability and viability of our quantum computing systems;
- our ability to successfully execute our business strategy;
- the ability of our products, services and solutions to achieve market success;
- our ability to attract and retain key employees, including quantum physicists and other highly specialized technical personnel;
- our relationship with, and the influence of, Honeywell International Inc. ("Honeywell");
- forecasts of future results of operations and funding requirements;
- the effect that complex and evolving state, federal and foreign laws, rules and regulations will have on us and our business;
- our reliance on licensed intellectual property and joint development arrangements with third parties;
- our ability to obtain, maintain and enforce sufficient patent protection for our products, services and solutions;

- our ability to maintain the secrecy of our trade secrets;
- our success as an independent, publicly traded company that is not a consolidated subsidiary of Honeywell;
- the impact of our organizational structure on the market price of our Class A common stock;
- the ability of management to successfully operate a public company;
- the fluctuation of our operating results;
- our obligations under the Tax Receivable Agreement and our organizational structure; and
- the other factors described under "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and in other documents we file from time to time with the SEC that disclose risks and uncertainties that may affect our business. Except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report.

## Part I. Financial Information

### Item 1. Financial Statements

**Quantinuum Inc.**
**Unaudited Condensed Consolidated Balance Sheets**

| *(Dollars in thousands except share data)* | September 30, 2026 | December 31, 2025 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 1,936,114 | $ 762,642 |
| Accounts receivable | 3,254 | 5,068 |
| Due from related parties | 336 | 604 |
| Inventories | 8,057 | — |
| Net investment in lease, current | 5,773 | 5,773 |
| Other current assets | 39,894 | 27,754 |
| Total current assets | 1,993,428 | 801,841 |
| Property and equipment—net | 162,598 | 120,965 |
| Right-of-use assets | 30,171 | 10,000 |
| Goodwill | 771,506 | 784,822 |
| Other intangible assets—net | 101,027 | 114,282 |
| Net investment in lease, non-current | 5,773 | 10,102 |
| Other assets—net | 20,373 | 3,613 |
| Total assets | $ 3,084,876 | $ 1,845,625 |
| **LIABILITIES** | | |
| Current liabilities: | | |
| Accounts payable | $ 19,478 | $ 10,620 |
| Due to related parties | — | 1,273 |
| Accrued liabilities | 60,475 | 44,358 |
| Total current liabilities | 79,953 | 56,251 |
| Warrant liability | — | 38,400 |
| License payable, non-current portion | 55,345 | 55,345 |
| Operating lease liabilities, non-current | 29,137 | 7,143 |
| Other liabilities | 605 | 893 |
| **TEMPORARY EQUITY** | | |
| Series A convertible redeemable preferred stock, $0.0001 par value per share; 31,983,034 shares authorized as of December 31, 2025; 23,119,001 shares issued and outstanding as of December 31, 2025; liquidation preference of $423,540 as of December 31, 2025 | — | 288,129 |
| Series A-1 convertible redeemable preferred stock, $0.0001 par value per share; 28,016,966 shares authorized, issued and outstanding as of December 31, 2025; liquidation preference of $479,930,628 as of December 31, 2025 | — | 400,978 |
| Series B convertible redeemable preferred stock, $0.0001 par value per share; 31,753,266 shares authorized as of December 31, 2025; 31,336,698 shares issued and outstanding as of December 31, 2025; liquidation preference of $878,367,645 as of December 31, 2025 | — | 824,834 |
| **SHAREHOLDERS' EQUITY / QUANTINUUM (CAYMAN) EQUITY** | | |
| Quantinuum (Cayman) equity | — | 173,652 |
| Preferred stock, $0.0001 par value per share; 20,000,000 shares authorized, as of September 30, 2026; no shares issued and outstanding as of September 30, 2026 | — | — |
| Class A common stock, $0.0001 par value per share; 2,000,000,000 shares authorized as of September 30, 2026; 43,386,129 shares issued and 43,313,266 shares outstanding as of September 30, 2026 | 4 | — |
| Class B common stock, $0.0001 par value per share; 2,000,000,000 shares authorized as of September 30, 2026; 222,338,654 shares issued and outstanding as of September 30, 2026 | 22 | — |
| Class A common stock held in treasury, at cost; 72,863 shares and 0 shares as of September 30, 2026 and December 31, 2025, respectively | (3,803) | — |
| Additional paid-in-capital | 541,704 | — |
| Accumulated other comprehensive (loss) income | (1,466) | — |
| Accumulated deficit | (82,370) | — |
| Total equity attributable to Quantinuum Inc. / Quantinuum (Cayman) | 454,091 | 173,652 |
| Non-controlling interest | 2,465,745 | — |
| Total equity | 2,919,836 | 173,652 |
| Total liabilities and equity | $ 3,084,876 | $ 1,845,625 |

The Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

**Quantinuum Inc.**

**Unaudited Condensed Consolidated Statements of Operations**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | *(Dollars in thousands except share data)* | | | |
| Revenue—net | $ 9,050 | $ 2,715 | $ 22,285 | $ 23,908 |
| Costs and expenses: | | | | |
| Cost of revenue | 3,194 | 1,058 | 14,618 | 3,728 |
| Amortization expense | 4,184 | 2,839 | 12,554 | 8,517 |
| Research and development expenses—net | 97,482 | 42,382 | 519,433 | 117,822 |
| Sales and marketing expenses | 14,856 | 3,977 | 57,920 | 10,779 |
| General and administrative expenses | 22,149 | 5,334 | 182,752 | 16,903 |
| Total costs and expenses | 141,865 | 55,590 | 787,277 | 157,749 |
| Loss from operations | (132,815) | (52,875) | (764,992) | (133,841) |
| Interest income—net | (14,324) | (3,072) | (23,807) | (5,415) |
| Loss on change in fair value of warrant liabilities | — | 2,100 | 111,815 | 9,900 |
| Other (income)/expense—net | (283) | 3 | (2,296) | 803 |
| Loss before taxes | (118,208) | (51,906) | (850,704) | (139,129) |
| Tax (benefit)/expense | (357) | 130 | 260 | 313 |
| Net loss | $ (117,851) | $ (52,036) | $ (850,964) | $ (139,442) |
| Less: Net loss attributable to Quantinuum (Cayman) prior to the Transactions | — | N/A | (246,680) | N/A |
| Less: Net loss attributable to the non-controlling interest | (100,899) | N/A | (521,914) | N/A |
| Net loss attributable to Quantinuum Inc. | $ (16,952) | N/A | $ (82,370) | N/A |
| Net loss per share attributable to Class A common stockholders—basic and diluted[1] | $ (0.46) | N/A | $ (2.27) | N/A |
| Weighted-average shares used in computing net loss per share attributable to Class A common stockholders—basic and diluted[1] | 36,806,913 | N/A | 36,216,440 | N/A |

[1] For the nine months ended September 30, 2026, net loss per share of Class A common stock and weighted-average shares of Class A common stock are presented for the period during the Transactions through September 30, 2026, which is the period effective with and following the Transactions as defined in Note 1 — Description of Organization. Refer to Note 15 — Net Earnings Per Share for additional details.

The Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

**Quantinuum Inc.**

**Unaudited Condensed Consolidated Statements of Comprehensive Loss**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | *(Dollars in thousands)* | | | |
| Net loss | $ (117,851) | $ (52,036) | $ (850,964) | $ (139,442) |
| Foreign exchange translation adjustment, net of tax of zero | 1,589 | (24,407) | (14,122) | 52,618 |
| Comprehensive loss | $ (116,262) | $ (76,443) | $ (865,086) | $ (86,824) |
| Less: Comprehensive loss attributable to Quantinuum (Cayman) prior to the Transactions | — | N/A | (248,426) | N/A |
| Less: Comprehensive loss attributable to the non-controlling interest | (99,505) | N/A | (532,607) | N/A |
| Comprehensive loss attributable to Quantinuum Inc. | $ (16,757) | N/A | $ (84,053) | N/A |

The Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

**Quantinuum Inc.**

**Unaudited Condensed Consolidated Statements of Cash Flows**

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| | *(Dollars in thousands)* | |
| **Cash flows from operating activities:** | | |
| Net loss | $ (850,964) | $ (139,442) |
| Adjustments to reconcile to net cash used for operating activities | | |
| Depreciation and amortization | 27,868 | 22,442 |
| Noncash lease expense | 4,510 | 1,799 |
| Sales under sales-type lease | — | (16,526) |
| Stock compensation expense | 484,699 | — |
| Loss on change in fair value of warrant liabilities | 111,815 | 9,900 |
| (Gain)/Loss on disposal and write down of assets | (4) | 909 |
| Interest expense | 5 | 6 |
| Foreign exchange (gain)/loss—net | (118) | (8) |
| Access to quantum computing hardware | 6,889 | 4,746 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | 1,804 | 1,769 |
| Due from related parties | 224 | 424 |
| Other current assets | (20,836) | (1,064) |
| Net investment in leases | 4,330 | 4,330 |
| Other assets—net | (16,100) | 926 |
| Accounts payable | 4,864 | 5,718 |
| Due to related parties | (1,126) | 76 |
| Accrued liabilities | 12,481 | 7,052 |
| Other liabilities | (253) | 84 |
| Net cash used for operating activities | (229,912) | (96,859) |
| **Cash flows from investing activities:** | | |
| Capital expenditures | (64,705) | (61,021) |
| Net cash used for investing activities | (64,705) | (61,021) |
| **Cash flows from financing activities:** | | |
| Proceeds from the issuance of preferred stock to Honeywell | — | 350,000 |
| Proceeds from issuance of Series B Convertible Preferred Stock, net of issuance costs | — | 251,103 |
| Proceeds from issuance of common stock | 1,628,774 | — |
| Common stock issuance costs | (28,844) | — |
| Other issuance costs | (814) | — |
| Withholding taxes paid on stock compensation | (130,780) | — |
| Net cash provided by financing activities | 1,468,336 | 601,103 |
| Effect of exchange rate changes on cash and cash equivalents | (247) | 1,589 |
| Net increase in cash and cash equivalents | 1,173,472 | 444,812 |
| Cash and cash equivalents at beginning of period | 762,642 | 172,343 |
| Cash and cash equivalents at end of period | $ 1,936,114 | $ 617,155 |
| **Non-cash investing and financing activities:** | | |
| Unpaid purchases of property and equipment | 9,094 | 3,913 |
| Unpaid other issuance costs | 1,774 | 7,263 |
| Value of shares issued via cashless warrant exercise | 150,215 | — |

The Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

## Quantinuum Inc.

## Unaudited Condensed Consolidated Statements of Temporary Equity and Shareholders' Equity

| | Quantinuum (Cayman) | | Quantinuum Inc. | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Temporary Equity | | Common Stock Class A | | Common Stock Class B | | | | | | | |
| | Convertible Redeemable Preferred Stock (Series A, A-1 and B) | Shareholders' Equity | Shares | $ | Shares | $ | Common stock held in treasury, at cost | Additional paid-in-capital | Accumulated other comprehensive (loss)/income | Accumulated deficit | Non-controlling interest | Total Equity |
| | *(Dollars in thousands except share data)* | | | | | | | | | | | |
| **Balance as of December 31, 2025** | $ 1,513,941 | $ 173,652 | — | $ — | — | $ — | $ — | $ — | $ — | $ — | $ — | $ 173,652 |
| **Changes in equity** | | | | | | | | | | | | |
| Net loss | — | (136,593) | — | — | — | — | — | — | — | — | — | (136,593) |
| Foreign exchange translation adjustment | — | (11,415) | — | — | — | — | — | — | — | — | — | (11,415) |
| **Balance as of March 31, 2026** | $ 1,513,941 | $ 25,644 | — | $ — | — | $ — | $ — | $ — | $ — | $ — | $ — | $ 25,644 |
| **Changes in equity** | | | | | | | | | | | | |
| Net loss | — | (110,087) | — | — | — | — | — | — | — | — | — | (110,087) |
| Foreign exchange translation adjustment | — | 9,669 | — | — | — | — | — | — | — | — | — | 9,669 |
| **Balance prior to the Transactions** | $ 1,513,941 | $ (74,774) | — | $ — | — | $ — | $ — | $ — | $ — | $ — | $ — | $ (74,774) |
| **Effects of the Transactions** | | | | | | | | | | | | |
| Warrant exercise | — | 150,215 | — | — | — | — | — | — | — | — | — | 150,215 |
| Effect of Reorganization Transactions | (1,513,941) | (75,441) | 1,963,991 | — | 228,107,842 | 23 | — | 1,587,585 | 1,796 | — | — | 1,513,963 |
| Stock-based compensation expense recognized in connection with the Transactions | — | — | — | — | — | — | — | — | — | (58,051) | (373,600) | (431,651) |
| Stock-based compensation | — | — | 3,180,065 | — | — | — | — | 300,975 | — | — | — | 300,975 |
| Issuance of unvested legally outstanding shares | — | — | 1,154,175 | — | — | — | — | — | — | — | — | — |
| Issuance of Class A common stock sold in initial public offering and the underwriters' option to purchase additional shares of Class A common stock, net of underwriting discounts, commissions and offering costs | — | — | 28,500,000 | 3 | — | — | — | 1,599,568 | — | — | — | 1,599,571 |
| Allocation of equity to Non-controlling interests | — | — | — | — | — | — | — | (3,024,911) | (1,558) | — | 3,026,469 | — |
| **Activity subsequent to the Transactions** | | | | | | | | | | | | |
| Net loss | — | — | — | — | — | — | — | — | — | (7,367) | (47,415) | (54,782) |
| Stock-based compensation | — | — | — | — | — | — | — | 2,172 | — | — | 13,630 | 15,802 |
| Foreign exchange translation adjustment | — | — | — | — | — | — | — | — | (1,878) | — | (12,087) | (13,965) |
| Exchange of Non-controlling interests and cancellation of Class B Common stock | — | — | 1,335,965 | — | (1,335,965) | — | — | — | — | — | — | — |
| Non-controlling interest adjustment for changes in proportionate ownership in Quantinuum Holdings | — | — | — | — | — | — | — | 14,716 | 9 | — | (14,725) | — |
| **Balance as of June 30, 2026** | $ — | $ — | 36,134,196 | $ 3 | 226,771,877 | $ 23 | $ — | $ 480,105 | $ (1,631) | $ (65,418) | $ 2,592,272 | $ 3,005,354 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net loss | — | — | — | — | — | — | — | — | — | (16,952) | (100,899) | (117,851) |
| Stock-based compensation | — | — | 449,182 | — | — | — | — | 5,773 | — | | 31,361 | 37,134 |
| Foreign exchange translation adjustment | — | — | — | — | — | — | — | — | 195 | | 1,394 | 1,589 |
| Issuance of Class A common stock under the CHIPS Arrangement, net of issuance costs | — | — | 2,369,528 | — | — | — | — | (402) | — | — | (2,185) | (2,587) |
| Exchange of Non-controlling interests and cancellation of Class B Common stock | — | — | 4,433,223 | 1 | (4,433,223) | (1) | — | — | — | — | — | — |
| Common stock reacquired and held in treasury upon the exchange of Non-controlling interests | — | — | (72,863) | — | — | — | (3,803) | 3,212 | — | — | (3,212) | (3,803) |
| Non-controlling interest adjustment for changes in proportionate ownership in Quantinuum Holdings | — | — | — | — | — | — | — | 53,016 | (30) | — | (52,986) | — |
| **Balance as of September 30, 2026** | $ — | $ — | 43,313,266 | $ 4 | 222,338,654 | $ 22 | $ (3,803) | $ 541,704 | $ (1,466) | $ (82,370) | $ 2,465,745 | $ 2,919,836 |

The Notes to the Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

| | Quantinuum (Cayman) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Temporary Equity | | Shareholders' Equity | | | | | |
| | Convertible Redeemable Preferred Stock (Series A, A-1 and B) | | Common Stock (Class A and B) | | | | | |
| | Shares | $ | Shares | $ | Additional paid-in-capital | Accumulated other comprehensive (loss)/income | Accumulated deficit | Total |
| | *(Dollars in thousands except share data)* | | | | | | | |
| **Balance at December 31, 2024** | 51,135,967 | $ 689,107 | 300,000,001 | $ 30 | $ 917,902 | $ (56,203) | $ (552,203) | $ 309,526 |
| **Changes in equity** | | | | | | | | |
| Net loss | — | — | — | — | — | — | (30,489) | (30,489) |
| Foreign exchange translation adjustment | — | — | — | — | — | 25,707 | — | 25,707 |
| **Balance at March 31, 2025** | 51,135,967 | $ 689,107 | 300,000,001 | $ 30 | $ 917,902 | $ (30,496) | $ (582,692) | $ 304,744 |
| **Changes in equity** | | | | | | | | |
| Net loss | — | — | — | — | — | — | (56,917) | (56,917) |
| Foreign exchange translation adjustment | — | — | — | — | — | 51,318 | — | 51,318 |
| **Balance at June 30, 2025** | 51,135,967 | $ 689,107 | 300,000,001 | $ 30 | $ 917,902 | $ 20,822 | $ (639,609) | $ 299,145 |
| **Changes in equity** | | | | | | | | |
| Issuance of Series B convertible redeemable preferred stock, net of issuance costs | 22,523,912 | 593,840 | — | — | — | — | — | — |
| Net loss | — | — | — | — | — | — | (52,036) | (52,036) |
| Foreign exchange translation adjustment | — | — | — | — | — | (24,407) | — | (24,407) |
| **Balance at September 30, 2025** | 73,659,879 | $1,282,947 | 300,000,001 | $ 30 | $ 917,902 | $ (3,585) | $ (691,645) | $ 222,702 |

## NOTE. 1 DESCRIPTION OF ORGANIZATION

### *DESCRIPTION OF BUSINESS*

Quantinuum Inc. was formed as a Delaware corporation on January 20, 2026 for the purpose of completing an initial public offering and related transactions in order to carry on the business of Quantinuum, an exempted company incorporated with limited liability under the laws of the Cayman Islands ("Quantinuum (Cayman)"). Unless the context otherwise requires, all references to the "Company," "we," "us," and "our," refer to Quantinuum (Cayman), together with its consolidated subsidiaries, including Quantinuum Holdings, LLC, a Delaware limited liability company ("Quantinuum Holdings"). Quantinuum Inc. is the sole managing member of Quantinuum Holdings and operates and controls all of the business and affairs of Quantinuum Holdings, and its direct and indirect subsidiaries, and Quantinuum Inc. conducts its business through Quantinuum Holdings and its subsidiaries. Quantinuum (Cayman) was formed in 2021 from a business combination of Honeywell Quantum Solutions and Cambridge Quantum Computing Limited. The Company is an integrated quantum computing company, providing a full-stack quantum technology solution in order to scale quantum computing and develop applications. The Company is headquartered in Broomfield, Colorado and has operations in the United Kingdom, Germany, Japan, Qatar, and Singapore. Prior to the IPO, we were a majority owned subsidiary and controlled affiliate of Honeywell International Inc. ("Honeywell").

### *INITIAL PUBLIC OFFERING*

The Company successfully closed its initial public offering on June 5, 2026 (the "IPO"), upon which the Company issued and sold 28,500,000 shares of Class A common stock, par value $0.0001 per share (the "Class A common stock") at a public offering price of $60.00 per share, which included 500,000 shares of Class A common stock issued pursuant to the underwriters' option to purchase additional shares of Class A common stock. The IPO generated proceeds of approximately $1,628.8 million, net of underwriting discounts and commissions, which the Company used to purchase newly issued membership units ("Common Units") from Quantinuum Holdings at a price per unit equal to the public offering price per share of Class A common stock.

### *REORGANIZATION TRANSACTIONS*

In connection with the completion of the IPO, the Company executed a series of structural corporate transactions ("Reorganization Transactions" and together with the IPO, the "Transactions"):

- Quantinuum Merger Sub Ltd. ("Merger Sub"), a newly formed exempted company incorporated with limited liability under the laws of the Cayman Islands, merged with and into Quantinuum (Cayman), with Quantinuum (Cayman) surviving the merger as a direct, wholly owned subsidiary of Quantinuum Holdings, pursuant to which the holders of equity interests in Quantinuum (Cayman) received membership units of Quantinuum Holdings Common Units in exchange for such interests;
- Immediately following the merger of Merger Sub with and into Quantinuum (Cayman), Colorado Holdco, an exempted company incorporated with limited liability under the laws of the Cayman Islands that is taxable as a corporation for U.S. federal income tax purposes (the "Blocker Company") merged with and into Quantinuum Inc., with Quantinuum Inc. surviving the merger (the "Blocker Merger") in order for the unrelated third-party holders of Class A shares of the Blocker Company prior to the Reorganization Transactions that received shares of our Class A common stock in exchange for their equity interests in the aggregator Blocker Merger (the "Blocker Shareholders" (i.e., the indirect shareholders of Quantinuum (Cayman)) to hold shares of Class A common stock directly in Quantinuum Inc., to simplify both the Quantinuum (Cayman) and Quantinuum Inc. corporate structures in a tax-efficient manner and to eliminate the administrative costs associated with maintaining the Blocker Company as a standalone entity, which entity was formed solely for the purpose of aggregating the Blocker Shareholders' investment in Quantinuum (Cayman). Pursuant to the Blocker Merger, the Blocker Shareholders received shares of our Class A common stock in exchange for their equity interests in the Blocker Company and, by virtue of the Blocker Merger, Quantinuum Inc. acquired the Common Units held by the Blocker Company. Our affiliate Honeywell had voting control over the Blocker Company prior to the Blocker Merger through its previous ownership of one non-economic voting share of the Blocker Company (for which Honeywell received nominal consideration in the Blocker Merger). Following the Blocker Merger, Honeywell does not have voting control over the shares of our Class A common stock held directly by the Blocker Shareholders;
- The Company amended and restated the limited liability company agreement of Quantinuum Holdings (the "Quantinuum Holdings LLCA") to, among other things, (i) appoint Quantinuum Inc. as the sole managing member of Quantinuum Holdings upon its acquisition of Common Units in the Blocker Merger, and (ii) provide

certain redemption rights to certain pre-IPO holders of equity interests in Quantinuum (Cayman) ("Continuing Common Unitholders");

- The Company amended and restated Quantinuum Inc.'s certificate of incorporation to, among other things, provide (i) for Class A common stock, with each share of our Class A common stock entitling its holder to one vote per share on matters presented to our stockholders and on which the holders of the Class A common stock are entitled to vote; (ii) for Class B common stock, $0.0001 par value per share (the "Class B common stock") with each share of our Class B common stock entitling its holder to one vote per share on matters presented to our stockholders and on which the holders of the Class B common stock are entitled to vote; (iii) that shares of our Class B common stock may only be held by the Continuing Common Unitholders and their respective permitted transferees and (iv) for preferred stock, which can be issued by our board of directors (the "Board of Directors") in one or more series without stockholder approval;
- The Company issued 228,107,842 shares of our Class B common stock to the Continuing Common Unitholders in exchange for nominal consideration, which is equal to the number of Common Units held by such Continuing Common Unitholders following the Transactions;
- Quantinuum Inc. entered into (i) a Registration Rights Agreement with certain holders of Class A common stock and certain of the Continuing Common Unitholders and (ii) the Tax Receivable Agreement (the "Tax Receivable Agreement") with Quantinuum Holdings and Cambridge Quantum Holdings Limited ("Cambridge Quantum"), Honeywell, Honeywell Holdings International Inc. and certain other Continuing Common Unitholders (the "TRA Parties"), as discussed in Note 14 — Income Taxes;
- The Company assumed the Quantinuum (Cayman) 2023 Equity Incentive Plan, as amended (the "2023 Plan"), which originally authorized the grant of 6,443,305 Quantinuum (Cayman) Class C shares that, following the IPO were converted into 3,845,117 shares of Class A common stock reserved for issuance, and we assumed contractual obligations to grant RSU awards. In connection with these assumptions, (i) restricted Quantinuum (Cayman) Class C shares granted under the 2023 Plan were converted into 2,898,904 restricted shares of our Class A common stock, (ii) RSU awards granted under the 2023 Plan covering Quantinuum Class C shares were converted into RSU awards covering 757,816 shares of our Class A common stock and (iii) RSU awards covering 8,475,115 shares of our Class A common stock were granted to our employees pursuant to contractual obligations to grant RSU awards. Refer to Note 16 — Stock-Based Compensation for further details; and
- The Company's 6,988,121 preferred equity warrants automatically net exercised, and the resulting preferred stock was converted into 2,503,576 Common Units, and Class B common stock was issued to the Continuing Common Unitholders. The historical Warrant liability was adjusted for the final remeasurement to fair value based on the IPO price before exercise. Refer to Note 8 — Fair Value for further details.

Immediately following the Transactions, Quantinuum Inc. became a holding company and its sole material assets are its equity interests in Quantinuum Holdings. As the managing member of Quantinuum Holdings, Quantinuum Inc. operates and controls all the business and affairs of Quantinuum Holdings and conducts its business through Quantinuum Holdings and its subsidiaries. The Reorganization Transactions lacked economic substance and therefore were accounted for in a manner consistent with a reorganization of entities under common control. As a result, the consolidated financial statements of Quantinuum Inc. recognize the assets and liabilities received in the Reorganization Transactions at their historical carrying amounts. Quantinuum Inc. consolidates Quantinuum Holdings in its consolidated financial statements and records a Non-controlling interest related to the Common Units held by the Continuing Common Unitholders on its Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Operations.

## NOTE. 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *BASIS OF PRESENTATION*

The accompanying Unaudited Condensed Consolidated Financial Statements reflect the historical results of operations and comprehensive loss, financial position, and cash flows in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial reporting and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). Accordingly, certain information and footnote disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments considered necessary for a fair presentation of the Company's Condensed Consolidated Financial Statements have been included. Interim results should not be regarded as indicative of results that may be expected for any other period or the entire year. These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes for the year ended December 31, 2025 (the "2025 Consolidated Financial Statements") included in the final prospectus the Company filed with the SEC pursuant to Rule 424(b)(4) under the Securities Act of 1933, as amended (the "Securities Act"), on June 5, 2026 (the "Prospectus"). Unless otherwise noted, the Company continues to apply the

same accounting policies as described in Note 2 — Summary of Significant Accounting Policies of the 2025 Consolidated Financial Statements included in the Prospectus.

Quantinuum (Cayman) is the predecessor entity of Quantinuum Inc. for financial reporting purposes. The reorganization of entities under common control and related consolidation is described in Note 1 — Description of Organization.

The Company reports its quarterly financial information using a calendar convention; the first, second, and third quarters are consistently reported as ending March 31, June 30, and September 30, respectively. It is the Company's practice to establish actual quarterly closing dates using a predetermined fiscal calendar, which requires the Company's businesses to close their books on a Saturday in order to minimize the potentially disruptive effects of quarterly closing on the Company's business processes. The effects of this practice are generally not significant to reported results for any quarter and only exist within a reporting year. In the event differences in actual closing dates are material to year-over-year comparisons of quarterly or year-to-date results, the Company will provide appropriate disclosures. The Company's closing dates for the three months ended September 30, 2026 and 2025, were September 26, 2026, and September 27, 2025, respectively.

The Condensed Consolidated Financial Statements include the accounts of Quantinuum Inc., Quantinuum Holdings, and its subsidiaries. Quantinuum Holdings is a Variable Interest Entity ("VIE") as defined in ASC 810 which requires the consolidation of VIEs when the entity is determined to be the primary beneficiary. To be a primary beneficiary, an entity must have the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, among other factors. The Company assessed its variable interests in Quantinuum Holdings and determined that the Company is the primary beneficiary. In completing the assessment, the Company identified the activities that it considers most significant to the economic performance of the VIE and determined that the Company has the power to direct those activities, as it is the sole managing member of Quantinuum Holdings. Accordingly, the Company consolidates Quantinuum Holdings, and the economic interest in the Quantinuum Holdings held by the Continuing Common Unitholders is represented as Non-controlling interest. All intercompany transactions and balances have been eliminated upon consolidation.

***RECENT ACCOUNTING PRONOUNCEMENTS***

The Company considers the applicability and impact of all Accounting Standards Updates ("ASUs") issued by the Financial Accounting Standards Board ("FASB"). ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Condensed Consolidated Financial Statements.

*Recently Issued Accounting Pronouncements Not Yet Adopted*

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Taxes Disclosures, to require greater disaggregation of income tax disclosures. The new standard requires additional disclosure requirements pertaining to the income tax rate reconciliation and income taxes paid disaggregated by jurisdiction. ASU 2023-09 should be applied prospectively for fiscal years beginning after December 15, 2024, for public business entities, with application of the standard on a retrospective basis permitted. Given our status as an emerging growth company, the ASU is effective for the Company for fiscal years beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued. The Company is currently assessing the impact, if any, that ASU 2023-09 would have on its Consolidated Financial Statements.

In March 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40), to enhance the transparency of income statement expenses for public business entities. The new standard requires public companies to provide new annual and interim disclosures with a detailed disaggregation of specific expense categories, such as employee compensation, depreciation, and amortization, within relevant expense captions. ASU 2024-03 is effective for the Company for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, and is to be applied on a retrospective basis, with early adoption permitted. The Company is currently assessing the impact, if any, that ASU 2024-03 would have on its interim and annual Consolidated Financial Statements.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which introduces targeted improvements to the accounting for the costs of developing internal-use software. The new standard provides new guidance on how to evaluate whether the project probable-to-complete recognition threshold has been met in order to capitalize certain costs. ASU 2025-06 is effective for all entities for annual periods beginning after December 15, 2027, including

interim periods within those annual periods, with early adoption permitted. The Company is currently assessing the impact, if any, that ASU 2025-06 would have on its interim and annual Consolidated Financial Statements.

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities, which establishes comprehensive authoritative guidance on the recognition, measurement, presentation, and disclosure of government grants received by business entities. The new standard provides a structured framework for determining when a grant should be recognized, how it should be measured, and how related information should be presented within the financial statements. ASU 2025-10 is effective for public business entities for annual periods beginning after December 15, 2028, including interim periods within those annual periods. For all other entities, the ASU is effective for annual periods beginning after December 15, 2029, and early adoption is permitted. The Company is currently assessing the impact, if any, that ASU 2025-10 would have on its interim and annual Consolidated Financial Statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which clarifies the application of interim reporting requirements and reorganizes existing disclosure guidance to improve navigability within the Codification. The amendments specify the form and content requirements for interim financial statements, provide a comprehensive list of required interim disclosures, and introduce a principle requiring disclosure of events occurring after the prior annual period that materially impact the entity. ASU 2025-11 is effective for interim periods within annual reporting periods beginning after December 15, 2027 for public business entities, with a one-year deferral for all other entities, and early adoption permitted. The Company is currently assessing the impact, if any, that ASU 2025-11 would have on its interim and annual Consolidated Financial Statements.

In December 2025, the FASB issued ASU 2025-12, Codification Improvements, which includes a collection of clarifications and technical corrections intended to enhance the consistency and operability of various areas of U.S. GAAP. The amendments address a wide range of topics, including clarifications related to diluted earnings per share, disclosures for lease receivables, and improvements to guidance involving credit loss calculations and treasury stock transactions. ASU 2025-12 is effective for annual reporting periods beginning after December 15, 2026, including interim periods within those annual periods, with early adoption permitted. The Company is currently assessing the impact, if any, that ASU 2025-12 would have on its interim and annual Consolidated Financial Statements.

*Recently Adopted Accounting Pronouncements*

In September 2025, the FASB issued ASU 2025-07, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606) — Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract. The new standard refines the scope of the guidance on derivatives by adding a new scope exception for certain non-exchange-traded contracts that have an underlying based on operations or activities specific to one of the parties to the contract, and clarifies the interaction between the guidance on revenue from contracts with customers and the guidance on derivatives and equity investments for share-based noncash consideration from a customer for the transfer of goods or services. ASU 2025-07 is effective for annual reporting periods beginning after December 15, 2026, including interim periods within those annual periods, with early adoption permitted. The Company adopted this new standard prospectively effective January 1, 2026, with no material impact on its consolidated financial statements.

***USE OF ESTIMATES***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the Condensed Consolidated Financial Statements and Notes to the Unaudited Condensed Consolidated Financial Statements. Estimates, judgments and assumptions are used in the accounting and disclosure related to, among other items:

- the valuation of deferred income tax assets and uncertain tax positions,
- assumptions used to measure Stock compensation expense, including the fair value of our Class A common stock and stock options,
- useful lives of Property and equipment—net and Other intangible assets—net,
- the assessment for impairment of long-lived assets and Goodwill,
- the fair value valuation of warrant liabilities,

- revenue recognition, including the allocation of transaction price to performance obligations in contracts with customers,
- the determination of the incremental borrowing rate for leases,
- and the determination of the discount rate to estimate the present value of the future payments for license technology.

Actual amounts could ultimately differ from these estimated amounts. Changes in estimates will be reflected in the period in which the estimates are revised.

***CUSTOMER CONCENTRATION***

Concentrations of credit risk with respect to receivables are limited to the customers of the Company, and the Company performs ongoing credit evaluation of its customers. Significant customers that represent 10% or more of the Company's Revenue—net are set forth in the following table:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Customer A | 16 % | * | 24 % | * |
| Customer B | 19 % | 17 % | 17 % | 76 % |
| U.S. Government | 32 % | 44 % | 30 % | * |
| Customer D | * | 19 % | * | * |

* Customer accounted for less than 10% of revenue in the respective periods.

***GOVERNMENT GRANTS***

The Company receives government grants in support of research and development activities. Because there is no authoritative guidance under U.S. GAAP on accounting for government grants received, the Company applies IAS 20, Accounting for Government Grants and Disclosure of Government Assistance by analogy. Government grants associated with contracts where the government is a customer are invoiced and Revenue—net is recognized as milestones are achieved and conditions are satisfied. Government grants not associated with contracts are recorded in Other (income)/expense.

The Company benefits from using the Research and Development Expenditure Credit ("RDEC") program in the United Kingdom. The credit is recognized as an offset to Research and development expenses—net in the Unaudited Condensed Consolidated Statements of Operations, with a corresponding amount recognized as a tax receivable in Other current assets in the Condensed Consolidated Balance Sheets. For the three months ended September 30, 2026 and 2025, the Company recognized $0.5 million and $0.4 million of RDEC credit, respectively. For the nine months ended September 30, 2026 and 2025, the Company recognized $1.6 million and $1.2 million of RDEC credit, respectively. The net position of the tax receivable in Other current assets in the Condensed Consolidated Balance Sheets as of September 30, 2026 and December 31, 2025 was $4.2 million and $4.4 million, respectively.

***STOCK-BASED COMPENSATION PLAN***

Certain employees and non-employee directors of the Company participate in the stock-based compensation plans sponsored by the Company. The awards issued prior to the IPO, as described in Note 16 — Stock-Based Compensation, consist of RSUs and restricted stock that are subject to a dual-contingency structure, requiring the satisfaction of both a service or annual performance condition and a liquidity event condition. The service-based vesting condition and the annual performance condition, which generally is tied to the achievement of corporate objectives, are satisfied over a period of four years. The liquidity event condition was satisfied upon the IPO. Additionally, the Company issued further awards, in the form of RSUs and options, which generally vest upon satisfaction of a service condition over a three or four year service period. The Company accounts for stock-based compensation awards at their grant date fair values.

For the portion of the awards subject to annual performance conditions, the Company determined that a grant date for accounting purposes does not occur until the specific performance metrics are approved and communicated to the employee. If performance metrics are not yet approved and communicated to the employee, the Company remeasures the fair value of these awards at each reporting date, beginning on January first of the applicable performance year for which the performance metrics are related, as the service inception date precedes the grant date. Once the accounting grant date is

achieved, the awards are remeasured at their grant date fair value and the cumulative compensation cost is adjusted to reflect the grant-date fair value of the award.

The Company records Stock compensation expense for RSUs and restricted stock on an accelerated attribution method over the requisite service period and only if all vesting conditions are considered probable to be satisfied. Upon the IPO, the Company recorded cumulative Stock compensation expense determined using grant-date fair values for awards that satisfied or partially satisfied the service-based or other performance-based vesting conditions. Following the IPO, Stock compensation expense related to any remaining service-based or other performance-based vesting conditions will be recorded over the remaining requisite service period.

The fair value of awards granted prior to the IPO, was based on the fair value of Quantinuum (Cayman)'s common stock, par value $0.0001 per share ("Quantinuum (Cayman)'s common stock"). The fair value of the shares of Quantinuum (Cayman)'s common stock underlying RSUs and restricted stock was required to be estimated, as the shares were not traded on a public market on the grant date. The fair value of Quantinuum (Cayman)'s common stock was determined by considering a number of objective and subjective factors including: the valuation of comparable companies, sales of Quantinuum (Cayman)'s convertible redeemable preferred stock or common stock, Quantinuum (Cayman)'s operating and financial performance, the lack of liquidity of Quantinuum (Cayman)'s common stock, and general and industry specific economic outlook, amongst other factors.

The fair value of RSU awards that were granted in connection with and subsequent to the IPO, are based on the fair value of Class A common stock at the time of grant. The fair value of option awards that were granted in connection with the IPO was determined using the Black-Scholes-Merton ("Black-Scholes") option-pricing model. The Company accounts for forfeitures as they occur; as such, the Company does not estimate forfeitures at the time of grant.

***Inventories***

Inventories are stated at the lower of cost or net realizable value and are recorded in current assets in the Unaudited Condensed Consolidated Balance Sheets. Inventories include all directly attributable costs incurred, which primarily includes direct materials and direct labor. Inventories are evaluated regularly for excess quantities and obsolescence. Currently, the $8.1 million in inventories consists entirely of work-in-process for the construction of a quantum computing system.

**NOTE. 3 INVENTORIES**

Inventories is composed of the following (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Work-in-process | $ 8,057 | $ — |
| Total inventories | $ 8,057 | $ — |

**NOTE. 4 OTHER CURRENT ASSETS**

Other current assets is composed of the following (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Access to quantum computing hardware | $ 2,252 | $ 9,141 |
| Prepayments to vendors | 20,188 | 9,079 |
| Other receivables | 4,436 | 2,422 |
| Deferred issuance costs | — | 1,741 |
| Tax receivable | 7,176 | 5,215 |
| Other | 5,842 | 156 |
| Total other current assets | $ 39,894 | $ 27,754 |

**NOTE. 5 PROPERTY AND EQUIPMENT—NET**

Property and equipment—net is composed of the following (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Machinery and equipment | $ 125,276 | $ 109,533 |
| Building improvements | 61,271 | 23,675 |
| Construction in progress | 74,892 | 72,275 |
| | 261,439 | 205,483 |
| Less—Accumulated depreciation | (98,841) | (84,518) |
| | $ 162,598 | $ 120,965 |

Depreciation expense was $5.2 million and $4.7 million for the three months ended September 30, 2026 and 2025, respectively. Depreciation expense was $15.2 million and $13.6 million for the nine months ended September 30, 2026 and 2025, respectively. Depreciation is included within Cost of revenue, Research and development expenses—net, Sales and marketing expenses, and General and administrative expenses in the Unaudited Condensed Consolidated Statements of Operations. During the third quarter of 2026, the Company entered into an agreement to sell a quantum computing system to a customer. As a result, costs totaling $8.1 million previously capitalized within Construction in progress were reclassified to work-in-process within Note 3 — Inventories.

**NOTE. 6 OTHER INTANGIBLE ASSETS—NET**

Other intangible assets—net are comprised of (in thousands):

| | September 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| Determinable life intangibles: | | | | | | |
| Patents and technology | $ 79,401 | $ (48,016) | $ 31,385 | $ 80,768 | $ (41,269) | $ 39,499 |
| Licensed technology | 69,952 | (4,036) | 65,916 | 69,952 | — | 69,952 |
| Customer relationships | 4,963 | (1,398) | 3,565 | 5,048 | (1,138) | 3,910 |
| Trademarks | 4,963 | (4,802) | 161 | 5,048 | (4,127) | 921 |
| Total | $ 159,279 | $ (58,252) | $ 101,027 | $ 160,816 | $ (46,534) | $ 114,282 |

Intangible assets Amortization expense was $4.2 million and $2.8 million for the three months ended September 30, 2026 and 2025. Intangible assets Amortization expense was $12.6 million and $8.5 million for the nine months ended September 30, 2026 and 2025.

**NOTE. 7 ACCRUED LIABILITIES**

Accrued liabilities is composed of the following (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Customer advances and deferred income | $ 5,182 | $ 6,094 |
| Compensation, benefit and other employee related | 18,605 | 11,028 |
| Employee withholding taxes payable | 1,127 | 817 |
| Operating lease liability | 2,858 | 3,313 |
| Tax liabilities | 1,061 | 1,943 |
| Accrued legal and professional services | 12,999 | 9,713 |
| Accrued leasehold improvements in progress | 1,919 | 2,478 |
| Accrued issuance costs | 1,576 | 1,741 |
| License payable, current portion | 4,607 | 4,607 |
| Accrued interest | 3,974 | — |
| Accrued research and development costs | 4,536 | — |
| Other (primarily operating expenses) | 2,031 | 2,624 |
| | $ 60,475 | $ 44,358 |

As of September 30, 2026 and December 31, 2025, accrued professional services include $8.2 million and $1.9 million related to a contract which allowed for a portion to be settled in equity units contingent upon the completion of the IPO. No equity units were settled as of period end and the Company intends to settle the remaining unpaid amount in cash. See Note 10 — Commitments and Contingencies.

**NOTE. 8 FAIR VALUE**

Due to their short-term nature, the carrying amounts reported in the Company's Condensed Consolidated Financial Statements approximate the fair value for Cash and cash equivalents, Accounts receivable, Accounts payable, and Accrued liabilities.

The Company utilized a hybrid method allocation model consisting of probability-weighted scenarios and an option pricing model to calculate the fair value of the warrants at the issuance date, December 22, 2023 and subsequent measurement dates. The Company recognized a change in fair value of the warrant liability of a loss of zero and $2.1 million for the three months ended September 30, 2026 and 2025, respectively. The Company recognized a change in fair value of the warrant liability of a loss of $111.8 million and $9.9 million for the nine months ended September 30, 2026 and 2025, respectively.

The estimated fair value of the Warrant liability is determined using Level 3 inputs. Inherent in an option pricing model are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to the expected time to liquidity. The warrants were net exercised upon the IPO transaction date and converted to equity.

| | 2026 |
|---|---|
| Warrant liability—January 1 | $ 38,400 |
| Warrants issued | — |
| Warrants exercised | (150,215) |
| Fair market evaluation | 111,815 |
| Warrant liability—September 30 | $ — |

The following table summarizes the assumptions used in estimating the fair value of the Warrant liability as of December 31, 2025 (dollars in thousands):

| | December 31, 2025 |
|---|---|
| Probability of completing an initial public offering | 70 % |
| Probability of completing a merger and acquisition transaction | 30 % |
| Term (in years) | 0.5 |
| Volatility | 65 % |
| Dividend yield | — % |
| Risk-free rate | 3.59 % |
| Fair value of warrants | $ 38,400 |

The following table summarizes the assumptions used in estimating the fair value of the Warrant liability prior to the Transactions (dollars in thousands, except per share data):

| | |
|---|---|
| Exercise type | Net (cashless) |
| Quantinuum Inc. Class A shares issued upon net exercise | 2,503,576 |
| IPO share price | $ 60.00 |
| Fair value upon net exercise | $ 150,215 |

**NOTE. 9 LEASES**

***LESSEE***

The Company's lease portfolio consists of operating leases primarily for office space and research and development sites. The majority of our leases have remaining lease terms of 1-13 years. The current portion of operating lease liabilities are included in Accrued liabilities, and the non-current portion of operating lease liabilities are included in Operating lease liabilities, non-current in the Condensed Consolidated Balance Sheets.

In the first quarter of 2026, the Company extended an existing lease in Broomfield, Colorado, resulting in an additional right-of-use asset of $14.1 million and an increase in operating lease liabilities of $15.2 million.

In the second quarter of 2026, the Company assumed the head lease of its existing sublease with a related party, refer to Note 18 — Related Party Transactions for further details. As a result, the Company recorded an increase in right-of-use assets of $9.5 million and a corresponding increase in operating lease liabilities of $9.5 million.

The following table summarizes the Company’s lease costs (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Operating lease cost | $ 1,252 | $ 817 | $ 3,446 | $ 2,274 |
| Variable lease cost | 1,578 | 1,139 | 3,356 | 2,956 |
| Short-term lease cost | 177 | 21 | 481 | 162 |
| Total lease cost | $ 3,007 | $ 1,977 | $ 7,283 | $ 5,392 |

Supplemental cash flow information related to leases was as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Cash paid for amounts included in the measurement of lease liabilities: | | | | |
| Operating cash flows for operating leases | $ 1,172 | $ 737 | $ 3,168 | $ 2,085 |
| Right-of-use assets obtained in exchange for lease obligations: | | | | |
| Operating leases | $ — | $ 4,403 | $ 22,114 | $ 5,226 |

Supplemental balance sheet information related to leases was as follows (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Operating leases: | | |
| Right-of-use assets | $ 30,171 | $ 10,000 |
| Total assets | 30,171 | 10,000 |
| Accrued liabilities | 2,858 | 3,313 |
| Operating lease liabilities, non-current | 29,137 | 7,143 |
| Total operating lease liabilities | $ 31,995 | $ 10,456 |

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Weighted-average remaining lease term in years | | |
| Operating leases | 11.0 | 4.3 |
| Weighted-average discount rate | | |
| Operating leases | 6.2 % | 3.7 % |

As of September 30, 2026, maturities of operating lease liabilities were as follows (in thousands):

| | September 30, 2026 |
|---|---|
| Remainder of 2026 | $ 1,180 |
| 2027 | 4,652 |
| 2028 | 4,311 |
| 2029 | 4,105 |
| 2030 | 3,686 |
| Thereafter | 27,784 |
| Total lease payments | 45,718 |
| Less - interest | (13,723) |
| Total | $ 31,995 |

***LESSOR***

***Operating Leases***

During the second quarter of 2026, the Company entered into a sublease arrangement, refer to Note 18 — Related Party Transactions for further details. The sublease is classified as an operating lease and has a term of 19 months, with fixed monthly payments.

The lease income was as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Revenue—net | $ 97 | $ — | $ 129 | $ — |
| Total lease income | $ 97 | $ — | $ 129 | $ — |

As of September 30, 2026, future minimum lease payments to be received under the sublease are as follows (in thousands):

| | |
|---|---|
| Remainder of 2026 | $ 95 |
| 2027 | 390 |
| Total future minimum lease payments | $ 485 |

***Sales-type lease***

The Company has an agreement with a customer to provide exclusive on premises access to a quantum processing unit, which is classified as a sales-type lease. The lease term is 45 months with fixed quarterly payments.

At lease commencement in 2025, the Company recorded a total of $21.6 million in net investment in lease and derecognized the underlying asset. The difference between the carrying amount of the derecognized asset and the net investment in the lease was recognized as a point in time Revenue—net. No interest income is accrued over the lease term.

There is no guaranteed or unguaranteed residual value associated with this sales-type lease. The current portion of sales-type lease is included in Net investment in lease, current, and the non-current portion of sales-type lease is included in Net investment in lease, non-current in the Condensed Consolidated Balance Sheets.

The lease income was as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Revenue—net | $ — | $ — | $ — | $ 16,526 |
| Total lease income | $ — | $ — | $ — | $ 16,526 |

Supplemental balance sheet information related to sales-type lease was as follows (in thousands):

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Net investment in lease, current portion | $ 5,773 | $ 5,773 |
| Net investment in lease, non-current portion | 5,773 | 10,102 |
| Total assets | $ 11,546 | $ 15,875 |

As of September 30, 2026, future minimum lease payments to be received under the sales-type lease are as follows (in thousands):

| | |
|---|---|
| Remainder of 2026 | $ 1,444 |
| 2027 | 5,773 |
| 2028 | 4,329 |
| Total future minimum lease payments | $ 11,546 |

**NOTE. 10 COMMITMENTS AND CONTINGENCIES**

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount within a range of loss can be reasonably estimated. When no amount within the range is a better estimate than any other amount, the Company accrues for the minimum amount within the range. Legal costs incurred in connection with loss contingencies are expensed as incurred. The Company is currently in negotiations with a service provider related to a contract which allowed for a portion to be settled in equity units contingent upon the completion of the IPO. The total estimated settlement obligation is $21.0 million, of which the remaining balance is $8.2 million. As of September 30, 2026, the Company has determined that the remaining obligation is probable and reasonably estimable, and has recorded an accrual of the remaining $8.2 million to reflect the Company’s best estimate of the final settlement amount. No such contingencies were recorded as of December 31, 2025.

The Company has entered into software license and subscription commitments that require future payments of $1.4 million and $1.3 million for the year ended 2027, and the year ended 2028, respectively. No payments are required for the remainder of 2026.

**NOTE. 11 STOCKHOLDERS' EQUITY**

***Amendment and Restatement of Certificate of Incorporation***

In connection with the Reorganization Transactions, the certificate of incorporation of Quantinuum Inc. was amended and restated to, among other things, provide for the authorization of (i) 2,000,000,000 shares of Class A common stock with a par value of $0.0001 per share, (ii) 2,000,000,000 shares of Class B common stock with a par value of $0.0001 per share, and (iii) 20,000,000 shares of preferred stock with a par value of $0.0001 per share.

The voting rights of the holders of Class A common stock and Class B common stock are identical. Each share of Class A common stock has economic rights. Each share of Class B common stock is cancellable upon the redemption or exchange of one Common Unit for, at Quantinuum Inc.'s election, cash or one share of Class A common stock and has no economic rights.

***Recapitalization from the Reorganization Transactions***

In connection with the Reorganization Transactions, all equity interests in Quantinuum (Cayman) were reclassified Common Units of Quantinuum Holdings. The following is a summary of the securities reclassified in connection with the Reorganization Transactions:

- All issued and outstanding common stock of Quantinuum (Cayman) prior to the Reorganization Transactions were converted or exchanged into Common Units. The Continuing Common Unitholders also received Class B common stock of Quantinuum Inc. on a one-to-one basis with their Common Unit ownership, which grants voting rights identical to Class A common stock but does not entitle holders to receive any distributions or participate in any dividends.

- All issued and outstanding Series A, Series A-1 and Series B convertible redeemable preferred stock of Quantinuum (Cayman) prior to the Reorganization Transactions were converted or exchanged into Common Units. The Continuing Common Unitholders also received Class B common stock on a one-to-one basis with their Common Unit ownership.

- All issued and outstanding restricted Class C share awards and RSUs of Quantinuum (Cayman) were converted into Quantinuum Inc. Class A common stock or RSUs.

- All preferred equity warrants automatically exercised, with the resulting Series A convertible redeemable preferred stock of Quantinuum (Cayman) converting into Common Units consistent with other preferred holders.

Following the Reorganization Transactions, Continuing Common Unitholders received 228,107,842 Common Units of Quantinuum Holdings and a corresponding number of shares of Class B common stock on a one-for-one basis. Blocker shareholders received 1,963,991 shares of Class A common stock in exchange for their interests in the Blocker entity.

As of September 30, 2026, 43,386,129 shares of Class A common stock were issued, including 72,863 held in treasury, and 43,313,266 shares of Class A common stock were outstanding; 222,338,654 shares of Class B common stock were issued and outstanding.

The amended and restated certificate of incorporation and the Quantinuum Holdings LLCA require the Company to, at all times, maintain (i) a one-to-one ratio between the number of Common Units owned by the Company and the number of shares of Class A common stock outstanding and (ii) a one-to-one ratio between the number of shares of Class B common stock and the number of Common Units owned by the Continuing Common Unitholders. Additional information regarding Common Units of Quantinuum Holdings is included in Note 12 — Non-Controlling Interests.

***Initial Public Offering***

As described in Note 1 — Description of Organization, in connection with the IPO, the Company issued 28,500,000 shares of Class A common stock (including 500,000 shares sold pursuant to the exercise of the underwriters' option to purchase additional shares) and used the net proceeds to acquire an equivalent number of newly issued Common Units of Quantinuum Holdings.

***U.S. Department of Commerce CHIPS Arrangement***

On September 4, 2026 (the "Award Date"), our subsidiary Quantinuum LLC entered into an Other Transaction Agreement (the "Award Agreement") with the U.S. Department of Commerce (the "Department of Commerce") under the CHIPS Act of 2022, pursuant to which the Department of Commerce agreed to award the Company up to an aggregate of $100.0 million (the "Award"), subject to the terms and conditions of the Award Agreement. The Award contemplates that the Company will undertake certain activities at multiple existing U.S. project sites to address key technical challenges in scaling trapped-ion-based quantum computing systems. In connection with the Award Agreement, on September 8, 2026, the Company entered into a Securities Issuance Agreement (the "Securities Issuance Agreement") with the Department of Commerce, pursuant to which the Department of Commerce acquired 2,369,528 shares of the Company's Class A common stock (the "Shares") on September 9, 2026. The Award Agreement and Securities Issuance Agreement were negotiated and executed as components of a single transaction, and the number of Shares was determined by reference to the aggregate Award at a contractual issuance price of $42.20 per share.

The Award consists of a payment made available for draw-down on or about the Award Date (the "Award Date Tranche") and two additional payments (the "Milestone Payments"). The Milestone Payments become available for draw-down only upon achievement of specified project milestones and satisfaction of related submission, review, funding, and other conditions set forth in the Award Agreement. The Award Date Tranche is not subject to the milestone requirements applicable to the Milestone Payments.

The Award consists of the following funding components (in thousands, except share amounts):

| | Amount | Shares |
|---|---|---|
| Award Date Tranche | $ 56,000 | 1,326,936 |
| Milestone Payment, Tranche 1 | 32,000 | 758,249 |
| Milestone Payment, Tranche 2 | 12,000 | 284,343 |
| Total Award | $ 100,000 | 2,369,528 |

The Company concluded that the Award Agreement and Securities Issuance Agreement are contractually interdependent and should be accounted for as a single integrated transaction. Award funds may be used solely to pay eligible project costs under the Award Agreement and the approved budget plan ("Eligible Project Costs"). Amounts withdrawn generally must be applied to Eligible Project Costs within 30 days or returned to the Department. The period of performance under the Award Agreement (the "Period of Performance") continues until the earlier of the completion of all project milestones and the fifth anniversary of the Award Date, unless earlier terminated or otherwise modified in accordance with the Award Agreement.

The Award Agreement contains ongoing operational, reporting, compliance, domestic production, research security, and intellectual property obligations. The Award Agreement also provides the Department of Commerce with certain remedies in the event of noncompliance, including clawback rights under specified circumstances. Depending on the triggering event, the Department of Commerce may recover all cumulative Award funding received or the applicable disallowed amount, without forfeiting the Shares. In addition, if the Department of Commerce terminates the Award Agreement for convenience prior to the end of the Period of Performance, the Company may elect to repurchase, for an aggregate purchase price of $1.00, the proportionate number of Shares associated with Award amounts not received or returned before being applied to Eligible Project Costs. The Securities Issuance Agreement also contains restrictions applicable to the shares pertaining to registration rights, transferability, and voting rights.

Accordingly, although the Shares were legally issued and transferred to the Department of Commerce and are reflected in the Company's stock records, they are not considered issued and outstanding for accounting purposes while they remain subject to the Company's repurchase right. The Company identified three separate units of account corresponding to the Award Date Tranche and each of the two Milestone Payments. Each unit of account represents a forward contract that is contingent upon satisfaction of the applicable funding and settlement conditions (the "Contingent Forward Contracts"). The Contingent Forward Contracts do not have fixed settlement dates. Rather, the Shares associated with a Contingent Forward Contract become issued and outstanding for accounting purposes as the related Award funds are applied to Eligible Project Costs and the corresponding repurchase right lapses. A withdrawal of Award funds, by itself, does not result in the related Shares becoming issued and outstanding for accounting purposes.

The Company evaluated the Contingent Forward Contracts under ASC 815-40, *Contracts in Entity's Own Equity*, and concluded that the Contingent Forward Contracts are indexed to the Company's own stock and classified within equity.

The Contingent Forward Contracts were initially measured at fair value in accordance with ASC 815-40. In evaluating their initial fair value, the Company considered the contractual funding amounts, the corresponding equity interests, the expected timing of settlement, and the registration, transfer and voting restrictions applicable to the Shares. Based on this analysis, the Company concluded that the contractual issuance price reflected the fair value of the related equity interests, the Contingent Forward Contracts were entered into at market terms, and the initial fair value of the Contingent Forward Contracts was de minimis. The Company did not identify any premium, discount, unstated rights, or other transaction elements requiring separate recognition. Accordingly, no amount was recognized for the Contingent Forward Contracts at inception. The Contingent Forward Contracts are not subsequently remeasured while they continue to qualify for equity classification. The Company recorded $2.6 million of incremental costs directly attributable to the transaction as a reduction of Additional paid-in-capital in the Unaudited Condensed Consolidated Balance Sheets. Because the Contingent Forward Contracts are classified in equity and are not subsequently remeasured while they continue to qualify for equity classification, no gain, loss, or other activity was recognized in the Unaudited Condensed Consolidated Statements of Operations during the period.

Upon application of withdrawn funds to Eligible Project Costs, an applicable portion of the relevant Contingent Forward Contract is settled, and the Company will recognize the corresponding Shares as issued and outstanding for accounting purposes and the related proceeds as an increase to Class A common stock and Additional paid-in-capital in the Unaudited Condensed Consolidated Balance Sheets. Award funds withdrawn but not yet applied to Eligible Project Costs will be classified as restricted cash until the applicable restrictions lapse. As of September 30, 2026, the Company had no restricted cash related to the Award, as no amounts had been drawn under the Award, and all 2,369,528 Shares remained associated with unsettled Contingent Forward Contracts.

Because the shares issued pursuant to the Securities Issuance Agreement are not considered issued and outstanding for accounting purposes as of September 30, 2026, they have been excluded from the Company's earnings per share calculations. See Note 15 — Net Earnings Per Share for additional information.

The Company evaluates the Award Agreement and related obligations at each reporting date. As of September 30, 2026, no liability had been recognized related to the repayment, clawback, or other contingent provisions of the Award Agreement.

***Treasury Stock***

Treasury stock represents shares repurchased or withheld and held by the Company that are no longer outstanding. Treasury stock is accounted for under the cost method and is presented as reduction of stockholders' equity. Treasury shares are included in the authorized and issued shares but excluded from outstanding shares in the Unaudited Condensed Consolidated Balance Sheets. Upon any subsequent retirement or resale, the treasury stock balance is reduced by the cost of such shares, with any difference between proceeds received and cost recognized within equity. As of September 30, 2026, the Company held 72,863 shares of Class A common stock in treasury at a cost of $3.8 million due to required tax withholding upon the redemption or exchange of Common Units for certain foreign investors.

***Preferred Stock***

As of September 30, 2026, there are no shares of preferred stock outstanding. Under the terms of the Company's amended and restated certificate of incorporation, the Board of Directors is authorized, without further stockholder approval, to issue shares of preferred stock in one or more series. The Board of Directors has the discretion to determine the number and designation of such series and the powers, rights, preferences, privileges, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, and the qualifications, limitations, or restrictions, of each series of preferred stock.

**NOTE. 12 NON-CONTROLLING INTERESTS**

In connection with the Transactions, Quantinuum Inc. became the sole managing member of Quantinuum Holdings and accordingly consolidates the results of operations of Quantinuum Holdings. The Non-controlling interest balance on the Company's Condensed Consolidated Balance Sheets represents the economic interest in Quantinuum Holdings attributable to the Common Units held by the Continuing Common Unitholders. Net loss attributable to the non-controlling interest represents the portion of consolidated Net loss allocated to Continuing Common Unitholders based on their weighted-average ownership interest in Quantinuum Holdings during the period.

As of September 30, 2026, Continuing Common Unitholders owned 222,338,654 Common Units, representing 84.4% of the economic interest in Quantinuum Holdings, and Quantinuum Inc. owned 40,943,738 Common Units, representing the remaining 15.6%.

The ownership of the Common Units is summarized as follows:

| | Ownership | | | Ownership Percentage | | |
|---|---|---|---|---|---|---|
| | Quantinuum Inc. | Continuing Common Unitholders | Total | Quantinuum Inc. | Continuing Common Unitholders | Total |
| Balances as of June 30, 2026 | 36,134,196 | 226,771,877 | 262,906,073 | 13.7 % | 86.3 % | 100.0 % |
| Exchange of Non-controlling interests | 4,433,223 | (4,433,223) | — | 1.7 % | (1.7)% | — % |
| Cancellation for shares withheld in treasury upon exchange | (72,863) | — | (72,863) | 0.0 % | 0.0 % | — % |
| Issuance under stock-based compensation plans | 449,182 | — | 449,182 | 0.2 % | (0.2)% | — % |
| Balances as of September 30, 2026 | 40,943,738 | 222,338,654 | 263,282,392 | 15.6 % | 84.4 % | 100.0 % |

The following table summarizes the effect of changes in ownership of Quantinuum Inc. on the Company's equity for the periods during the Transactions through September 30, 2026 (in thousands):

| | Three Months Ended September 30, | Nine Months Ended September 30, |
|---|---|---|
| | 2026 | 2026 |
| Net loss attributable to Quantinuum Inc. | $ (16,952) | $ (82,370) |
| Accumulated other comprehensive (loss) income: | | |
| Foreign exchange translation adjustment | 195 | (1,683) |
| Increase (decrease) as a result of non-controlling interest adjustment for changes in proportionate ownership in Quantinuum Holdings | (30) | (21) |
| Additional paid-in capital: | | |
| Increase as a result of stock-based compensation | 37,134 | 353,911 |
| Increase (decrease) as a result of non-controlling interest adjustment for stock-based compensation | (31,361) | (304,600) |
| Increase (decrease) as a result of issuance costs under the CHIPS Arrangement | (402) | (402) |
| Increase (decrease) as a result of non-controlling interest adjustment for withholding activity related to the redemption or exchange of Common Units | 3,212 | 3,212 |
| Increase (decrease) as a result of non-controlling interest adjustment for changes in proportionate ownership in Quantinuum Holdings | 53,016 | 67,732 |
| Total effect of changes in ownership interest on equity attributable to Quantinuum Inc. | $ 44,812 | $ 35,779 |

Continuing Common Unitholders may exchange Common Units, together with corresponding shares of Class B common stock, for cash or shares of Class A common stock, at the discretion of independent directors who are disinterested, subject to the terms of the Quantinuum Holdings LLCA. Future exchanges will increase Quantinuum Inc.'s ownership in Quantinuum Holdings and correspondingly reduce the Non-controlling interest.

**NOTE. 13 REVENUE RECOGNITION AND CONTRACTS WITH CUSTOMERS**

The Company derives revenue by providing quantum computing products and solutions. Revenue—net is recognized at a point in time or over time depending on the manner in which the business transfers control of services to customers and revenue is measured as the amount of consideration the Company expects to be entitled in exchange for services rendered.

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Specialized quantum computing hardware | $ — | $ — | $ — | $ 16,526 |
| Cloud platform, research and support services | 8,834 | 2,742 | 22,102 | 7,712 |
| Prioritization incentive payment | — | (27) | (65) | (330) |
| Lease income and related service income | 216 | — | 248 | — |
| Total revenue—net | $ 9,050 | $ 2,715 | $ 22,285 | $ 23,908 |

For the nine months ended September 30, 2025, specialized quantum computing hardware corresponds to sales-type lease income, as discussed in Note 9 — Leases. For the three and nine months ended September 30, 2026, lease income and related service income relates to lease income recognized under ASC 842 as discussed in Note 9 — Leases and non-lease components, primarily common area maintenance reimbursements, recognized under ASC 606, in connection with the Company's sublease arrangement.

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Revenue recognized at a point in time | $ 227 | $ 136 | $ 362 | $ 16,662 |
| Revenue recognized over time | 8,823 | 2,579 | 21,923 | 7,246 |
| | $ 9,050 | $ 2,715 | $ 22,285 | $ 23,908 |

Sales and use taxes collected on behalf of governmental authorities are excluded from revenues. Payment is generally due and received within 30 days or in some instances, payment is made up front. There is no significant financing component included in the Company's contracts with customers.

***PERFORMANCE OBLIGATIONS***

A performance obligation is a promise in a contract to transfer a distinct service to the customer and is defined as the unit of account. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

As of September 30, 2026, the remaining performance obligations to which enforceable rights exist are $149.4 million, of which approximately 46.9% is expected to be recognized as revenue over the next 12 months, 82.6% is expected to be recognized as revenue in the next two years, 94.1% is expected to be recognized as revenue in the next three years, and 99.2% is expected to be recognized as revenue in the next four years. The estimated timing of this revenue is based, in part, on management’s estimates and assumptions regarding when performance obligations will be completed. As a result, the actual timing of revenue recognition in future periods may vary.

Our disclosure of the timing for satisfying the performance obligation is based on the requirements of contracts with customers. However, from time to time, these contracts may be subject to modifications, impacting the timing of satisfying the performance obligations.

***CONTRACT BALANCES***

The following table summarizes the Company’s contract liability balances (in thousands):

| | September 30, | |
|---|---|---|
| | 2026 | 2025 |
| Contract liabilities—January 1 | $ 6,608 | $ 1,401 |
| Additions | 4,436 | 1,787 |
| Revenue recognized | (5,733) | (811) |
| Contract liabilities—September 30 | $ 5,311 | $ 2,377 |

The contract liability as of September 30, 2026 will be recognized as revenue as the quantum computing services are provided to the customer, of which $5.2 million is expected to occur over the next year, and $0.1 million is expected to be recognized beyond one year. The contract liability balances are reflected in the Condensed Consolidated Balance Sheets as components of Accrued liabilities and Other liabilities.

The following table summarizes the Company's accounts receivable and contract asset balances (in thousands):

| | September 30, 2026 | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Trade receivables | $ 701 | $ 3,303 | $ 1,758 |
| Contract assets | 2,553 | 1,765 | 2,964 |
| Accounts receivable | $ 3,254 | $ 5,068 | $ 4,722 |

**NOTE. 14 INCOME TAXES**

The Company is treated as a corporation for tax purposes and is subject to federal, state, local and foreign taxes with respect to allocable share of any net taxable income from Quantinuum Holdings. Quantinuum Holdings is a limited liability company treated as a partnership for income tax purposes and its taxable income or loss is passed through to its members, including the Company. Quantinuum Holdings' foreign subsidiaries are taxed in the foreign jurisdictions in which they operate, and accruals for such taxes are included in the Company's condensed consolidated financial statements. For the periods presented prior to the Reorganization Transactions and IPO, the reported income taxes represent those of Quantinuum Holdings.

For the three and nine months ended September 30, 2026, the Company's effective tax rate differed from the U.S. statutory tax rate of 21% primarily due to non-controlling interest and having a full valuation allowance in the U.S. and UK. For the three and nine months ended September 30, 2025, the Company's effective tax rate differed from the U.S. statutory tax rate of 21% primarily due to the pass-through income generated at Quantinuum Holdings.

The Company has deferred tax assets as a result of temporary differences between the taxable income on its foreign tax returns and U.S. GAAP income and foreign net operating loss carry forwards. A deferred tax asset generally represents future tax benefits to be received when temporary differences previously reported in the Company's consolidated financial statements become deductible for income tax purposes, when net operating loss carry forwards could be applied against future taxable income, or when tax credit carry forwards are utilized in the Company's tax returns. Realization of deferred tax assets is based, in part, on the Company's judgment and various factors including reversal of deferred tax liabilities, and the Company's ability to generate future taxable income in jurisdictions where such assets have arisen and potential tax planning strategies. Valuation allowances are recorded in order to reduce the deferred tax assets to the amount expected to be realized in the future.

As of September 30, 2026 and December 31, 2025, there were no unrecognized tax benefits that if recognized would be recorded as a component of Tax (benefit)/expense. Estimated interest and penalties related to the underpayment of income taxes is classified as a component of Tax (benefit)/expense in the Unaudited Condensed Consolidated Statements of Operations. There were no accrued interest and penalties as of September 30, 2026 and December 31, 2025.

***Tax Receivable Agreement***

In connection with the Reorganization Transactions, the Company entered into a Tax Receivable Agreement with Quantinuum Holdings and the TRA Parties. Under the Tax Receivable Agreement, the Company will retain 15% of certain available tax savings, and will be required to pay the Members (as defined in the Tax Receivable Agreement) the remaining 85% of such tax savings, if any, that are realized or deemed realized as a result of tax attributes (i.e., deferred tax assets ("DTA")).

The amounts of any tax benefit to the Company that arises from future exchanges or redemptions of Common Units will vary depending on a number of factors, including, but not limited to, the timing of any future redemptions or exchanges and the price of shares of Class A common stock at the time of such future redemption or exchange. The Company will only recognize a DTA for financial reporting purposes when it is "more-likely-than-not" that the tax benefit will be realized.

Based on the Company's assessment, it is more likely than not that we will not realize the tax benefit of any DTA resulting from the Reorganization Transactions, and therefore, we have established a full valuation against our U.S. DTA.

The liability for the Tax Receivable Agreement arrangement is in the scope of ASC 450, Contingencies; however, since the U.S. DTA is not considered to be realizable, the Tax Receivable Agreement liability is not recognized in the Condensed Consolidated Financial Statements as of September 30, 2026.

**NOTE. 15 NET EARNINGS PER SHARE**

The following table presents the calculation of basic and diluted net loss per share for the period following the Reorganization Transactions during the Transactions through September 30, 2026 (in thousands, except share and per share data):

| | Three Months Ended September 30, 2026 | Nine Months Ended September 30, 2026 |
|---|---|---|
| Numerator: | | |
| Net loss | $ (117,851) | $ (850,964) |
| Less: Net loss attributable to Quantinuum (Cayman) prior to the Transactions | — | (246,680) |
| Less: Net loss attributable to the non-controlling interest | (100,899) | (521,914) |
| Net loss attributable to Quantinuum Inc. | $ (16,952) | $ (82,370) |
| | | |
| Denominator: | | |
| Weighted average shares used in computing net loss per share attributable to Class A common stockholders - basic and diluted [1] [2] | 36,806,913 | 36,216,440 |
| Net loss per share attributable to Class A common shareholders - basic and diluted | $ (0.46) | $ (2.27) |

[1] For the calculation of weighted-average shares outstanding, the Company assumes that shares issued upon the vesting of share-based compensation awards during the period were outstanding from the midpoint of the reporting period. This practical expedient is applied because the difference between this method and using precise daily vesting dates is immaterial to basic and diluted earnings per share.

[2] The 2,369,528 shares of Class A common stock issued to the U.S. Department of Commerce pursuant to the Securities Issuance Agreement described in Note 11 — Stockholders' Equity were excluded from weighted-average shares used in computing basic and diluted net loss per share because such shares were not considered issued and outstanding for accounting purposes as of September 30, 2026.

Shares of Class B common stock do not share in the earnings or losses of Quantinuum Inc. and are therefore not participating securities. As such, separate presentation of basic and diluted net loss per share of Class B common stock under the two-class method has not been presented.

During the period during the Transactions through September 30, 2026, the Company incurred net losses and, therefore, the effect of the Company's potentially dilutive securities were not included in the calculation of diluted loss per share as the effect would be anti-dilutive. The following table contains outstanding weighted-average share totals with a potentially dilutive impact:

| | Three Months Ended September 30, 2026 | Nine Months Ended September 30, 2026 |
|---|---|---|
| RSUs | 5,561,706 | 5,585,688 |
| Restricted shares | 855,144 | 788,579 |
| Common Units | 225,242,666 | 226,892,141 |
| Stock options | 122,791 | 122,791 |
| Total | 231,782,307 | 233,389,199 |

**NOTE. 16 STOCK-BASED COMPENSATION**

***Quantinuum 2023 Equity Incentive Plan***

Prior to the Reorganization Transactions, Quantinuum (Cayman) maintained a stock-based incentive plan ("2023 Plan") for eligible Quantinuum employees. The 2023 Plan, which was assumed by the Company as part of the

Reorganization Transactions, authorized the grant of 6,443,305 Quantinuum (Cayman) Class C shares, including stock options, restricted shares and RSUs. Following the IPO, the number of shares of Class A common stock reserved for issuance under the 2023 Plan is 3,845,117. The restricted Quantinuum (Cayman) Class C shares granted under the 2023 Plan were converted into 2,898,904 restricted shares of our Class A common stock and the RSU awards granted under the 2023 Plan covering Quantinuum (Cayman) Class C shares were converted into RSU awards covering 757,816 shares of our Class A common stock. No stock options were issued under the 2023 Plan. The 2023 Plan terminated in connection with the Reorganization Transactions, such that the Company cannot grant new awards under the 2023 Plan. However, any outstanding awards granted under the 2023 Plan as of the Reorganization Transactions remained outstanding following those transactions, subject to the terms of the 2023 Plan and applicable award agreements.

The RSUs and restricted stock vest subject to a dual-contingency structure, requiring the satisfaction of both a service or annual performance condition and a liquidity event condition. The service-based vesting condition and the annual performance-based vesting condition, which are expected to be tied to the achievement of corporate objectives, are satisfied over a period of four years. The liquidity event condition is an additional performance condition that would be satisfied upon a qualifying liquidity event. Prior to the IPO, no Stock compensation expense was recognized for any restricted shares and RSUs under the 2023 Plan, as the qualifying liquidity event was not considered probable.

The liquidity event condition was satisfied upon completion of the IPO. Modification accounting is not required for the awards assumed under the 2023 Plan as (i) the fair value of the modified awards does not exceed the fair value of the original award immediately before the original award was modified, (ii) the vesting conditions of the modified awards are the same as the original award immediately before the original award is modified and (iii) the classification of the modified award is the same as the original award immediately before the original award is modified. As a result, there is no incremental compensation cost resulting from the assumption of the 2023 Plan.

Upon completion of the IPO, the Company recorded a cumulative adjustment to Stock compensation expense totaling $103.8 million using the accelerated attribution method for the 2023 Plan.

During the three months ended September 30, 2026, the restricted shares and RSUs subject to the annual performance-based vesting condition for the 2026 performance period were legally amended to remove the performance-based vesting condition. These awards will vest, upon completion of the remaining requisite service period, on December 31, 2026. The revised terms established an accounting grant date for a total of 400,791 restricted shares and 151,562 RSUs as the nine recipients had a mutual understanding of all key terms and conditions of the awards. As such, the pre-grant-date remeasurement to the fair value of the Company's common stock at the end of each reporting period under the service-inception model ended. Once the grant date was established, the cumulative compensation cost was adjusted to reflect the grant-date fair value of the award. The cumulative remeasurement of compensation cost on the grant date to reflect the grant-date fair value of the awards upon modification resulted in an incremental reduction of stock-based compensation expense of $5.1 million due to a higher fair value at the end of the previous reporting period compared to the fair value at the grant date. The remaining compensation cost on these awards will be recognized based on the remaining service conditions.

The following table is a summary of the restricted share and RSU awards activity under the 2023 Plan on a post-conversion basis and related information for the nine months ended September 30, 2026:

| | RSUs | | Restricted Shares | |
|---|---|---|---|---|
| | Number of Shares | Weighted-Average Grant-Date Fair Value | Number of Shares | Weighted-Average Grant-Date Fair Value |
| Outstanding and unvested—January 1 | 189,453 | $ 11.04 | 659,867 | $ 16.13 |
| Granted | 568,361 | 51.05 | 2,066,316 | 48.84 |
| Vested | (568,362) | 39.05 | (1,744,726) | 39.21 |
| Forfeited | — | — | (41,702) | 11.04 |
| Outstanding and unvested—September 30 | 189,452 | $ 47.06 | 939,755 | $ 45.42 |

As of September 30, 2026, unrecognized Stock compensation expense related to the 2023 Plan awards that are expected to vest was $22.6 million, which is expected to be recognized over a weighted-average period of 1.5 years.

***Quantinuum 2026 Equity Incentive Plan***

In connection with the IPO, the Company adopted the 2026 Incentive Award Plan (the "2026 Plan") in order to facilitate the grant of cash and equity incentives to our employees, consultants, directors and consultants of our affiliates in

order to attract, motivate and retain the talent for which we compete. Through the 2026 Plan, the Company assumed the contractual obligations to grant RSU awards under the conditions set forth in two stock-based compensation plans contingent upon a qualifying liquidation event such as an IPO: the Parent-Quantinuum Plan (the "Parent-Quantinuum Plan") and the Series A Common Stock Pool Plan (the "SACSP", and together with the Parent-Quantinuum Plan, the "Contractual Obligations"). In addition to assuming the Contractual Obligations, the Company's Board of Directors also approved the grant of new awards pursuant to the 2026 Plan to certain employees and non-employee directors and executive officers, which became effective in connection with the consummation of the offering ("IPO Equity Awards" and together with the "Contractual Obligations", the "2026 Plan Awards"). As part of the Company's plan to attract and retain talent, management also plans to issue new equity awards to employees going forward pursuant to the 2026 Plan ("Subsequent Equity Awards"). The 2026 Plan authorizes the grant of awards, including stock options, restricted shares and RSUs, covering up to 40,899,555 shares of Class A common stock.

The details of the plans assumed by the Company under the 2026 Plan are as follows:

*Parent-Quantinuum Plan*

On November 29, 2021, Honeywell announced a stock-based incentive plan for eligible Company employees to receive awards of Company equity shares which will be granted upon a qualifying liquidity event. The promised RSUs vested in four equal annual installments on the first through fourth anniversaries of November 29, 2021 and were fully vested prior to the IPO.

*Series A Common Stock Pool Plan*

On March 1, 2022, Quantinuum (Cayman) authorized and approved a pool of Class A common stock for employees to be issued upon a qualifying liquidity event. These awards were granted to multiple employees, on many different dates into 2026. The RSUs issued in settlement of the SACSP awards are scheduled to vest in four equal annual installments on the first through fourth anniversaries of the applicable date on which the letter communicating the award was issued to eligible employees. At the date of the IPO, the RSUs issued in settlement of awards under the SACSP were a mix of fully vested and partially vested awards.

*IPO Equity Awards and Subsequent Equity Awards*

The IPO Equity Awards are comprised of both RSUs and options to acquire shares of the Company's Class A common stock. Subsequent Equity Awards are comprised of RSUs. Most of the IPO Equity Awards and Subsequent Equity Awards will vest in equal annual installments on the first through fourth anniversaries of the applicable vesting commencement date, except for awards issued to board members, which will vest on the first anniversary of the IPO date. The liquidity event condition was satisfied upon completion of the IPO, and the Company recorded a cumulative adjustment to Stock compensation expense totaling $327.9 million using the accelerated attribution method for the 2026 Plan.

Similar to the RSUs under the 2023 Plan that were subject to the annual performance-based vesting condition for the 2026 performance period, there were a small number of awards under the 2026 Plan that are subject to performance-based conditions. During the three months ended September 30, 2026, 49,064 RSUs under the 2026 Plan were legally amended to remove the performance-based vesting condition and will vest upon completion of the remaining requisite service period, on December 31, 2026. There was no cumulative adjustment of compensation cost related to these awards under the service inception model as no compensation cost had been previously recorded.

The following table is a summary of the RSU awards activity under the 2026 Plan and related information for the nine months ended September 30, 2026:

| | RSUs | |
|---|---|---|
| | Number of Shares | Weighted-Average Grant-Date Fair Value |
| Outstanding and unvested—January 1 | — | $ — |
| Granted | 9,262,674 | 60.52 |
| Vested | (3,561,232) | 60.00 |
| Forfeited | (116,714) | 60.00 |
| Outstanding and unvested—September 30 | 5,584,728 | $ 60.87 |

The IPO Equity Awards granted to our CEO, Dr. Rajeeb Hazra are 50% in the form of RSUs and the remaining 50% in the form of options to acquire shares of our Class A common stock (the "Hazra IPO Equity Awards"). The Hazra IPO Equity Awards have a cumulative dollar-denominated value of $9.4 million. The number of shares of Class A common stock subject to such RSUs and options (and the exercise price per share applicable to such option) was based on the initial public offering price of $60 per share and, with respect to the option, was determined utilizing a Black-Scholes model. The Hazra IPO Equity Awards cover 78,333 shares (for the RSUs, which are included in the table above) and 122,791 shares for the options of Class A common stock. The Hazra IPO Equity Awards vest ratably in annual installments over a four year period, subject to his continued employment through the applicable vesting date.

The following table is a summary of the stock option activity under the IPO Equity Awards and related information for the nine months ended September 30, 2026:

| | Options | |
|---|---|---|
| | Number of Options | Weighted-Average Grant-Date Fair Value |
| Outstanding and unvested—January 1 | — | $ — |
| Granted | 122,791 | 38.28 |
| Vested | — | — |
| Forfeited | — | — |
| Outstanding and unvested—September 30 | 122,791 | $ 38.28 |

We estimate the fair value of stock options using the Black-Scholes option-pricing model consistent with the provisions of ASC Topic 718, "Compensation-Stock Compensation" (Topic 718) and SEC Staff Accounting Bulletin No. 107. The option-pricing models require input of subjective assumptions, including the estimated life of the option and the expected volatility of the underlying stock over the estimated life of the option. Expected volatility was estimated based on historical and implied stock price volatility from several guideline companies over a period equivalent to the expected term.

We believe that the valuation techniques and the approach utilized to develop the underlying assumptions are appropriate in calculating the fair value of our stock option grants. Estimates of fair value are not intended, however, to predict actual future events or the value ultimately realized by employees who receive equity awards.

The Hazra IPO Equity Awards, issued in the form of options, were granted on June 3, 2026, and represent the only options outstanding as of September 30, 2026. The assumptions used for the Black-Scholes option-pricing model were as follows:

| **Assumptions:** | |
|---|---|
| Expected volatility | 65.00 % |
| Risk-free interest rate | 4.33 % |
| Expected dividend yield | — % |
| Expected life (in years) | 6.25 |
| Exercise price | $ 60.00 |

As of September 30, 2026, unrecognized Stock compensation expense related to the 2026 Plan awards that are expected to vest was $183.3 million, which is expected to be recognized over a weighted-average period of 2.4 years.

In addition, the Company has issued awards under the 2023 Plan and 2026 Plan that are subject to annual performance-based vesting conditions for the 2027 through 2029 performance periods. The performance conditions applicable to these awards have not yet been established and communicated to the recipients and, accordingly, an accounting grant date has not been established for these awards. The requisite service periods associated with these awards have also not commenced. Accordingly, these awards are not included in the award activity table above or in the unrecognized stock-based compensation expense disclosed above. Compensation cost associated with these awards will be determined upon establishment of an accounting grant date and recognized over the applicable requisite service period.

The following table is a summary of the total Stock compensation expense for the 2023 Plan and 2026 Plan awards, which is included in the Condensed Consolidated Financial Statements as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Cost of revenue | $ 746 | $ — | $ 7,077 | $ — |
| Research and development expenses—net | 27,001 | — | 321,902 | — |
| Sales and marketing expenses | 3,950 | — | 21,167 | — |
| General and administrative expenses | 5,542 | — | 134,553 | — |
| Total Stock compensation expense | $ 37,239 | $ — | $ 484,699 | $ — |

The Company paid $38.8 million and $130.8 million in taxes for the net share settlement of incentive equity awards that vested during the three and nine months ended September 30, 2026, respectively. Such amounts are included within Financing activities on the Condensed Consolidated Statements of Cash Flows.

**NOTE. 17 SEGMENTS**

The Company's Chief Operating Decision Maker ("CODM"), the Chief Executive Officer, manages the business as a single operating and reportable segment. The CODM uses consolidated financial information to allocate resources and assess performance on a consolidated basis. Accordingly, all required financial segment information is presented on a consolidated basis.

The Company operates as one operating segment managed on a consolidated basis. The financial information regularly reviewed by the CODM is presented on the same basis as the Company's Condensed Consolidated Financial Statements. The measure of profit or loss used by the CODM to allocate resources and assess performance is consolidated net loss. There are no significant expense categories provided to the CODM beyond those disclosed in the Unaudited Condensed Consolidated Statements of Operations.

The CODM relies on consolidated net loss as a comprehensive measure of the Company's performance, considering all revenues and expenses, including Cost of revenue, Research and development expenses—net, Sales and marketing expenses, and General and administrative expenses, to assess the Company's overall performance and inform strategic decisions. The Company's core technology, research and development, and service platforms are managed centrally and deployed globally to serve customers in various geographic locations. A measure of segment assets is not disclosed because the CODM does not regularly review asset information for purposes of allocating resources or assessing performance. The CODM also reviews forward-looking information contained in budgets and operating plans to manage operations and allocate resources.

As the Company operates as a single operating segment, all required financial information can be found in the Condensed Consolidated Financial Statements.

**NOTE. 18 RELATED PARTY TRANSACTIONS**

For the three and nine months ended September 30, 2026, the Company did not record material gross Revenue—net from related parties. For the three months ended September 30, 2025, the company did not record material gross Revenue—net from related parties. For the nine months ended September 30, 2025 the Company recorded $0.3 million of gross Revenue—net from Honeywell for research projects and software subscription.

The Company did not purchase products and services from related parties for the three months ended September 30, 2026, compared to $0.6 million for the three months ended September 30, 2025. The Company purchased $4.1 million and $3.1 million of products and services from related parties for the nine months ended September 30, 2026 and 2025, respectively.

The Company had no outstanding balances Due to related parties as of September 30, 2026, compared to $1.3 million as of December 31, 2025; balances Due from related parties for all transactions were $0.3 million and $0.6 million, respectively.

***TRANSITION SERVICE AGREEMENT***

Prior to the Transactions, Honeywell was the controlling majority owner of the Company. Honeywell continues to hold a significant ownership interest in the Company and remains a related party. The Company and Honeywell entered into a transition service agreement ("TSA") in which certain services performed by Honeywell are cash settled by the Company. For the three months ended September 30, 2026, the Company did not incur corporate expenses which are required to be cash-settled to Honeywell, as compared to $0.2 million for the three months ended September 30, 2025. For the nine months ended September 30, 2026 and 2025, the Company was charged $0.3 million and $0.5 million, respectively, of corporate expenses which are required to be cash-settled to Honeywell. Upon the occurrence of the IPO the TSA was terminated.

***STRATEGIC SERVICES AND SUPPLY AGREEMENTS***

The Company utilizes Honeywell's facilities for fabrication of ion traps, a component of the quantum computers. In November 2021, the Company entered into a Strategic Services and Supply Agreement with Honeywell to continue the fabrication of ion traps ("the 2021 SSSA"). The agreement term was ten years and included reimbursement of labor and materials upon mutually agreed statements of work throughout the term and a prioritization incentive payment not exceeding 1.5% applied to annual revenues generated by the H-series quantum hardware. The Company did not incur a material incentive for the three months ended September 30, 2026 and 2025 and $0.1 million and $0.3 million of incentive for the nine months ended September 30, 2026 and 2025, respectively, which are reflected as a reduction of Revenue—net in the Unaudited Condensed Consolidated Statements of Operations.

In March of 2026, the 2021 SSSA was terminated and the Company entered into a Strategic Services and Supply Agreement with Honeywell Aerospace Inc. ("AERO") under which AERO will provide goods, services, and deliverables in relation to the fabrication of ion traps ("the 2026 SSSA"). Prior to AERO's spin-off from Honeywell on June 29, 2026, AERO was considered a related party as a wholly owned subsidiary of Honeywell. On June 29, 2026, AERO completed its spin-off and ceased to be a related party as of that date. The agreement term is ten years, with automatic five-year renewals, and includes reimbursement of labor and materials plus a 15% markup upon mutually agreed statements of work and purchase orders. The Company is not obligated to purchase any minimum amount of goods, services, or deliverables under the 2026 SSSA and the agreement does not include a prioritization incentive payment.

The Company did not incur fabrication costs with related parties which are required to be cash-settled for the three months ended September 30, 2026, as compared to $0.6 million for the three months ended September 30, 2025. For the nine months ended September 30, 2026 and 2025, the Company incurred $3.7 million and $2.6 million, respectively, of fabrication costs with related parties which are required to be cash-settled. The amount incurred for the nine months ended September 30, 2026 includes fabrication costs incurred with AERO through June 29, 2026, when AERO ceased to be a related party of the Company. As of September 30, 2026 the Company did not have outstanding balances due to related parties for fabrication costs, as compared to $0.2 million as of December 31, 2025 which are included in Due to related parties in the Condensed Consolidated Balance Sheets. Since AERO is no longer a related party as of June 29, 2026, the outstanding balance due to AERO for fabrication costs as of September 30, 2026 is included in Accounts payable in the Condensed Consolidated Balance Sheets. Additionally, in connection with the 2026 SSSA, the Company's prepayment to AERO balance is included in Other assets—net in the Condensed Consolidated Balance Sheets as of September 30, 2026.

***LEASES***

In the second quarter of 2026, the Company completed a restructuring of its existing subleased office space in Broomfield, Colorado. As part of this restructuring, the Company's existing sublease arrangement with Honeywell was terminated, the Company assumed the related head lease, and the Company entered into a sublease arrangement with AERO for a portion of the premises. As a result of these transactions, the Company became both the lessee under the head lease and the lessor under the sublease. Accordingly, the Company accounts for the head lease and sublease as separate contracts.

The underlying head lease associated with the restructuring was executed with an independent third-party lessor and does not constitute a related party transaction. Additionally, as of June 29, 2026, AERO, the lessee under the sublease agreement, is no longer a related party. Therefore, the related party relationship pertains solely to the terminated original sublease agreement with Honeywell, under which the Company acted as the lessee.

In connection with the Company's original sublease agreement with Honeywell to rent a portion of the building, the Company has included $1.7 million as the right-of-use asset, $0.6 million as the current portion of operating lease liabilities, and $1.2 million, as the non-current portion of operating lease liabilities in the Condensed Consolidated Balance Sheets as of December 31, 2025. Upon termination in the second quarter of 2026, the Company derecognized the right-of-use asset and corresponding lease liability associated with the sublease. The Company did not recognize operating lease cost or variable lease cost for the three months ended September 30, 2026, compared to $0.2 million of operating lease cost and $0.5 million of variable lease cost for the three months ended September 30, 2025 in the Unaudited Condensed Consolidated Statements of Operations. For the nine months ended September 30, 2026 and 2025, the Company recognized $0.3 million and $0.4 million, respectively, of operating lease cost and $1.1 million and $1.6 million, respectively, of variable lease cost in the Unaudited Condensed Consolidated Statements of Operations.

***OTHER RELATED PARTY TRANSACTIONS***

In connection with a Cooperative Research and Development Agreement with Honeywell Aerospace Technologies, the Company entered into statements of work with National Technology and Engineering Solutions of Sandia ("NTESS"), a wholly owned subsidiary of Honeywell, relating to collaborative research and development activities. Under these arrangements, the Company provides cost-reimbursable funding for agreed research activities. The Company incurred $0.3 million and $0.1 million of costs related to these arrangements for the three months ended September 30, 2026 and 2025, respectively. The Company incurred $0.8 million and $0.2 million of costs related to these arrangements for the nine months ended September 30, 2026 and 2025. Additionally, there were no material amounts payable to or receivable from NTESS as of September 30, 2026 and December 31, 2025.

As of September 30, 2026 the Company had an outstanding receivable balance of $2.2 million due from a non-officer vice president of the Company.

**NOTE. 19 SUBSEQUENT EVENTS**

In preparing the Condensed Consolidated Financial Statements, the Company has evaluated the events and transactions for their recognition or disclosure subsequent to September 30, 2026, and through November 9, 2026, the date the Condensed Consolidated Financial Statements were available for issuance.

From September 27, 2026 through November 9, 2026, an aggregate of 2,078,172 shares of Class A common stock were issued to Quantinuum Holdings members in connection with such members' redemptions of an equivalent number of Common Units and corresponding cancellation and retirement of an equivalent number of Class B common stock. Such retired shares of Class B common stock may not be reissued. The redemptions occurred pursuant to the terms of the Quantinuum Holdings LLC Agreement.

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

*You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited interim condensed consolidated financial statements and the related notes appearing elsewhere in this report, and our audited consolidated financial statements and the related notes for the year ended December 31, 2025 and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Prospectus. Some of the information contained in this discussion and analysis, including information with respect to our current plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties.*

*You should review the section of this quarterly report titled "Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. Unless the context otherwise requires, references in this section to "Quantinuum," "we," "our," "us," and the "Company" refer to Quantinuum Inc. and its consolidated subsidiaries.*

**Overview**

Quantum computing is quickly evolving from research to early commercial adoption to address the insatiable need for computing power in the digital age. Even as classical computing continues to advance in energy-efficient performance, the huge computational demands of new applications such as artificial intelligence ("AI") are making it challenging for classical computing to keep pace. Quantum computing is a fundamentally different approach that allows us to solve entirely new classes of problems in a resource-efficient manner. This paradigm change is being propelled by governments and enterprises, as they recognize quantum computing as a potential key enabler of long-term growth. Quantinuum was built with the mission to lead this transition and play a pivotal role in defining the future of the computing industry.

We believe the future of computing will be inherently hybrid, combining classical compute (i.e., CPUs), accelerated compute (i.e., GPUs) and quantum compute (i.e., QPUs). In this architecture, quantum computing will become a foundational layer for solving classes of problems that are fundamentally difficult for classical and accelerated systems alone. We view quantum computing not as a standalone replacement for classical systems, but as a new foundational layer within a hybrid computing stack. In this model, workloads are dynamically orchestrated across computing systems to ensure optimal execution, enabling each class of problem to be solved on the most appropriate computing substrate. Our quantum systems have been designed from the ground up with this hybrid framework in mind. We are already exploring protocols in which our quantum systems will generate data that is subsequently used by AI models to learn and guide the generation of additional data—creating a closed-loop feedback system that accelerates discovery across multiple domains. Critically, unlike classical systems, our QPUs produce data that is extremely difficult—if not impossible—to produce classically. This confers a unique advantage: rather than training AI models on data that is broadly available or incrementally derived, we provide novel, high-value data that would otherwise be prohibitively expensive or altogether unattainable. This capability is driven by our QPU's ability to accurately model highly complex chemical and physical systems, unlocking insights beyond the reach of traditional computing approaches.

Quantinuum is a leading quantum computing platform that offers solutions like hardware platforms, developer tools, application libraries and solution-targeted intellectual property ("IP"). Our vertically integrated quantum computing platform combines sophisticated quantum hardware systems and middleware with application software designed to make quantum computing deployable in real-world environments. By enabling hybrid quantum-classical computing workflows with our software, we believe we accelerate the creation of entirely new application categories, such as quantum-enabled AI.

Our model of working closely with our customers and partners to build new hardware and software capabilities builds deep, durable relationships that we believe enables Quantinuum to create and capture value. Our selective approach to what we retain as proprietary and what we license as open-source is designed to accelerate developer adoption and ecosystem growth without compromising long-term competitive advantages. Core architectural and system-level IP remain proprietary and protected, while openness is pursued in areas where it strengthens developer engagement.

Our QCCD architecture is designed to prioritize accuracy, connectivity and system-level performance over raw gate speed, reflecting our focus on improving time-to-solution for real-world workloads. Quantinuum's platform is built on the well-established QCCD architecture established in the early 2000s, which we implemented with novel designs and capabilities to achieve the industry's highest accuracy levels based on Helios' 99.921% average two-qubit gate fidelity, as of December 31, 2025. In fact, we were the first in the industry to implement logical qubits with a higher accuracy than physical qubits, according to the 2021 Ryan-Anderson et al. Study. Quantinuum has demonstrated technical and

operational progress through multiple generations of commercially deployed quantum systems, including H1 (2020), H2 (2023) and Helios (2025). H1 was the first commercial quantum system to demonstrate "Three Nines" ("99.9%") accuracy for two-qubit gates across all qubit pairs, according to the 2025 Kretschmer et al. Study, and each generation delivered measurable improvements in performance and accuracy. Our team continues to build on these improvements and is working on future system generations, such as Sol, which we expect to introduce in 2027 and anticipate will achieve up to 100 logical qubits (a key milestone in fault-tolerant computing), and Apollo, which we expect to introduce in 2029 and anticipate will achieve 100s of logical qubits.

While certain alternative approaches, such as superconducting architectures, may achieve faster individual gate speeds, they often require significantly more operations and higher error-correction overhead to reach a reliable result. We evaluate the performance and commercial readiness of our platform using system-level metrics that we—and our customers—believe are indicative of real-world value and the ability to produce successful outcomes and solutions, rather than early stage and traditional metrics, such as raw qubit count or gate speed. The metrics and performance drivers that best showcase our ability to achieve results include fidelity, number of logical qubits, system scalability, time-to-solution and full-stack performance. We believe these metrics are more directly aligned with customer outcomes and commercial adoption, system cost and the ability to support increasingly complex workloads.

Our strategy is hardware-led and software-enhanced, delivering high-accuracy quantum hardware with co-optimized middleware and applications to enable customers to design and implement solutions. Our middleware tools for quantum software developers, like the high-level quantum programming language, Guppy, are designed to make writing and executing quantum programs easy, enabling customers to build high-value solutions. We believe that our software tools across multiple platforms significantly lower the adoption hurdle in application development while creating loyalty to Quantinuum's platform. We expect that our full-stack offerings, including applications, will help us capitalize on early commercial value as quantum technology is deployed across industries, while preserving significant flexibility to capture value as the industry moves up stack.

**U.S. Government Transaction**

On September 4, 2026 (the "Award Date"), our subsidiary Quantinuum LLC entered into an Other Transaction Agreement (the "Award Agreement") with the U.S. Department of Commerce (the "Department of Commerce") under the CHIPS Act of 2022, pursuant to which the Department of Commerce agreed to award us up to an aggregate of $100.0 million (the "Award"), subject to the terms and conditions of the Award Agreement. In connection with the Award Agreement, on September 8, 2026, we entered into a Securities Issuance Agreement (the "Securities Issuance Agreement") with the Department of Commerce and other parties thereto, pursuant to which the Department of Commerce acquired 2,369,528 shares of our Class A common stock (the transactions contemplated by the Award Agreement and the Securities Issuance Agreement, together, the "U.S. Government Transaction").

The Award is expected to be disbursed in multiple payments consisting of $56.0 million that became available to draw upon the Award Date and two additional payments of $32.0 million and $12.0 million (the "Milestone Payments") which are subject to our achievement of specified project milestones and satisfaction of related conditions. The Award contemplates that we will undertake certain activities at multiple existing U.S. project sites to address key technical challenges in scaling trapped-ion-based quantum computing systems.

Award funds may be used solely to pay eligible project costs and must be used in a manner consistent in all material respects with an approved budget plan. The period of performance under the Award Agreement (the "Period of Performance") continues until the earlier of completion of all project milestones and the fifth anniversary of the Award Date, unless earlier terminated or otherwise modified in accordance with the Award Agreement.

The Award Agreement contains ongoing operational, reporting, compliance, domestic production, research security, and intellectual property obligations. Continued receipt of future milestone funding is dependent upon achievement of the applicable project milestones and compliance with the terms of the Award Agreement. Failure to achieve applicable milestones may result in the withholding, suspension, or delay of future funding.

The Award Agreement also provides the Department of Commerce with certain remedies in the event of noncompliance. Among other things, the Department of Commerce may claw back up to the full amount of Award funds previously disbursed in the event of certain material failures relating to research security, domestic control of intellectual property, domestic production requirements, or failure to timely complete certain required project activities. The Department of Commerce may also terminate the Award Agreement for specified material noncompliance events.

In addition, if the Department of Commerce terminates the Award Agreement for convenience prior to the end of the Period of Performance, we may repurchase, for an aggregate purchase price of $1.00, a portion of the shares issued to the

Department of Commerce based on the proportion of Award funds that have not been received by, or have been returned by us.

As of September 30, 2026, no amounts had been drawn under the Award. Future funding remains subject to the terms and conditions of the Award Agreement, including milestone achievement, applicable funding conditions, compliance requirements, and related review procedures.

See Note 11 — Stockholders' Equity of the Notes to the Unaudited Condensed Consolidated Financial Statements, for additional information regarding the U.S. Government Transaction.

**Key Components Of Results Of Operations**

***Revenue—net***

We derive revenue from contracts associated with the design, development, construction and sale of specialized quantum computing hardware, from contracts providing access to our quantum computing systems with maintenance and other support services, and from consulting services related to co-developing algorithms on quantum computing systems.

Our contracts for cloud platform, research and other related support services represent performance obligations that are satisfied over time when the customer simultaneously receives and consumes the benefits as we perform the work, if the customer controls the asset as it is created, or if our performance does not create an asset with an alternative use and we have an enforceable right to payment. These arrangements often involve providing customers with ongoing, stand-ready access to our quantum computing systems and resources. The transaction price for these contracts generally consists of a fixed fee for a defined service period, which may also include a variable component for usage exceeding contractual minimums. For these performance obligations, fixed fees are typically recognized on a straight-line basis over the service period, while variable usage fees are recognized in the period they occur.

To measure our progress for performance obligations satisfied over time, we use output methods, such as customer consumption, achievement of contractual milestones, or a straight-line measure of progress, selecting the method that best depicts the transfer of control to the customer.

For performance obligations related to the sale of specialized quantum computing hardware, revenue is recognized at the point in time when control of the asset transfers to the customer, which is typically upon delivery and commissioning. These arrangements may qualify as sales-type leases under ASC 842. For instances where the delivery of a quantum system is highly interdependent with support such that the customer cannot benefit from the hardware independently, the hardware and support will be combined into a single performance obligation and recognized over time as the support services are performed. The application of these accounting principles requires us to make judgments and estimates, and changes to these estimates can have a significant impact on the timing and amount of revenue recognized.

Revenue may fluctuate significantly from period to period due to the timing of new contracts, the commencement of large multiyear engagements, customer usage patterns and the onboarding of new enterprise and government customers. As is typical of quantum computing organizations, our customer base is concentrated and revenue from individual customers may represent a large percentage of total revenue in any given period.

***Costs and Expenses***

***Cost of revenue***

Cost of revenue consists primarily of costs associated with operating our quantum computing systems and cloud delivery infrastructure. These expenses include:

- Personnel related costs for operations, reliability and customer support teams;
- Depreciation related to our quantum computing systems;
- Infrastructure costs, including costs associated with maintaining the cloud platform and allocation of facility costs; and
- Third-party costs, including fees paid to third-party contractors or consultants engaged to support the delivery of services to our customers.

Period over period changes in cost of revenue are driven by the timing of system upgrades and deployments, expansion of computing capacity to support demand growth and increases in cloud and data center infrastructure usage.

***Amortization expense***

Amortization expense includes amortization of acquired intangible assets—such as patents and technology, customer relationships and trademarks.

Amortization will vary with the timing of product development cycles, the mix of intangible assets acquired or capitalized and the corresponding useful lives of the underlying assets. Due to the breadth of proprietary technologies supporting our quantum systems, amortization expense is expected to remain a meaningful component of our cost structure.

***Research and development expenses—net***

Research and development expenses represent our most significant investment and reflect efforts to advance core trapped-ion hardware generations, increase qubit capacity and fidelity, develop system level control software and expand algorithmic and application layer capabilities. These expenses include personnel related costs, prototype system development, laboratory operations, materials and outsourced research services.

Research and development are presented net of the UK Research and Development Expenditure Credit ("RDEC"). Because the timing and magnitude of these offsets vary, net research and development expenses may not trend proportionally with underlying gross investment.

As with other quantum computing companies, continued research and development investment is critical to advancing our technology roadmap and supporting long term commercialization objectives.

***Sales and marketing expenses***

Sales and marketing expenses include personnel related costs for sales, business development and marketing. These expenses also include the cost of customer acquisition programs, participation in industry conferences, digital marketing and initiatives to cultivate early adopter ecosystems for quantum computing.

Early stage enterprise adoption cycles remain long and variable, which may lead to non-linear trends in sales and marketing expenses.

***General and administrative expenses***

General and administrative expenses include personnel related costs for corporate functions such as finance, legal and executive management as well as allocated costs for human resources and information technology. These expenses also include professional fees, insurance expenses (including directors' and officers' liability insurance) and other corporate overhead costs.

***Stock compensation expense***

A significant portion of our outstanding equity awards include restricted Quantinuum Class C shares and RSU awards covering Quantinuum Class C shares granted to the executive management team under the 2023 Plan. These equity awards contain liquidity event vesting conditions that were satisfied upon the completion of the IPO. Because service-based or performance-based vesting conditions for a portion of these awards have already been met, we recognized a substantial, one-time, non-recurring stock compensation expense in the period in which the IPO occurred.

In addition to our executive management team's equity awards, a substantial portion of our future stock-based compensation relates to contractual entitlements made to employees by Quantinuum (Cayman) and its affiliates to receive restricted stock units. See Note 16 — Stock-Based Compensation to our Condensed Consolidated Financial Statements for a description of these plans. These awards were subject to satisfaction of a liquidity-event condition for Quantinuum (Cayman) and were formally granted by the Board following the completion of the IPO.

We recognized a significant, one-time, non-recurring stock-based compensation expense in the period in which Quantinuum Inc. approved and granted these restricted stock units, which occurred upon the IPO, reflecting service rendered prior to the applicable grant date.

All future stock-based compensation expense may:

- materially increase operating expenses for the period subsequent to the liquidity event and the period in which Quantinuum Inc. approves employee restricted share units;
- not require the use of cash;
- significantly affect comparability between pre-offering and post-offering financial periods; and
- vary depending on the timing of an offering, the valuation of our common stock and future equity awards.

***Other (income)/expense—net***

Other (income)/expense—net includes realized and unrealized foreign currency gains and losses, government grant income not associated with customer contracts and other non-operating items.

These items may fluctuate significantly from period to period due to changes in interest rates and exchange rate movements.

***Tax (benefit)/expense***

Prior to the reorganization in connection with the IPO, we operated primarily through an entity classified as a partnership for U.S. federal income tax purposes and therefore were generally not subject to U.S. federal corporate income taxes. We are also subject to foreign income taxes in jurisdictions in which we operate.

Our effective tax rate will depend on the geographic mix of earnings, the utilization of net operating losses, valuation allowances on deferred tax assets and the allocation of income to non-controlling interests.

Following the IPO, Quantinuum Inc. is treated as a U.S. corporation and will be subject to U.S. federal and applicable state and local income taxes. We operate using an Up-C structure under which Quantinuum Inc. holds interests in Quantinuum Holdings. We entered into a Tax Receivable Agreement with certain pre-IPO owners, under which we will pay a portion of certain tax benefits that we realize as Common Units are exchanged.

**Results of Operations**

**Comparison of the Three Months Ended September 30, 2026 and 2025**

The following table sets forth our results of operations for the periods indicated:

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Revenue—net | $ 9,050 | $ 2,715 | $ 6,335 | 233 % |
| Costs and expenses: | | | | |
| Cost of revenue | 3,194 | 1,058 | 2,136 | 202 % |
| Amortization expense | 4,184 | 2,839 | 1,345 | 47 % |
| Research and development expenses—net | 97,482 | 42,382 | 55,100 | 130 % |
| Sales and marketing expenses | 14,856 | 3,977 | 10,879 | 274 % |
| General and administrative expenses | 22,149 | 5,334 | 16,815 | 315 % |
| Total costs and expenses | 141,865 | 55,590 | 86,275 | 155 % |
| Loss from operations | (132,815) | (52,875) | (79,940) | 151 % |
| Interest income—net | (14,324) | (3,072) | (11,252) | 366 % |
| Loss on change in fair value of warrant liabilities | — | 2,100 | (2,100) | (100)% |
| Other (income)/expense—net | (283) | 3 | (286) | (9,533)% |
| Loss before taxes | (118,208) | (51,906) | (66,302) | 128 % |
| Tax (benefit)/expense | (357) | 130 | (487) | (375)% |
| Net loss | $ (117,851) | $ (52,036) | $ (65,815) | 126 % |

Cost of revenue, Research and development expenses—net, Sales and marketing expenses, and General and administrative expenses for the periods include Stock compensation expense as follows:

| | Three Months Ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| Cost of revenue | $ 746 | $ — |
| Research and development expenses—net | 27,001 | — |
| Sales and marketing expenses | 3,950 | — |
| General and administrative expenses | 5,542 | — |
| Total Stock compensation expense | $ 37,239 | $ — |

***Revenue—net***

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Revenue—net | $ 9,050 | $ 2,715 | $ 6,335 | 233 % |

Revenue—net increased $6.3 million, or 233% for the three months ended September 30, 2026, primarily driven by an increase in revenue from cloud platform, research and support services.

***Cost of revenue***

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Cost of revenue | $ 3,194 | $ 1,058 | $ 2,136 | 202 % |

Cost of revenue increased $2.1 million, or 202% for the three months ended September 30, 2026, primarily due to an increase in stock-based compensation expense of $0.7 million. The remainder of the increase was driven primarily by an increase in allocated cost of $0.5 million due to a higher proportion of machine usage, an increase in specific customer related project costs of $0.3 million, and an increase in personnel related costs of $0.2 million.

***Amortization expense***

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | (Dollars in thousands) | | | |
| Amortization expense | $ 4,184 | $ 2,839 | $ 1,345 | 47 % |

Amortization expense increased $1.3 million, or 47% for the three months ended September 30, 2026, due to additional amortization of licensed technology purchased at the end of 2025.

***Research and development expenses—net***

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Research and development expenses—net | $ 97,482 | $ 42,382 | $ 55,100 | 130 % |

Research and development expenses—net increased $55.1 million, or 130% for the three months ended September 30, 2026. The increase in research and development expense reflects the execution of our forward-looking technology roadmap and investment to support the development of next generation quantum computing systems. The increase was primarily driven by an increase in stock-based compensation expense of $27.0 million. The remainder of the increase was driven by an increase in outsourced research services and collaboration services of $8.5 million, an increase in personnel related costs of $7.8 million, an increase in human resources, facility and information technology support of $5.9 million, and an increase in project materials of $4.2 million.

***Sales and marketing expenses***

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Sales and marketing expenses | $ 14,856 | $ 3,977 | $ 10,879 | 274 % |

Sales and marketing expenses increased $10.9 million, or 274% for the three months ended September 30, 2026, primarily driven by an increase of $4.3 million related to non-recurring professional fees such as marketing and pipeline development services. The remainder of the increase was driven by an increase in stock-based compensation expense of $4.0 million and an increase of $2.1 million in personnel related costs.

***General and administrative expenses***

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| General and administrative expenses | $ 22,149 | $ 5,334 | $ 16,815 | 315 % |

General and administrative expenses increased $16.8 million, or 315% for the three months ended September 30, 2026, primarily driven by an increase in professional fees such as legal, audit and business consulting services of $6.5 million. The remainder of the increase was driven by an increase in stock-based compensation expense of $5.5 million, an increase in personnel related costs for corporate functions of $2.3 million, and an increase of $1.5 million in insurance costs.

***Interest income—net***

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Interest income—net | $ (14,324) | $ (3,072) | $ (11,252) | 366 % |

Interest income—net increased $11.3 million, or 366% for the three months ended September 30, 2026, primarily due to an increase in the balance of our invested cash.

***Loss on change in fair value of warrant liabilities***

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Loss on change in fair value of warrant liabilities | $ — | $ 2,100 | $ (2,100) | (100)% |

There was no Loss on change in fair value of warrant liabilities for the three months ended September 30, 2026 because no warrants remained outstanding following their exercise and conversion to equity in connection with the IPO in June 2026. Loss on change in fair value of warrant liabilities was $2.1 million for the three months ended September 30, 2025, resulting in a decrease of $2.1 million, or -100% when comparing the two periods. The loss recognized in the prior-year period was primarily driven by mark-to-market changes. A discussion of the change in the fair value of the warrant liabilities is included in Note 8 — Fair Value to our Condensed Consolidated Financial Statements.

***Other (income)/expense—net***

| | Three Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Other (income)/expense—net | $ (283) | $ 3 | $ (286) | (9533)% |

Other (income)/expense—net increased $0.3 million, or 9533% for the three months ended September 30, 2026, shifting from other expense to other income, primarily driven by an increase of $0.2 million due to new grant

reimbursements, and an increase of $0.1 million due to foreign exchange gains as compared to the same period in the prior year.

**Comparison of the Nine Months Ended September 30, 2026 and 2025**

The following table sets forth our results of operations for the periods indicated:

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Revenue—net | $ 22,285 | $ 23,908 | $ (1,623) | (7)% |
| Costs and expenses: | | | | |
| Cost of revenue | 14,618 | 3,728 | 10,890 | 292 % |
| Amortization expense | 12,554 | 8,517 | 4,037 | 47 % |
| Research and development expenses—net | 519,433 | 117,822 | 401,611 | 341 % |
| Sales and marketing expenses | 57,920 | 10,779 | 47,141 | 437 % |
| General and administrative expenses | 182,752 | 16,903 | 165,849 | 981 % |
| Total costs and expenses | 787,277 | 157,749 | 629,528 | 399 % |
| Loss from operations | (764,992) | (133,841) | (631,151) | 472 % |
| Interest income—net | (23,807) | (5,415) | (18,392) | 340 % |
| Loss on change in fair value of warrant liabilities | 111,815 | 9,900 | 101,915 | 1,029 % |
| Other (income)/expense—net | (2,296) | 803 | (3,099) | (386)% |
| Loss before taxes | (850,704) | (139,129) | (711,575) | 511 % |
| Tax (benefit)/expense | 260 | 313 | (53) | (17)% |
| Net loss | (850,964) | (139,442) | (711,522) | 510 % |

Cost of revenue, Research and development expenses—net, Sales and marketing expenses, and General and administrative expenses for the periods include stock-based compensation expense as follows:

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| Cost of revenue | $ 7,077 | $ — |
| Research and development expenses—net | 321,902 | — |
| Sales and marketing expenses | 21,167 | — |
| General and administrative expenses | 134,553 | — |
| Total Stock compensation expense | $ 484,699 | $ — |

***Revenue—net***

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Revenue—net | $ 22,285 | $ 23,908 | $ (1,623) | (7)% |

Revenue—net decreased $1.6 million, or 7% for the nine months ended September 30, 2026, primarily driven by a decrease in revenue from specialized quantum computing hardware related to a sales-type lease transaction of $16.5 million, primarily offset by an increase in revenue from cloud platform, research and support services of $14.4 million.

***Cost of revenue***

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Cost of revenue | $ 14,618 | $ 3,728 | $ 10,890 | 292 % |

Cost of revenue increased $10.9 million, or 292% for the nine months ended September 30, 2026, primarily due to an increase in stock-based compensation expense of $7.1 million, the majority of which represents a one-time cumulative adjustment related to the IPO. The remainder of the increase was driven by an increase in personnel related costs of $1.7 million, and an increase in specific customer related project costs of $0.9 million.

***Amortization expense***

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Amortization expense | $ 12,554 | $ 8,517 | $ 4,037 | 47 % |

Amortization expense increased $4.0 million, or 47% for the nine months ended September 30, 2026, due to additional amortization of licensed technology purchased at the end of 2025.

***Research and development expenses—net***

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Research and development expenses—net | $ 519,433 | $ 117,822 | $ 401,611 | 341 % |

Research and development expenses—net increased $401.6 million, or 341% for the nine months ended September 30, 2026. In addition to the stock-based compensation impact in the period, the increase in research and development expense reflects the execution of our forward-looking technology roadmap and investment to support the development of next generation quantum computing systems. The increase was primarily driven by an increase in stock-based compensation expense of $321.9 million, the majority of which represents a one-time cumulative adjustment related to the IPO. The remainder of the increase was driven by an increase in outsourced research services and collaboration services of $26.9 million and an increase in project materials of $11.0 million.

***Sales and marketing expenses***

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Sales and marketing expenses | $ 57,920 | $ 10,779 | $ 47,141 | 437 % |

Sales and marketing expenses increased $47.1 million, or 437% for the nine months ended September 30, 2026, primarily driven by an increase in stock-based compensation expense of $21.2 million the majority of which represents a one-time cumulative adjustment related to the IPO. The remainder of the increase was driven primarily by an increase related to professional fees such as marketing and pipeline development services of $20.0 million.

***General and administrative expenses***

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| General and administrative expenses | $ 182,752 | $ 16,903 | $ 165,849 | 981 % |

General and administrative expenses increased $165.8 million, or 981% for the nine months ended September 30, 2026, primarily driven by an increase in stock-based compensation expense of $134.6 million, the majority of which represents a one-time cumulative adjustment related to the IPO. The remainder of the increase was driven by an increase in personnel related costs for corporate functions of $14.1 million, an increase in professional fees such as legal, audit and business consulting services of $12.9 million, and an increase of $2.0 million in insurance costs.

***Interest income—net***

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Interest income—net | $ (23,807) | $ (5,415) | $ (18,392) | 340 % |

Interest income—net increased $18.4 million, or 340% for the nine months ended September 30, 2026, primarily due to an increase in the balance of our invested cash.

***Loss on change in fair value of warrant liabilities***

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Loss on change in fair value of warrant liabilities | $ 111,815 | $ 9,900 | $ 101,915 | 1,029 % |

Loss on change in fair value of warrant liabilities increased $101.9 million, or 1,029% for the nine months ended September 30, 2026, primarily driven by mark-to-market changes in the fair value of the warrant liabilities through the date of their exercise in connection with the IPO in June 2026. A discussion of the change in the fair value of the warrant liabilities is included in Note 8 — Fair Value to our Condensed Consolidated Financial Statements included elsewhere in this quarterly report.

***Other (income)/expense—net***

| | Nine Months Ended September 30, | | Change | |
|---|---|---|---|---|
| | 2026 | 2025 | $ | % |
| | *(Dollars in thousands)* | | | |
| Other (income)/expense—net | $ (2,296) | $ 803 | $ (3,099) | (386)% |

Other (income)/expense—net increased $3.1 million, or 386% for the nine months ended September 30, 2026, shifting from other expense to other income, primarily driven by an increase of $1.9 million due to a non-recurring litigation loss recovery settlement and an increase of $0.9 million due to a reduction of property, plant, and equipment write-offs as compared to prior year.

**Liquidity and Capital Resources**

Since our inception, we incurred net losses and have generated only limited revenue. Prior to the IPO, we funded our operations primarily through convertible debt, which subsequently converted to equity, and direct issuances of convertible preferred stock. In connection with the IPO, we received proceeds of approximately $1,628.8 million, net of underwriting discounts and commissions. For the nine months ended September 30, 2026 and 2025, we incurred net losses of $851.0 million and $139.4 million, respectively. We expect to incur additional losses and higher operating expenses for the foreseeable future.

As of September 30, 2026, our cash and cash equivalents were $1,936.1 million. We believe that our cash and cash equivalents on hand as of September 30, 2026 will be sufficient to meet our working capital and capital expenditure needs for a period of at least 12 months from the date of this report.

Our primary uses of cash are to fund our operations as we continue to grow our business. Our short-term cash requirements include capital expenditures for materials and components related to research and development and quantum computing systems; and working capital requirements.

Our long-term cash requirements include expenditures for the ongoing development of quantum computing systems and payments related to a perpetual license agreement our quantum computing technology is dependent upon.

Until such time as we can generate significant revenue from sales of our quantum computing products and solutions, we expect to finance our cash needs through public or private equity or other capital sources, including potential collaborations and other similar arrangements. There can be no assurances that we will be able to raise additional capital on favorable terms or at all. 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 efforts.

In connection with the Reorganization Transactions, we entered into a Tax Receivable Agreement (TRA) with Quantinuum Holdings and the TRA Parties. Under the Tax Receivable Agreement, we will retain 15% of certain available tax savings and will be required to pay the Members (as defined in the Tax Receivable Agreement) the remaining 85% of such tax savings, if any, that are realized or deemed realized as a result of tax attributes (i.e. DTA).

The amounts of any tax benefit to us that arises from future exchanges or redemptions of Common Units will vary depending on a number of factors, including, but not limited to, the timing of any future redemptions or exchanges and the price of shares of Class A common stock at the time of such future redemption or exchange. We will only recognize a DTA for financial reporting purposes when it is “more-likely-than-not” that the tax benefit will be realized.

The payment obligations under the Tax Receivable Agreement are obligations of Quantinuum Inc. and not of Quantinuum Holdings. We expect that the payments that we will be required to make to the TRA Parties will be substantial.

Any payments made by us to the TRA Parties will generally reduce the amount of overall cash flow that might have otherwise been available to us or to Quantinuum Holdings and, to the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid by us.

Our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring, deterring or preventing certain mergers, asset sales, other forms of business combination or other changes of control. We might need to incur debt to finance payments under the Tax Receivable Agreement to the extent our cash resources are insufficient and there can be no assurance that we will be able to finance our obligations under the Tax Receivable Agreement.

As discussed under "U.S. Government Transaction," the Company entered into an Award Agreement with the U.S. Department of Commerce providing for up to $100.0 million of funding. No amounts had been drawn under the Award as of September 30, 2026.

Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in the section titled “Risk Factors” included in this quarterly report.

**Summary of Historical Cash Flows**

The following table summarizes our cash flows for the nine months ended September 30, 2026 and 2025:

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| | *(Dollars in thousands)* | |
| Net cash used for operating activities | $ (229,912) | $ (96,859) |
| Net cash used for investing activities | (64,705) | (61,021) |
| Net cash provided by financing activities | 1,468,336 | 601,103 |

***Cash Flow from Operating Activities***

Increased uses of cash flows from operating activities as we continue to grow our business primarily relate to research and development, sales and marketing and general and administrative activities. Increases in our operating cash flow uses are also affected by our working capital needs to support growth in personnel-related expenditures and fluctuations in accounts payable and other current assets and liabilities.

Net cash used for operating activities for the nine months ended September 30, 2026 was $229.9 million, resulting primarily from a net loss of $851.0 million, adjusted for stock compensation expense of $484.7 million, non-cash charges of $111.8 million in loss on change in fair value of warrant liabilities, $27.9 million in depreciation and amortization, $6.9 million for access to quantum computing hardware. Additionally, there was a net cash outflow from changes in operating assets and liabilities of $14.6 million.

For the nine months ended September 30, 2026, net cash outflow from changes in operating assets and liabilities consisted primarily of an increase of current assets of $20.8 million, related to increases in vendor down payments, prepaid taxes and other prepaid items. Non-current assets increased by $16.1 million, driven by an increase in prepayment to Honeywell Aerospace Inc. of $15.7 million under the Strategic Services and Supply Agreement. These were partially offset

by increases in accrued liabilities of $12.5 million, primarily driven by increase in accrued legal and professional services and accrued compensation and benefits, and accounts payable of $4.9 million due to increases in professional services and leasehold improvements in progress. Accounts receivable decreased $1.8 million due to cash collections, and net investment in leases decreased by $4.3 million from payments received in a sales-type lease transaction.

Net cash used for operating activities for the nine months ended September 30, 2025 was $96.9 million, resulting primarily from a net loss of $139.4 million, adjusted for non-cash charges of $22.4 million in depreciation and amortization, $9.9 million in loss on change in fair value of warrant liabilities, and $4.7 million for access to quantum computing hardware. These amounts were partially offset by a net cash inflow from changes in operating assets and liabilities of $19.3 million and non-cash revenue of $16.5 million from the sales-type lease transaction.

For the nine months ended September 30, 2025, net cash inflow from changes in operating assets and liabilities consisted primarily of an increase in accrued liabilities of $7.1 million for legal and professional services, accounts payable of $5.7 million due to an increase in leasehold improvements in progress, a decrease in net investment in leases of $4.3 million from payments received in a sales-type lease transaction, and a decrease in accounts receivable of $1.8 million due to cash collections.

***Cash Flow from Investing Activities***

Net cash used for investing activities for the nine months ended September 30, 2026 was $64.7 million representing additions of $64.7 million to capital expenditures related to the development of quantum computing systems and leasehold improvements.

Net cash used for investing activities for the nine months ended September 30, 2025 was $61.0 million representing additions of $61.0 million to capital expenditures related to the development of quantum computing systems and leasehold improvements.

***Cash Flow from Financing Activities***

Net cash provided by financing activities for the nine months ended September 30, 2026 was $1,468.3 million due to proceeds from the issuance of common stock in the IPO of $1,628.8 million, net of issuance costs of $28.8 million and CHIPS issuance costs of $0.8 million, offset by withholding taxes paid on stock compensation of $130.8 million.

Net cash provided by financing activities for the nine months ended September 30, 2025 was $601.1 million reflecting net proceeds from the issuance of Series B convertible redeemable preferred stock of $350.0 million from Honeywell and $251.1 million from unrelated parties.

**Critical Accounting Policies and Estimates**

Management’s discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities. We also make estimates and assumptions that affect the reported amounts and related disclosures for the periods presented. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Additionally, changes in assumptions, estimates or assessments due to unforeseen events or otherwise could have a material impact on our financial position or results of operations.

While our significant accounting policies are described in the notes to our financial statements included elsewhere in this quarterly report, we believe the following critical accounting policies are most important to understanding and evaluating our reported financial results.

**Goodwill**

Goodwill represents the excess of consideration paid over the fair value of identifiable net assets assumed in a business combination. Goodwill is not amortized and is tested annually, the first day of the fourth quarter, or more frequently if a triggering event occurs between impairment testing dates. Once the fair value is determined, if the carrying amount exceeds the fair value, it is impaired. Any impairment is measured as the difference between the carrying amount and its fair value. If our assumptions deteriorate as a result of a decline in our business or other factors, we may be required to record a non-

cash impairment charge, which could have a material adverse effect on our consolidated statement of operations and balance sheet.

As of December 31, 2025 the fair value of our reporting unit significantly exceeded its carrying value. Based on this result our reporting unit is not at risk of impairment. As of September 30, 2026, we had not identified any factors that indicated there was an impairment of our goodwill and determined that no additional impairment analysis was required.

**Revenue Recognition**

We derive revenue by providing quantum computing products and solutions.

In determining this transaction price, variable consideration is included in the estimate only to the extent that a significant reversal would not be probable. For arrangements with multiple performance obligations, such as quantum computing hardware contracts, judgment is applied to determine the relative standalone selling price of each performance obligation as this is used to allocate the transaction price to each performance obligation within the contract. We determine standalone selling price based on the observable price of a product or service when we sell the products or services separately in similar circumstances and to similar customers. Certain products and services have limited or no history of being sold on a standalone basis, requiring us to estimate the standalone selling price. To date, we have determined the standalone selling price based on other contracts for similar products and services adjusted for differing terms than the contract being evaluated, as well as internal pricing guidelines and market factors. In addition, we take into consideration the estimated costs to be incurred to satisfy the performance obligation plus an appropriate profit margin. When the standalone selling price was not known, due to it being either highly variable or uncertain, and we have observable standalone selling prices for other performance obligations in the contract, we allocated the transaction price using the residual approach.

We evaluate contracts with customers at the time of execution and those may vary in terms. The amount of revenue recognized in a period may vary with respect to the allocation of arrangement consideration to performance obligations with different revenue recognition patterns and changes to existing contract terms.

For performance obligations to be satisfied over time, we apply judgment to select a method that faithfully depicts our progress in transferring control of the promised goods or services to the customer. We use methods such as customer consumption, achievement of contractual milestones, or a straight-line measure of progress over the service period. For other performance obligations, revenue is recognized at a point in time when control transfers to the customer. The application of these accounting principles requires us to make judgments and estimates, such as selecting an appropriate measure of progress for services recognized over time. Changes in these estimates can have a significant impact on the timing and amount of revenue recognized, which could result in material changes to reported revenue.

**Stock-Based Compensation**

Under the 2023 Plan, we granted restricted Quantinuum Class C shares and RSU awards covering Quantinuum Class C shares that vest on the satisfaction of both (i) a service- or performance-based requirement and (ii) a liquidity event requirement, such that the applicable award vests as of the first date upon which both requirements are satisfied. The liquidity event was satisfied upon the IPO. Additionally, under the 2026 Plan,we issued further awards, in the form of RSUs and options, which generally vest upon the completion of a three- or four-year service period. We account for stock-based compensation awards at their grant date fair values.

For the portion of the awards subject to annual performance conditions, we determined that a grant date for accounting purposes does not occur until the specific performance metrics are approved and communicated to the employee. If performance metrics are not yet approved and communicated to the employee, we remeasure the fair value of these awards at each reporting date, beginning on January first of the applicable performance year for which the performance metrics are related, as the service inception date precedes the grant date. Once the accounting grant date is achieved, the awards are remeasured at their grant date fair value and the cumulative compensation cost is adjusted to reflect the grant-date fair value of the award.

We record stock-based compensation expenses for RSUs and restricted stock on an accelerated attribution method over the requisite service period and only if all vesting conditions are considered probable to be satisfied. Upon the IPO, the Company recorded cumulative stock-based compensation expense determined using grant-date fair values for awards that have satisfied or partially satisfied the service-based or other performance-based vesting conditions. Following the IPO, Stock compensation expense related to any remaining service-based or other performance-based vesting conditions will be recorded over the remaining requisite service period.

The fair value of awards granted prior to the IPO was based on the fair value of Quantinuum (Cayman)'s common stock. The fair value of the shares of Quantinuum (Cayman)'s common stock underlying RSUs and restricted stock was required to be estimated, as the shares were not traded on a public market on the grant date. The fair value of Quantinuum (Cayman)'s common stock was determined by considering a number of objective and subjective factors including: the valuation of comparable companies, sales of Quantinuum (Cayman)'s convertible redeemable preferred stock or common stock, Quantinuum (Cayman)'s operating and financial performance, the lack of liquidity of Quantinuum (Cayman)'s common stock, and general and industry specific economic outlook, amongst other factors.

The fair value of RSU awards that were granted in connection with and subsequent to the IPO, are based on the fair value of Class A common stock at the time of grant. The fair value of option awards that were granted in connection with the IPO was determined using the Black-Scholes-Merton ("Black-Scholes") option-pricing model. The Company accounts for forfeitures as they occur; as such, the Company does not estimate forfeitures at the time of grant.

**Warrants**

We evaluate whether warrants issued require accounting as derivatives. We concluded that warrants to purchase convertible redeemable preferred stock meet the criteria for liability classification under ASC 480, Distinguishing Liabilities from Equity. We recorded the warrants as a liability on the Consolidated Balance Sheet at their estimated fair value at the time of initial recognition based on an option pricing model. Liability-classified warrants are subject to re-measurement at each balance sheet date, and any change in fair value is recognized in the Consolidated Statement of Operations. We will continue to remeasure the liability-classified warrants until the earlier of the exercise or expiration, the completion of a deemed liquidation event, the conversion of convertible redeemable preferred stock into Common stock, or until holders of the convertible redeemable preferred stock can no longer trigger a deemed liquidation event. On expiration, the warrants are structured to automatically exercise, at which point the holder can choose between a gross cash settlement or a cashless settlement.

We utilize a hybrid method allocation model consisting of probability-weighted scenarios and an option pricing model to calculate the fair value of the warrants at the issuance date. The estimated fair value of the warrant liability is determined using Level 3 inputs, which requires significant judgment. Inherent in this model are several subjective assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The probability of completing an initial public offering or merger and acquisition transaction, which represents a significant judgment by management, is based on our current expectation. The expected life of the warrants is assumed to be equivalent to the expected time to liquidity.

The warrants were net exercised upon the occurrence of the IPO and converted to equity. Upon IPO they were valued based on the Quantinuum Inc. Class A shares issued upon net exercise and the IPO share price.

**Off-Balance Sheet Arrangements**

As of September 30, 2026, we have not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the SEC and U.S. GAAP.

**JOBS Act Accounting Election**

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We will remain an emerging growth company until the earliest of (i) December 31, 2031, (ii) the last day of the first fiscal year in which our annual gross revenue exceeds $1.235 billion, (iii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iv) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period.

**Recent Accounting Pronouncements**

See Note 2 — Summary of Significant Accounting Policies to our Condensed Consolidated Financial Statements for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide this information.

**Item 4. Controls and Procedures**

The term "disclosure controls and procedures" as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act") means controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Management recognizes that any controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Our management, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon the evaluation of our disclosure controls and procedures as of September 30, 2026, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of such date.

*Changes in Internal Controls over Financial Reporting*

There were no changes that materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting that occurred during the period covered by this report.

## Part II - Other Information

### Item 1. Legal Proceedings

We are currently involved in, and may in the future from time to time become involved in, legal proceedings, claims, and investigations in the ordinary course of our business. Although the results of these legal proceedings, claims, and investigations cannot be predicted with certainty, we do not believe that the final outcome of any matters that we are currently involved in are reasonably likely to have a material adverse effect on our business, financial condition, or results of operations. Regardless of final outcomes, however, any such proceedings, claims, and investigations may nonetheless impose a significant burden on management and employees and be costly to defend, with unfavorable preliminary or interim rulings.

### Item 1A. Risk Factors

Our business is subject to numerous risks and uncertainties and this summary provides an overview of such risks. You should read this risk factor summary together with the more detailed discussion of risks and uncertainties following this summary. These disclosures reflect the Company's beliefs and opinions as to factors that could materially and adversely affect the Company and its securities in the future. References to past events are provided by way of example only and are not intended to be a complete listing of such events or a representation as to whether such factors or similar events have occurred in the past or their likelihood of occurring in the future. Factors that could cause fluctuations in the trading price of our Class A common stock, include the following:

- market acceptance of our products, services and solutions;
- announcements of the results of research and development projects by us or our competitors;
- announcements by others relating to quantum technology;
- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology or other stocks;
- changes in operating performance and stock market valuations of other companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders, as well as the anticipation of the expiration of, or release from, market standoff or lock-up agreements;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- our failure to meet projections we may provide to the public;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- significant governmental restrictions or restrictions on the development or commercialization of our technology;
- changes in accounting standards, policies, guidelines, interpretations, or principles;

- any significant change in our management;
- the market response to rights granted to Honeywell pursuant to our amended and restated certificate of incorporation and the Stockholder Agreement between us and Honeywell International Inc., dated June 3, 2026 (the "Stockholder Agreement");
- general macroeconomic conditions and slow or negative growth of our markets; and
- other events or geopolitical factors, including those resulting from war, incidents of terrorism, natural disasters, public health threats, government shutdowns or responses to those events.

In addition, the stock market in general, and the market for technology companies in particular, has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies, particularly during the current period of global macroeconomic uncertainty. These economic, political, regulatory, and market conditions may adversely impact the market price of our Class A common stock, regardless of our actual results of operations. In the past, securities class action litigation and derivative litigation have often been instituted against companies following periods of volatility in the market price of a company's securities. These types of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which could adversely affect our business, financial condition, and results of operations. Additionally, the dramatic increase in the cost of directors' and officers' liability insurance may cause us to opt for lower overall policy limits and coverage or to forgo insurance that we may otherwise rely on to cover significant litigation defense costs, settlements, and damages awarded to plaintiffs, or incur substantially higher costs to maintain the same or similar coverage. Any of the above potential effects relating to potential volatility in the market price of our Class A common stock could have an adverse effect on our business, financial condition, and results of operations.

**Risks Relating to Our Financial Condition and Status as an Early-Stage Company**

***We are in our growth stage, which makes it difficult to forecast our future results of operations and our funding requirements.***

As a result of our limited operating history, our ability to accurately forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. Near term, our ability to generate revenue will depend on our ability to develop and produce quantum computing systems at scale and to provide customers access to them. Longer term, our ability to generate revenue will also be dependent on our ability to develop, produce and commercialize fully scalable, fault-tolerant quantum computing systems. Achieving fault-tolerance at commercially viable scale involves substantial scientific and engineering uncertainty, including achieving sufficiently low error rates across large numbers of qubits, developing effective quantum error correction software codes, managing qubit coherence times and scaling our systems while maintaining or improving gate fidelities. These challenges may prove more difficult to overcome than currently anticipated, may require fundamental technological breakthroughs that may not occur or may not be solvable at commercially viable cost levels. Our roadmaps may be delayed, altered, abandoned or not realized within our projected timelines or budgets, or at all. Even if we achieve certain technical milestones including increased qubit count, improved error rates or overall enhanced system performance, there can be no assurance that such milestones will translate into commercially viable products, sustainable customer demand, revenue or profitability.

Our ability to scale our business is dependent upon a multitude of technical, commercial, organizational and ecosystem factors including our ability to overcome technical challenges, advance and improve our technology faster than our competitors. Additionally, scaling our business is at risk if we fail to build repeatable systems that are reliable, manufacturable, cost-effective, capable of being produced, deployed, made accessible to customers in their home jurisdictions, and supported at increasing scale; if we are unable to secure and retain specialized talent; if we experience constraints in our supply chain or manufacturing processes; if we are unable to raise sufficient capital on acceptable terms over extended development timelines; if market demand for our offerings erodes or develops more slowly than anticipated; if prospective customers have no or insufficient budget allocation for quantum computing spend or cannot afford our products, services and solutions; or if customers are unwilling or unable to integrate our technology into their existing workflows. Our ability to scale may also be adversely affected by increased competition, rapid technological change, regulatory and geopolitical developments, reliance on strategic partners and suppliers, and our ability to effectively continue our transition from a research-driven organization to a commercially focused operating model. Additionally, we must accelerate development cycles to meet revenue projections, and our business depends on our ability to successfully upsell customers through our on-board process and move them into production applications.

The development of our scalable business model will require the incurrence of a substantially higher level of costs than incurred to date, while our revenues may not grow until more powerful products are produced, which requires a number of technological advancements which may not occur on the currently anticipated timetable or at all. As a result, our historical results should not be considered indicative of our future performance. Further, in future periods, our growth could slow or decline for any number of reasons, including but not limited to failing to achieve targeted demand for our service offerings, increased competition, changes to technology, inability to scale up our technology, a decrease in the growth of the overall market, absence of or diminished customer demand for or budgets allocated to quantum computing spend, or our failure, for any reason, to continue to take advantage of growth opportunities.

We have also encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If our assumptions regarding these risks and uncertainties and our future growth are incorrect or change, or if we do not address or mitigate these risks successfully, our operating and financial results and our funding needs could differ materially from our expectations, and our business could suffer. Our success as a business ultimately relies upon fundamental research and development breakthroughs in the coming years and decade. There is no certainty these research and development milestones will be achieved within the costs we have forecast or as quickly as hoped, or at all. As such, an investment in our Class A common stock is highly speculative.

***We have a history of losses and expect to incur significant expenses and continuing losses for the near future.***

We have historically experienced net losses from operations. For the nine months ended September 30, 2026, and the year ended December 31, 2025, we incurred a loss from operations of $765.0 million and $199.3 million, respectively. We believe that we will continue to incur losses each year until at least the time we begin significant production and delivery of our quantum computers. Even with significant production, such production may never become profitable.

We expect to continue to incur operating losses for the near future as we, among other things, continue to incur significant expenses in connection with the design, development, manufacture, testing and quality assessment of our quantum computers, and as we expand our research and development activities, invest in manufacturing capabilities, build up inventories of components for our quantum computers, increase our business development, marketing and sales activities, develop our distribution infrastructure, post-sales customer support services, and increase our general and administrative functions to support our growing operations and costs of being a public company. We may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses. If we are unable to achieve and/or sustain profitability, or if we are unable to achieve the growth that we expect from these investments, it could have an adverse effect on our business, results of operations or financial condition. Our business model is unproven and may never allow us to cover our costs.

***We may not be able to scale our business quickly enough to meet customer and market demand, which could result in no or lower revenue or profitability or cause us to fail to execute on our business strategies.***

In order to grow our business, we will need to continually evolve and scale our business and operations to meet customer and market demand. Quantum computing technology has never been sold at large-scale commercial levels. Evolving and scaling our business and operations places increased demand on our management as well as our financial and operational resources to:

- attract new customers and grow our customer base;
- maintain and increase the rates at which existing customers use our platform, sell additional products, services and solutions to our existing customers and reduce customer churn;
- expand development, manufacturing and supply-chain capacity;
- invest in our platform and product, services and solutions offerings;
- effectively manage organizational change;
- accelerate and/or refocus research and development activities;
- broaden customer support and services capabilities;
- maintain or increase operational efficiencies;
- hire and retain qualified talent;

- implement appropriately scaled operational and financial systems;
- our principal asset is our interest in Quantinuum Holdings, and, accordingly, we will depend on distributions from Quantinuum Holdings to pay our taxes and expenses, including payments under the Tax Receivable Agreement, which payments may be substantial, and to pay dividends. Quantinuum Holdings' ability to make such distributions may be subject to various limitations and restrictions; and
- maintain effective financial disclosure controls and procedures.

Quantum computing may never achieve commercially relevant quantum advantage, and the timeline for achieving such advantage is highly uncertain. Moreover, commercial production of quantum computing technology may never occur. As noted above, there are significant technological challenges associated with developing, producing, marketing and selling services in the advanced technology industry, including our products, services and solutions, and we may not be able to surmount all of the challenges that may arise in a timely or cost-effective manner, or at all. We may not be able to cost effectively manage production at a scale or quality consistent with customer demand in a timely or economical manner. Additionally, no quantum computing company has successfully achieved broad commercial deployment at scale, so we have limited reference points for forecasting adoption rates, pricing, customer budgets, customer usage patterns or long-term operating performance. As a result, our forecasts for future growth, revenue and expenses are inherently uncertain.

Our ability to scale is dependent upon specialized components and services sourced from multiple industries including: the photonics and optics industry for lasers, optical components, and frequency-stabilization systems; the electronics industry with low-noise control electronics, radio frequency signal generation, central processing units, field-programmable gate arrays; and associated control and readout hardware; the semiconductor and microfabrication industry for ion trap chips, silicon and other substrate materials, cleanroom tooling, and metrology equipment; and suppliers of ultra-high-vacuum systems, precision mechanics, and specialty materials. Shortages or supply interruptions in any of these components will adversely impact our ability to deliver revenues.

If we cannot evolve and scale our business and operations effectively, we may not be able to execute our business strategies in a cost-effective manner and our business, results of operations and financial condition could be adversely affected.

***If we are unable to adequately fund our research and development efforts or use research and development teams effectively, we may not be able to achieve our technological goals, build sufficient systems, meet customer and market demand, or compete effectively, and our business, results of operations and financial condition may be harmed.***

To remain competitive, we must continue to develop new product offerings and reach technological milestones, as well as add features and enhancements to our existing platform, products, services and solutions. Developing scalable quantum computing hardware is highly capital-intensive and uncertain, and we may underestimate the funding, time or resources (including talent) required to achieve our technological objectives. Maintaining adequate research and development personnel and resources to meet the demands of the market is essential. If we experience high employee or management turnover, face challenges in recruiting or retaining highly specialized talent, or a lack of other research and development resources, we may miss market opportunities. The success of our business is dependent on our research and development teams developing roadmaps that allow us to achieve technical milestones for trapped-ion quantum computing, retaining and increasing the spending of our existing customers and attracting new customers. The quantum computing industry is quickly evolving, and we may invest significantly in particular functionality or integrations that may become obsolete in the future, and any future product offerings, features or enhancements that we develop may be unsuccessful. The success of any new product, service and solutions offerings, enhancements or features depends on several factors, including our understanding of market demand, timely execution, successful introduction and market acceptance. We may not successfully develop new features or enhance our existing products, services and solutions to meet customer needs or our new products, services, features or enhancements may not achieve adequate acceptance in the market. Additionally, our improvements and enhancements may not result in our ability to recoup our investments in a timely manner, or at all. Subject to the terms of our amended and restated certificate of incorporation and the Stockholder Agreement, we may make significant investments in new offerings, features or enhancements that may not achieve expected returns. Further, many of our competitors may expend a considerably greater amount of funds on their research and development programs, and those that do not may be acquired by larger companies that would allocate greater resources to our competitors' research and development programs. Our failure to maintain adequate research and development resources, to use our research and development resources efficiently or to compete effectively with the research and development programs of our competitors could materially and adversely affect our business.

***Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate.***

Market opportunity estimates and growth forecasts, including those we have generated, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of companies covered by our market opportunity estimates will purchase our products, services and solutions at all or generate any particular level of revenue for us. In addition, alternatives to quantum computing may present themselves, and competing quantum computing architectures, including superconducting, neutral atom, and photonic approaches, may achieve commercial viability or fault-tolerance before our trapped-ion systems, which could substantially undermine or reduce the market for our products, services and solutions. Any expansion in our market depends on a number of factors, including the cost, performance and perceived value associated with quantum computing solutions, and customers with budgets allocated for quantum computing spend.

The methodology and assumptions used to estimate market opportunities may differ materially from the methodologies and assumptions previously used to estimate the total addressable market. To estimate the size of our market opportunities and our growth rates, we have relied on market reports by various research and consulting firms. These estimates of the total addressable market and growth forecasts are subject to significant uncertainty, are based on assumptions and estimates that may not prove to be accurate and are based on data published by third parties that we have not independently verified. Advances in classical computing, including AI and machine learning, could reduce the addressable market for quantum computing or delay widespread adoption of our products, services and solutions. In addition, many existing classical computing architectures, applications, and workflows are deeply integrated, highly optimized, and difficult to re-architect, re-factor, or transition to incorporate quantum computing, which may further slow customer adoption and increase switching costs. Moreover, certain customers may have internal IT governance standards or policies that prohibit or restrict them from purchasing or integrating our products, services and solutions offerings within their IT infrastructure environment, absent compliance with such standards and policies. This could adversely affect the timing of any quantum advantage being achieved, if at all.

***Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.***

Our success will depend upon our ability to expand, scale our operations and increase our sales capability. Even if the industry in which we compete meets the size estimates and growth forecasted, our business could fail to grow at similar rates, if at all.

Our growth is dependent upon our ability to successfully scale up manufacturing of our products, services and solutions in sufficient quantity and quality, in a timely or cost-effective manner and market those products, services and solutions to customers. We do not have experience with the mass distribution and sale of quantum computing, hardware or services. Our growth and long-term success will depend, in part, upon the development of our sales and delivery capabilities.

Unforeseen issues associated with scaling up and manufacturing quantum computing at commercially viable levels and selling our technology could negatively impact our business, results of operations and financial condition.

Moreover, because of our unique technology, our customers will require particular support and service functions, some of which are not currently available. If we experience delays in adding such support capacity or servicing our customers efficiently, or experience unforeseen issues with the reliability of our technology, it could overburden our servicing and support capabilities. Similarly, increasing the number of our customers, products or services, for example by entering into government contracts and expanding to new geographies, has required and may continue to require us to rapidly increase the availability of these services. Failure to adequately support and service our customers may inhibit our growth and ability to expand computing targets globally. There can be no assurance that our projections on which such targets are based will prove accurate or that the pace of growth or coverage of our customer infrastructure network will meet customer expectations. Failure to grow at rates similar to that of the quantum computing and networking industry may adversely affect our business, results of operations and financial condition and ability to effectively compete within the industry.

***Our business could be harmed if we fail to manage growth effectively.***

If we fail to manage growth effectively, our business, results of operations and financial condition could be harmed. We anticipate that a period of significant expansion will be required to address potential growth. This expansion will place a significant strain on our management, operational and financial resources. Expansion will require significant cash investments and management resources. Such investments may not result in additional sales of our products or services,

and we may not be able to avoid cost overruns or be able to hire additional or sufficiently skilled personnel as required. In addition, we will also need to ensure our compliance with regulatory requirements in various jurisdictions applicable to the marketing, sale, installation and servicing of our products, services and solutions. To manage the growth of our operations and personnel, we must establish appropriate and scalable operational and financial systems, procedures and controls and establish and maintain a qualified finance, administrative and operations staff. We may be unable to acquire the necessary capabilities and personnel required to manage growth or to identify, manage and exploit potential strategic relationships and market opportunities. The growth we have experienced in our business places significant demands on our operational infrastructure. The scalability and flexibility of our platform depends on the functionality of our technology and network infrastructure and its ability to handle increased traffic and demand for processing and bandwidth. Any problems with the transmission of increased data and requests could result in harm to our brand or reputation.

Our growth has placed, and will likely continue to place, a significant strain on our managerial, administrative, operational, financial and other resources. As we grow, we will be required to continue to improve our operational and financial controls and reporting procedures and we may not be able to do so effectively. Furthermore, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage such growth effectively. As such, we may be unable to balance our revenue and expenses effectively in the future, which may negatively impact our gross profit or operating expenses. In managing our growing operations, we are also subject to the risks of over-hiring and/or overcompensating our employees and over-expanding our operating infrastructure. We intend to further expand our overall business, including headcount, with no assurance that our revenues will continue to grow. In addition, North America is currently experiencing one of the most competitive markets for human capital talent in our industry in recent times. Coupled with the incredibly complex nature of the quantum industry, we may face significant challenges and delays in hiring and challenges with employee retention.

***Our operating and financial results forecast relies in large part upon internally developed assumptions and analyses. If these assumptions or analyses prove to be incorrect, our actual business, results of operations and financial condition may be materially different from our forecasted results.***

Our projected financial and operating information reflect current estimates of future performance, which may never occur. Whether actual operating and financial results and business developments will be consistent with our expectations and assumptions as reflected in our forecasts depends on a number of factors, many of which are outside our control, including, but not limited to:

- success and timing of development activity;
- customer acceptance of our quantum computing and networking systems;
- breakthroughs in classical computing or other computing technologies that could eliminate or reduce the advantages of quantum computing and networking systems that render quantum computing comparatively less practical to customers;
- competition, including from established and future competitors;
- the regulatory environment, including whether governmental authorities permit or restrict the use or distribution of quantum computing solutions;
- whether we can obtain sufficient capital to sustain and grow our business;
- our ability to manage our growth;
- our ability to expand our sales into international markets;
- our ability to retain existing key management, integrate recent hires and attract, train, retain and motivate qualified personnel; and
- the overall strength and stability of domestic and international economies.

Unfavorable changes in any of these or other factors, many of which are beyond our control, could materially and adversely affect our business, results of operations and financial condition.

***If we fail to attract new customers or fail to retain and further increase the spending of existing customers, our revenue, business, results of operations, financial condition and growth prospects could be harmed.***

Many of our customer engagements are exploratory, pilot programs, proof-of-concept work and research collaborations, rather than production deployments that generate recurring revenue, and may not convert to production deployments or deployments that generate recurring revenue. These engagements are often limited in scope, duration and commercial value as customers evaluate the potential applicability of quantum computing to their specific use cases. Customers may not progress from pilot or exploratory phases to production use of our quantum computing systems for a variety of reasons, including their assessment that the technology is not yet ready for their intended applications, competing business priorities, budget constraints or the availability of alternative technologies that better meet their needs.

Customers may terminate or fail to renew pilot programs based on changes in their strategic direction, technology roadmaps or leadership. Revenue from pilot programs is often non-recurring and may not be indicative of future revenue potential. The timeline for customers to transition from pilots to production deployments is highly uncertain and may be significantly longer than we anticipate, if such transitions occur at all. Our reported revenue and customer metrics may include significant contributions from non-production engagements that may not recur or lead to additional business.

Our dependence on pilot and exploratory engagements could result in unpredictable revenue, difficulty in forecasting future performance and adverse effects on our business, results of operations and financial condition. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all. Our success will depend upon our ability to expand our platform's capabilities, scale our operations and increase our sales capability.

Our long-term growth will ultimately be dependent upon our ability to successfully scale up manufacturing of our products, services and solutions in sufficient quantity and quality and in a cost-effective manner. Unforeseen issues associated with creating, developing and scaling up quantum computing technology at commercially viable levels could negatively impact our business, results of operations and financial condition.

We have entered into, and may enter into, contracts, partnerships and other arrangements with customers to develop, test and run quantum algorithms specific to their business. The success of these contracts and partnerships is dependent on our customers' ability to identify, implement and realize useful and scalable algorithms for their portfolio at a speed commensurate with the pace of hardware, software and technological development. These arrangements are also dependent on the availability of time and resources to develop and optimize these algorithms. The development and optimization of these algorithms are reliant on employing sufficient and qualified talent familiar with quantum computing and quantum networking, unique skills that require special training and education. If the market fails to train a sufficient number of engineers, researchers and other key quantum personnel, our customers may not find sufficient in-house talent of their own to partner with us to work on customer use cases and problems they wish to solve for in their engagement with us. To the extent our customers are unable to effectively develop or utilize resources to advance algorithmic-use cases, our business, results of operations and financial condition may be adversely impacted.

***We will require substantial additional capital to fund our operations, pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances, and we cannot be sure that additional financing will be available on acceptable terms or at all.***

Our business and our future plans for expansion are highly capital-intensive and the specific timing of cash inflows and outflows may fluctuate substantially from period to period. Our operating plan, which already requires significant capital, may change because of factors currently unknown, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings or other sources, such as strategic collaborations, subject to the terms of our amended and restated certificate of incorporation and the Stockholder Agreement. Such financings may result in dilution to our stockholders, issuance of securities with priority as to liquidation and dividend and other rights more favorable than common stock, imposition of debt covenants and repayment obligations or other restrictions that may adversely affect our business. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe that we have sufficient funds for current or future operating plans. Weakness and volatility in capital markets and the economy, in general or as a result of bank failures or macroeconomic conditions such as high inflation and interest rates, could limit our access to capital markets and increase our costs of borrowing. There can be no assurance that financing will be available to us on favorable terms, or at all. The inability to obtain financing when needed may make it more difficult for us to operate our business or implement our growth plans.

**Risks Relating to Our Business and Industry**

***Quantum computing may never achieve commercially relevant quantum advantage, and the timeline for achieving such advantage is highly uncertain.***

Quantum advantage refers to the moment when a quantum computer can compute faster than traditional computers, while quantum supremacy is achieved once quantum computers are powerful enough to complete calculations that traditional supercomputers cannot perform at all. Broad quantum advantage occurs when quantum advantage is seen in many applications and developers prefer quantum computers to a traditional computer. While quantum computing has demonstrated theoretical advantages for certain computational problems, commercially relevant quantum advantage has not yet been achieved for most real-world applications that would justify the significant investment and operational complexity of quantum systems. The timeline for achieving such quantum advantage is highly uncertain and may be measured in years or decades, if ever. Achieving a broad quantum advantage will likely be critical to the success of any quantum computing company, including us. Even where quantum advantage has been demonstrated for specific narrow problems, such achievements may not translate to broad commercial applications that provide meaningful value to customers or generate sustainable revenue for us.

Moreover, claims of quantum advantage may be disputed, may apply only to highly specialized or contrived problems with limited commercial relevance or may be overcome by subsequent advances in classical computing. Public claims regarding quantum advantage, whether made by us or our competitors, are subject to scrutiny and may not be replicable or may not translate to practical commercial applications. If we fail to achieve recognized and validated quantum advantage for commercially meaningful applications, or if such achievements are significantly delayed, it could have an adverse effect on our business, results of operations and financial condition.

Classical computing and alternative computing technologies, including AI and machine learning optimizations, continue to advance rapidly and may reduce or eliminate the anticipated advantage of quantum computing for certain use cases. These advances in classical computing may allow traditional systems to solve problems previously thought to require quantum computers, thereby reducing the addressable market for our products and services. Additionally, customers may lose interest or reduce their investment in quantum computing if progress toward achieving quantum advantage takes significantly longer than anticipated or if competing technologies prove more effective for their specific needs.

We may need to continue investing heavily in research and development for an extended period before, if ever, achieving commercially relevant quantum advantage that validates our technology approach and business model. Extended timelines for achieving quantum advantage, or the failure to achieve such advantage altogether, could exhaust our capital resources, cause customers to seek alternative solutions, reduce investor confidence, and materially and adversely affect our business, results of operations, financial condition, and prospects.

***While we have made progress in developing our quantum computing systems, we continue to face significant technical barriers in our efforts to produce large-scale, fully fault-tolerant quantum computers. If we cannot successfully overcome these barriers, our business will be negatively impacted and could fail.***

While we have made progress in developing our quantum computing systems, we continue to face significant technical barriers in our efforts to produce large-scale, fully fault-tolerant quantum computers. If we cannot successfully overcome those barriers, our business will be negatively impacted and could fail. Producing quantum computers is a complex, time and resource consuming and difficult undertaking. There are significant research, development and manufacturing challenges that we must overcome to build our quantum computers. We are still in the development stage and face significant challenges in achieving the level of performance, reliability and scalability necessary to commercially and viably solve our customers' chosen use-cases. We also face significant challenges in producing quantum computers in commercial volumes. Some of the development challenges that could prevent the successful development of our quantum computers include, but are not limited to, failure to develop scalable and flexible methods to manipulate qubits; failure to increase the number of qubits while maintaining acceptable performance; transitioning elements of our systems to lower cost or more standardized optical and electronic technologies; and failure to implement multicore and multiple QPU architectures.

Our trapped-ion quantum computing approach may not prove to be the most commercially successful or scalable quantum computing technology and alternative architectures could render our systems less competitive or obsolete. The quantum computing industry is characterized by multiple competing technological architectures, including superconducting qubits, photonic systems, neutral atoms, topological qubits and other emerging approaches. Each architecture has distinct strengths and weaknesses with respect to scalability, error rates, operating conditions, manufacturing complexity and cost-

effectiveness. Major competitors including Alphabet, IBM, Amazon, Microsoft, and others are pursuing different quantum computing architectures and have made substantial investments in their respective approaches. Well-funded research organizations and sovereign nations are also investing heavily in various quantum computing technologies that compete with our trapped-ion approach. The ultimate "winning" quantum computing architecture, if any emerges, has not been determined and may never be determined in our favor. If alternative quantum computing architectures prove to be superior to our trapped-ion approach in terms of performance, scalability, cost-effectiveness or commercial viability, our significant investments in trapped-ion hardware technology may not yield competitive advantages. In such circumstances, we may be required to fundamentally change our technology approach, which would require substantial additional investment, time and resources that we may not have or be able to obtain on acceptable terms, or pivot our business model entirely to focus on our quantum software business, which may not be successful.

If our trapped-ion quantum computing approach becomes obsolete or commercially inferior, we could be required to write off significant research and development investments, our existing technology platform could lose value, and our business, financial condition, results of operations and competitive position could be adversely affected.

Additional development challenges we face include:

- gate fidelity, error correction and miniaturization may not progress to commercially scalable implementations as hoped or at all;
- the gate speed in our technology could prove more difficult to improve than expected;
- the QCCD could prove to be more challenging to develop than expected;
- the integrated photonic technology used to connect ion traps could prove more challenging and take longer to perfect than currently expected. This would limit our ability to scale to a sufficiently large number of qubits in a single system or network systems together;
- it could take longer to incorporate modular architectures for additional cross-processor computational strength than currently expected, limiting our ability to realize the benefits of QCCD technology; and
- the scaling of fidelity with qubit number could prove poorer than expected, limiting our ability to successfully run larger circuits or achieve commercial advantage.

In addition, we will need to develop the manufacturing process necessary to make these quantum computers in high volume. We have not yet fully validated a manufacturing process nor acquired the tools, processes or support functions necessary to produce high volumes of our quantum computers that meet all commercial requirements. If we are not able to overcome these manufacturing hurdles in building our quantum computers, our business may fail.

Even if we complete development and achieve volume production of our quantum computers, if the cost, performance characteristics or other specifications of the quantum computer fall short of our projections or our technical performance objectives, our business, results of operations and financial condition could be adversely affected.

***Our integrated full-stack quantum computing platform creates complex interdependencies that could result in development delays, increased costs, or product failures.***

Our business model involves developing and integrating quantum computing hardware, including our trapped-ion quantum systems, quantum software such as compilers, middleware and applications and related services. This integrated full stack approach creates complex interdependencies across our technology platform, such that issues, defects or delays in one area may cascade to other areas of development, testing and deployment. For example, changes or improvements to our hardware may require corresponding software modifications, updates, or rewrites, and software enhancements may necessitate hardware modifications, recalibration or additional testing. These interdependencies can create iterative development cycles that extend product development timelines, increase costs or limit our ability to deliver systems with expected performance characteristics.

Integration failures, incompatibilities, or coordination challenges between our hardware and software components may result in system performance below customer expectations, significant product delays, cost overruns or failures in customer deployments. In addition, managing development across multiple integrated technology domains requires specialized expertise in quantum physics, software engineering, systems integration and customer applications, which is difficult to recruit and retain in the competitive quantum computing talent market.

If we are unable to effectively manage these integration risks, our ability to deliver products and services on schedule and within budget could be adversely affected, which could harm our competitive position, customer relationships, reputation, and materially and adversely affect our business, results of operations, and financial condition.

***We have experienced in the past, and could suffer future disruptions, outages, defects and other performance and quality problems with our quantum computing systems, our private cloud, or other information systems, our research and development activities, our facilities, our other fixed assets, or with the public cloud, internet, and other infrastructure or third-party systems on which they rely.***

We currently operate four commercial quantum computing systems, three of which are located at our Colorado campus and one on the RIKEN campus in Japan, with a fifth system currently expected to be deployed in Singapore in late 2026. Significant damage to, or a complete loss of, our Colorado campus would adversely impact our business, operations and prospects.

Moreover, we have experienced, and may in the future experience, disruptions, failure, data loss, outages, defects and other performance and quality problems with our systems. We may experience mandatory or automated safety shutdowns triggered by environmental, facility or equipment conditions. Any such shutdowns could halt operations unexpectedly, delay delivery timelines and negatively affect customer experience and revenue. Our business depends on our quantum computing systems being available to our customers. Our quantum computing systems incorporate highly complex subsystems, including cryogenics, laser and optical networks, and precision electronic controls. Failures or performance degradation in any major subsystem may lead to extended outages, significant repair costs or reduced system fidelity. Certain failures, including atomic source issues, trap failures or UHV defects, may require breaking vacuum to perform repairs, resulting in lengthy service interruptions. Such events could materially impact system uptime and increase maintenance costs.

We have also experienced, and may in the future experience, disruptions, failures, data loss, outages, defects and other performance and quality problems with third-party systems and technology upon which we rely, including the public cloud, internet, private data center providers, facilities in which we build and deploy our systems and technology, and other infrastructure like utility power, water supply, air conditioning, air compression and other inputs on which our systems and their supporting services rely. These problems can be caused by a variety of factors, including software or firmware updates, vulnerabilities and defects in proprietary software and open-source software, hardware components, human error or misconduct, software errors, capacity constraints, design limitations, denial of service attacks, phishing attacks, computer viruses, malicious or destructive code or other security-related incidents, foreign objects or debris, weather, earthquakes, floods, fires, power loss, telecommunication failures, construction, supply-chain events, accidents, cybersecurity threats, terrorist attacks, natural disasters, public health crises, geopolitical and similar events, or acts of misconduct and other force majeure. Despite any precautions we may take, the occurrence of these problems at our or our third-party vendors' hosting facilities, or within our systems or the systems of third parties upon which we rely, could result in interruptions, performance problems, or failure of our infrastructure, technology, or platforms, which may adversely impact our business. In addition, our ability to conduct normal business operations could be severely affected. In particular, in the event of significant physical damage to our facilities or the facilities of the third parties we rely on, it may take a significant period of time to achieve full resumption of our services. Our disaster recovery plan may not account for all eventualities and may not be sufficient for all situations. In addition, any negative publicity arising from these disruptions could harm our reputation and brand and adversely affect our business.

If any of the third-party services we rely on experience errors, disruptions, security issues, or other performance deficiencies, if they are updated such that our platforms become incompatible, if these services, software, or hardware fail or become unavailable due to extended outages, interruptions, defects, or otherwise, or if they are no longer available on commercially reasonable terms or prices (or at all), these issues could result in errors or defects in our platforms, cause our platforms to fail, our revenue and margins could decline, or our reputation and brand to be damaged, we could be exposed to legal or contractual liability, our expenses could increase, our ability to manage our operations could be interrupted, and our processes for managing our sales and servicing our customers could be impaired until equivalent services or technology, if available, are identified, procured, and implemented, all of which may take significant time and resources, increase our costs, and could adversely affect our business. We do not have a contractual right with our public cloud providers that compensates us for any losses due to availability interruptions in the public cloud. If we experience interruptions, disruptions, failures, data loss, outages, or other performance problems (whether as a result of an internal issue, external issue or a third-party issue), our business, financial condition, and results of operations could be adversely affected.

Our quantum computing systems depend on uninterrupted operation of cryogenic liquefaction infrastructure. A failure or extended outage of liquefaction equipment could result in meaningful system downtime, increased operating costs and

delayed fulfillment of customer commitments. Further, any disruptions, outages, downtime, defects and other performance and quality problems with our quantum computing systems or with the public cloud, internet and other information systems and infrastructure on which they rely, could result in reduced use of our systems, increased expenses including repair and maintenance costs, delayed delivery under our contractual commitments (and in particular under distributorship agreements where the authorized distributor holds rights to promote, market and sell quantum system access), required provision of service credits and harm to our brand and reputation, any of which could have an adverse effect on our business, results of operations and financial condition.

***We have a limited number of suppliers for significant components of the equipment we use to build and operate our products, services and solutions. Any disruption in the availability of these components could delay our ability to expand or increase the capacity of our infrastructure or repair or replace defective equipment.***

We are reliant on a limited number of suppliers and government agencies, including single-source and offshore suppliers, for the specialized components necessary to build the technology infrastructure underlying our products, services and solutions. For example, we rely on single-source suppliers for certain advanced sensors, trap fabrication services, high-performance electronic interface products, acousto-optic devices, certain fiber optic cable assemblies, certain cryogenic components and parts, certain optical and photonics components, laser systems, enriched isotope materials, electromagnetic simulation software, and certain design and manufacturing services for embedded computing solutions. As our business grows, we must continue to scale and adapt our supply chain or it could have an adverse impact on our business. Any of the following factors (and others) could have an adverse impact on the price or availability of these components necessary to our business:

- asymmetry between component availability and contractual performance obligations, including where specified components are required;
- shifts in market-leading technologies away from those offered by our current suppliers that could impact our ability to offer our customers the products, services and solutions that they are seeking;
- reduced control over production costs and constraints based on the then-current availability, terms and pricing of these components, including any delays in our supply chain;
- limited ability to control aspects of the quality, performance, quantity and cost of our infrastructure or of its components;
- the potential for binding price or purchase commitments with our suppliers at higher than market rates;
- reliance on our suppliers to keep up with technological advancements at the same pace as our business and customer demands, including their ability to continue to deliver next generation components that are substantially better than the prior generation;
- consolidation among suppliers in our industry, which may harm our ability to negotiate and obtain favorable terms from our suppliers and the third-party suppliers that our suppliers rely on;
- vertical consolidation between our suppliers and our competitors, which may change our suppliers' incentives to deal with us fairly and could expose us to higher prices; longer lead times; unfavorable treatment during periods of product allocation; loss or delay of access to key inputs; deprioritized support, maintenance, testing, or qualification; or misuse of our confidential information and intellectual property;
- labor and political unrest at facilities we do not operate or own;
- geopolitical disputes disrupting our or any of our suppliers' supply chains;
- business, legal compliance, litigation and financial concerns affecting our suppliers or their ability to manufacture and ship components in the quantities, quality and manner we require;
- impacts on our supply chain including from technology controls laws, import and export regulations, economic and trade sanctions, shifts in national security or foreign policy, or adverse public health developments, such as outbreaks of contagious diseases or pandemics; and
- disruptions due to floods, earthquakes, storms and other natural disasters, particularly in countries with limited infrastructure and disaster recovery resources, or regional conflicts.

Our technology infrastructure components suppliers fulfill our supply requirements on the basis of individual purchase orders, which we often place on a just-in-time basis. We currently have no long-term contracts or arrangements with our suppliers that guarantee capacity or the continuation of any particular payment terms. Accordingly, our suppliers are not obligated to continue to fulfill our supply requirements, and the prices we are charged for their products or services could be increased on short notice. Further, because we often submit purchase orders to our suppliers on a just-in-time basis, any delay from our suppliers may result in our inability to provide our products, services and solutions to our customers on a timely basis and fulfill our contractual requirements under our customer contracts. If we are required to change suppliers, our ability to meet our obligations to our customers, including scheduled compute access, could be adversely affected and our products, services and solutions may not be as performant, which could cause the loss of sales from existing or potential customers, delayed revenue or an increase in our costs, which could adversely affect our margins. Any production or shipping interruptions for any reason, such as a natural disaster, epidemics, pandemics, capacity shortages, quality problems, or strike or other labor disruption at one of our supplier locations or at shipping ports or locations, could adversely affect sales of our products, services and solutions.

In addition, we are continually working to expand and enhance our infrastructure features, technology, network and other technologies to accommodate substantial increases in the computing power required by more compute-intensive workloads on our platform, the amount of data we host, and our overall number of total customers. We may be unable to project accurately the rate or timing of these increases or to allocate resources successfully to address such increases and may underestimate the data center capacity needed to address such increases. Our limited number of suppliers, in turn, may not be able to quickly respond to our needs, which could have a negative impact on customer experience and contractual performance. In the future, we may be required to allocate additional resources, including spending substantial amounts, to build, purchase, or lease or license data centers and equipment and upgrade our technology and network infrastructure in order to handle increased customer usage, and our suppliers may not be able to satisfy such requirements. In addition, our network or our suppliers' networks might be unable to achieve or maintain data transmission capacity high enough to effectively deliver our products, services and solutions. We may also face constraints on our ability to deliver our products, services and solutions if there is limited power supply. Our failure, or our suppliers' failure, to achieve or maintain high data transmission capacity and sufficient electrical services could impact our ability to meet customer needs and could significantly reduce demand for our products, services and solutions. Such reduced demand and resulting loss of computing power, cost increases, or failure to upgrade our equipment or adapt to new technologies could harm our business, results of operations and financial condition.

Moreover, our suppliers themselves rely on a complex network of third-party suppliers for semiconductor manufacturing, hardware components, specialized materials and other critical inputs, which introduces additional risks to our supply chain. Any disruption in the operations of these upstream suppliers, whether due to equipment failures, geopolitical factors such as the potential for military conflict between China and Taiwan or restriction on the trade of critical materials or other product inputs, or technology control laws and export and import regulations, supply-chain constraints, could affect our suppliers' ability to supply the significant components of the equipment we use to operate our platform and provide our products, services and solutions to our customers, which could, in turn, affect the availability of our products, services and solutions, as well as lead times.

In addition, to the extent any of our suppliers' businesses are impacted by business, legal compliance, litigation and financial concerns, including geopolitical developments, regulatory scrutiny, or export controls, our business, results of operations, and financial condition may be adversely affected. For example, increasing use of tariffs, economic sanctions and export controls has impacted and may in the future impact the availability and cost of supplies and equipment and other components of our platform. Tariff actions, quotas and retaliatory measures may raise the price of imported equipment and materials we rely on. If additional restrictions are imposed on semiconductors, networking equipment or design and manufacturing software, or if foreign governments adopt countermeasures, our procurement costs could rise and our ability to deploy capacity on planned timelines could be reduced. Expansion or reinterpretation of United States export controls that cover advanced quantum computing hardware, software or related services could limit availability of components or require reconfiguration of our infrastructure plans. The technology control laws, import and export regulations of non-U.S. countries, their respective foreign policies and stance on national security regulations, as well as their imposition of economic and trade sanctions, or failure or refusal to grant us or our partners any necessary approvals or licenses could further affect supply, logistics and servicing. These dynamics could slow our ability to add or replace hardware and could affect the economics of certain deployments.

***Our roadmaps and plans for commercialization involve technology that is not yet available for customers and may never become available or meet desired technical specifications.***

Our commercialization roadmaps include the proposed development and release of next-generation quantum computing systems with increased qubit counts, improved error rates, and enhanced capabilities, which have not yet been made available to customers. These systems are important milestones for our commercialization strategy. However, the development of advanced quantum computing systems involves significant technical challenges, and there can be no assurance that we will be able to develop and release these systems on our anticipated timeline, or at all. Accordingly, our roadmaps may be delayed or may never be achieved, either of which could harm our competitive position, damage customer relationships and materially and adversely affect our business, results of operations and financial condition.

***The quantum computing industry is competitive on a global scale and we may not be successful in competing in this industry or establishing and maintaining confidence in our long-term business prospects among current and future partners and customers.***

The markets in which we operate are rapidly evolving and highly competitive. As the marketplace continues to mature and new technologies and competitors enter, we expect competition to intensify. Our current competitors include:

- large, well-established tech companies that generally compete across our products, services and solutions, including Alphabet, Amazon, IBM and Microsoft;
- large research organizations funded by sovereign nations such as China, Russia, Canada, Australia and the United Kingdom, and those in the European Union and we believe additional countries in the future;
- less-established public and private companies with competing technology, including companies located outside the United States; and
- new or emerging entrants seeking to develop competing technologies.

We compete based on various factors, including technology, performance, multi-cloud availability, brand recognition and reputation, customer support and differentiated capabilities, including ease of administration and use, scalability and reliability, data governance and security. Many of our competitors have substantially greater brand recognition, customer relationships and financial, technical and other resources, including an experienced sales force and sophisticated supply-chain management. They may be able to respond more effectively than us to new or changing opportunities, technologies, standards, customer requirements and buying practices. In addition, many countries are focused on developing quantum computing solutions either in the private or public sector and may subsidize quantum computers which may make it difficult for us to compete. Many of these competitors do not face the same challenges that we do in growing our business. In addition, other competitors might be able to compete with us by bundling their other products in a way that does not allow us to offer a competitive solution.

Additionally, we must be able to achieve our objectives in a timely manner, or our business may lose ground to competitors, including competing technologies. Because there are a large number of market participants, including certain sovereign nations, focused on developing quantum computing technology, we must dedicate significant resources to achieving any technical objectives on the timelines established by our management team. Any failure to achieve objectives in a timely manner could adversely affect our business, results of operations and financial condition.

For all of these reasons, competition may negatively impact our ability to maintain and grow consumption of our platform or put downward pressure on our prices and gross margins, any of which could materially harm our reputation, business, results of operations and financial condition.

***Our business is currently dependent upon our relationship with our cloud providers. There are no assurances that we will be able to continue to commercialize quantum computers from our relationships with cloud providers.***

We currently offer access to quantum computing services, both directly to our end users with our own quantum cloud services, and indirectly to end users through public cloud providers such as Microsoft Azure who integrate our quantum computing services into their own quantum computing platforms. These public cloud partners operate a service in direct competition with us to provide direct access to quantum computing services. Currently, a majority of our cloud-based quantum computing services business is run through our own quantum cloud services, however we may engage with additional partners to provide access to our cloud-based quantum computing services. Cloud computing partnerships could be terminated, or not scale as anticipated, or even at all.

There is a risk that one or more of the public cloud providers could restrict access to their services or use their public clouds and extensive customer relationships to embed innovations or privileged interoperating capabilities in competing products, combine their own quantum offerings with other cloud services in competition with us, and use their public cloud customer relationships and ecosystem to limit or exclude us from opportunities. These cloud providers have vastly greater financial resources, established customer relationships and integrated ecosystems than we do. Further, they have the resources to acquire or partner with existing and emerging providers of competing technology and thereby accelerate adoption of those competing technologies. All of the foregoing could make it difficult or impossible for us to provide products, services and solutions that compete favorably with those of the public cloud providers.

Additionally, public cloud providers control the customer interface and billing relationship for cloud-based quantum services delivered through their platforms. This gives them visibility into customer usage patterns, feature adoption and pricing sensitivity, and they could exploit these insights to develop competing offerings or negotiate unfavorable terms with us. If cloud providers favor their own quantum offerings in product recommendations, documentation or technical support, our ability to compete through their platforms would be materially impaired.

Further, if our contractual and other business relationships with our cloud partners are terminated, either by the counterparty or by us, suspended or suffer a material change to which we are unable to adapt, such as the elimination of services or features on which we depend, we would be unable to provide our cloud-based quantum computing services business at the same scale or geographic scope and could experience significant delays and incur additional expense in transitioning customers to a different public cloud provider or further building out our own cloud infrastructure, which would require substantial capital investment and operational expertise we may not possess.

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

We depreciate the cost of our quantum computing systems over their expected useful lives. However, product cycles in the quantum computing industry may evolve rapidly due to technological advances, competitive developments or changes in customer requirements, and we may decide to retire, replace or significantly modify certain systems, products or production processes more quickly than expected. As a result, all or part of our quantum computing systems could become obsolete prior to the end of the previously expected useful lives, which could require us to accelerate depreciation, recognize impairment charges or incur additional capital expenditures, subject to the terms of our amended and restated certificate of incorporation and the Stockholder Agreement.

Abruptly sunsetting particular products, services and solutions could create disruption to customers resulting in damage to our credibility, brand and reputation. Moreover, we may need to alter the way in which we deliver our products, services, or solutions as engineering approaches, production methods, or operational efficiencies evolve, which could further increase costs, create operational challenges or adversely affect our business, results of operations and financial condition.

***We may be unable to reduce the cost of developing our quantum computers, which may prevent us from pricing our quantum systems competitively.***

Our ability to price our quantum computing products, services and solutions competitively depends in part on our ability to improve the efficiency of our system design, manufacturing processes and supply chain as our technology evolves and as we seek to scale deployment. While we expect that advances in engineering, manufacturing practices and supplier relationships may improve our cost structure over time, these improvements may not occur as anticipated, or at all.

If we are unable to achieve anticipated cost efficiencies or if our costs increase due to technical challenges, supply constraints or other factors, the costs associated with developing and delivering our quantum computing systems may remain high or increase. As a result, our offerings may be less competitive on a cost or value basis, which could limit customer adoption, reduce margins or adversely affect our business, results of operations and financial condition.

***The quantum computing industry is in its early stages and volatile, and if it does not develop, if it develops slower than we expect, or if it develops in a manner that does not require use of our quantum computing products, services and solutions, our business, financial condition, reputation, and profitability may be negatively affected.***

The nascent market for quantum computers is still rapidly evolving, characterized by rapidly changing technologies, competitive pricing and competitive factors, evolving government regulation and industry standards and changing customer demands and behaviors. Many customers engage with our quantum computing products, services and solutions as part of exploratory, research-driven or pilot programs, rather than long-term production deployments. Our success will depend to a substantial extent on the willingness of our potential customers to use, and increase their utilization of, our products, services and solutions, as well as on our ability to demonstrate the value of quantum computing to their

respective organization, government agencies and other purchasers of quantum computing offerings. If the market for quantum computers in general does not develop as expected, or develops more slowly than expected, our business, results of operations and financial condition could be harmed.

In addition, our growth and future demand for our products, services and solutions is highly dependent upon the adoption by developers and customers of quantum computers, as well as on our ability to demonstrate the value of quantum computing to our customers. Delays in future generations of our quantum computers or technical failures at other quantum computing companies could limit market acceptance of our products, services and solutions. Negative publicity concerning our products, services and solutions or the quantum computing industry as a whole could limit market acceptance of our products, services and solutions. It is expected that quantum computing will solve many large-scale problems. However, such problems may never be solvable by quantum computing technology alone or in combination with classical computing. If our customers and partners do not perceive the benefits of our products, services and solutions, or if our products, services and solutions do not drive member engagement, then our market may not develop at all, or it may develop slower than we expect. If any of these events occur, it could have an adverse effect on our business, results of operations and financial condition. If progress towards quantum advantage ever slows relative to expectations, it could adversely impact revenues, inhibit customer confidence and willingness to continue to pay for our products, services and solutions. This could harm or even eliminate revenues in the period before quantum advantage.

***Our quantum computing systems are highly complex and may experience reliability issues, performance variability, outages, increased downtime or reduced uptime, which could materially and adversely affect our business, credibility, brand and reputation, results of operations, financial condition and growth prospects.***

The hardware and software underlying our platform and products is highly technical and complex. Our hardware and software have previously, and may now or in the future experience reliability issues, performance variability, outages, increased downtime or reduced uptime. In addition, errors, failures and bugs may be contained in our software utilized in building and operating our products, services and solutions or may result from errors in the deployment or configuration of quantum computing services software. Some reliability or performance issues in our products, services and solutions may only be discovered after a product has been deployed or may never be generally known. In some instances, despite internal testing, we may not be able to identify the cause or causes of these problems or risks within an acceptable period of time. Any errors, bugs or vulnerabilities discovered in our products, services and solutions after they have been deployed, or never generally discovered, could result in interruptions in platform availability, suspension of access to products and services, product malfunctioning or data breaches. Our customers may use our products, services and solutions for processes that are critical to their businesses and any errors, defects, security vulnerability, service interruptions or software bugs in our platform could result in the delivery of inaccurate or incorrect results or information to our customers, which could cause losses to our customers and thereby result in damage to our credibility, brand and reputation, adverse effects upon customers and users, loss of customers and relationships with third parties, significant expenditures of capital, a delay or loss in market acceptance, loss of revenue or liability for damages. In addition, provisions typically included in our customer agreements that attempt to limit our exposure to claims may not be enforceable or adequate and may not otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against us by any of our customers would likely be time-consuming and costly to defend and could seriously damage our reputation and brand, making it harder for us to sell our products, services and solutions and retain our customers.

As commercial development of our quantum computers evolves, our products may contain defects in design and manufacture that may cause them to not perform as expected or that may require repair and design changes. Our quantum computers are inherently complex systems that integrate advanced, and in some cases, novel technology and components in ways that have limited operating history at commercial scale, which increases the risk of defects, errors, or reliability issues, particularly when first introduced. We have a limited frame of reference from which to evaluate the long-term performance, durability and reliability of our systems under sustained commercial operation. There can be no assurance that we will be able to detect and fix any defects in our quantum computers in a timely manner, or without disruptions to our products, services, and solutions to our customers. If our technology fails to perform as expected, customers may seek out competitor offerings or turn away from quantum computing entirely, each of which could adversely affect our sales and brand and could adversely affect our business, results of operations and financial condition. If defects in our technology lead to erroneous outputs, third parties relying on those outputs may draw from them erroneous conclusions, creating a risk that we will be liable to those third parties.

***If we cannot successfully execute on our strategy, including being able to timely adjust to changing customer needs and new technologies and other market requirements, or achieve our objectives in a timely manner, our business, financial condition and results of operations could be harmed.***

The quantum computing sector is characterized by rapid technological change, changing user requirements, uncertain product lifecycles and evolving industry standards. We believe that the pace of innovation will continue to accelerate as technology changes and different approaches to quantum computing mature based on a broad range of factors, including system architecture, error correction, performance and scale, ease of programming, user experience, markets addressed, types of data processed and data governance and regulatory compliance. Our future success depends on our ability to continue to innovate and increase customer adoption of our products, services and solutions. If we are unable to enhance our products, services and solutions to keep pace with these rapidly evolving customer requirements, if new technologies emerge that are able to deliver competitive products at lower prices, more efficiently, with better functionality, more conveniently, or more securely than our platform or if we are unable to maintain compliance with industry standards or any International Organization for Standardization certifications, our business, financial condition and results of operations could be adversely affected.

Even if we are successful in executing on our roadmaps and strategy and delivering increasingly more powerful quantum computing products, services and solutions, competitors in the industry may achieve technological breakthroughs which render our products, services and solutions inferior to other products, services and solutions or obsolete.

Our continued growth and success depend on our ability to innovate and develop quantum computing technology in a timely manner and effectively market these products. Without timely innovation and development, our quantum computing products, services and solutions could be rendered obsolete or less competitive by changing customer preferences or because of the introduction of a competitor's more advanced technologies. Any technological breakthroughs which render our technology obsolete or inferior to other products could have a material adverse effect on our business, financial condition or results of operations.

***Our products, services and solutions may not achieve market success, but will still require significant costs to develop.***

We believe that we must continue to dedicate significant resources to our research and development efforts before knowing whether there will be broad market acceptance of our quantum computing and networking technologies. Furthermore, the technology for our products, services and solutions is new, and the performance of these products, services and solutions is uncertain. Our quantum computing and networking technologies could fail to attain sufficient market acceptance, if at all, for many reasons, including:

- pricing and the perceived value of our systems relative to its cost;
- delays in releasing quantum computers with sufficient performance and scale to the market;
- failure to produce products of consistent quality that offer functionality comparable or superior to existing or new products;
- ability to produce products fit for their intended purpose;
- failures to accurately predict market or customer demands;
- defects, errors or failures in the design or performance of our quantum computing systems;
- negative publicity about the performance or effectiveness of our systems;
- strategic reaction of companies that market competitive products;
- no or insufficient customer budget or allocation for quantum computing spend; and
- the introduction or anticipated introduction of competing technology.

To the extent we are unable to effectively develop and market a quantum computing system to address these challenges and attain market acceptance, our business, results of operations and financial condition may be adversely affected.

***We are highly dependent on our ability to attract and retain key employees, including quantum physicists and other highly specialized technical personnel, and intense competition for such talent could adversely affect our business.***

Our future success is highly dependent on our ability to attract and retain our executive officers, key employees and other qualified personnel, including quantum physicists and other highly specialized technical personnel and our employees from acquired businesses. As we build our brand and become more well known, there is increased risk of competitors or other companies hiring our personnel. The loss of the services provided by these individuals could adversely impact the achievement of our business strategy. Our U.S. employed individuals could leave our employment at any time, as they are "at will" employees. The loss of one of our key employees, particularly to a competitor, could also place us at a competitive disadvantage. Effective succession planning is important to our long-term success, and failure to ensure knowledge capture and the effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution.

Our future success also depends on our continuing ability to attract, train, develop, motivate and retain highly qualified and skilled employees. The market for highly skilled workers and leaders in the quantum computing industry is extremely competitive. In particular, hiring qualified personnel specializing in supply-chain management, engineering, software development and sales, as well as other technical staff and research and development personnel is critical to our business and the development of our quantum computing and networking systems. Some of these professionals are hard to find, and we may encounter significant competition in our efforts to hire them. Many of the other companies with which we compete for qualified personnel have greater financial and other resources than we do. The effective operation of our supply chain, including the acquisition of critical components and materials, the development of our quantum computing and networking technologies, the commercialization of our quantum computing and networking technologies and the effective operation of our managerial and operating systems all depend upon our ability to attract, train and retain qualified personnel in the aforementioned specialties. Additionally, changes in immigration and work permit laws and regulations or the administration or interpretation of such laws or regulations, including recent changes, could impair our ability to attract and retain highly qualified employees. If we cannot attract, train and retain qualified personnel, including quantum physicists and other highly specialized technical personnel, in this competitive environment, we may experience delays in the development of our quantum computing and networking technologies and be otherwise unable to develop and grow our business as projected, or even at all.

***Our operations in Europe are subject to works council, trade union, and collective bargaining requirements, which could limit our flexibility, delay business decisions, and increase our costs.***

Some of our employees in Europe are, or may in the future be, represented by works councils, trade unions, or other employee representative bodies, or covered by collective bargaining agreements. In many European jurisdictions, these bodies have rights to receive information about, be consulted on, and in some cases approve or delay certain business decisions. Those decisions may include restructurings, reductions in force, relocations, changes to working conditions or compensation, the introduction of new technologies or monitoring tools, and certain corporate transactions. Meeting these requirements can take a long time and may not produce the outcome we want. As a result, we may be unable to carry out important changes on our preferred schedule, or at all.

As our European workforce grows, employees may seek to form new representative bodies or join unions. Existing bodies may also seek greater rights or more favorable terms. Collective bargaining or consultation could raise our labor costs and limit our ability to manage our workforce efficiently. It could also lead to work stoppages, strikes, or other labor disruptions. If we fail to comply with applicable information, consultation, or co-determination obligations, we could face injunctions, fines, invalidation of business decisions, litigation, and reputational harm. Any of these outcomes could adversely affect our business, financial condition, and results of operations.

***Our future growth and success depend on our ability to sell effectively to large customers.***

Our potential customers tend to be large enterprises. Therefore, our future success will depend on our ability to effectively sell our products, services and solutions to such large customers. Sales to these end-customers involve risks that may not be present (or that are present to a lesser extent) with sales to smaller customers. These risks include, but are not limited to, increased purchasing power and leverage held by large customers in negotiating contractual arrangements with us and longer sales cycles and the associated risk that substantial time and resources may be spent on a potential end-customer that elects not to purchase our products, services and solutions.

In addition, product purchases by large organizations are frequently subject to budget constraints, clearance of internal customer IT governance hurdles, multiple approvals and unanticipated administrative, processing and other delays. Finally, large organizations typically have longer implementation cycles, require greater product functionality and scalability,

require a broader range of services, demand that vendors take on a larger share of risks, require acceptance provisions that can lead to a delay in revenue recognition and expect greater payment flexibility. All of these factors can add further risk to business conducted with these potential customers.

***We depend on a limited number of customers for a significant percentage of our revenue and the loss or temporary loss of a major customer for any reason could harm our financial condition.***

We have historically generated most of our revenue from a limited number of customers. For example, one of our largest customers, RIKEN, accounted for 17% of our revenue for the nine months ended September 30, 2026, 76% of our revenue for the nine months ended September 30, 2025, 60% of our revenue for the fiscal year ended December 31, 2025, and 63% of our revenue for the fiscal year ended December 31, 2024. The U.S. government also was a significant customer, accounting for 30% of our revenue for the nine months ended September 30, 2026 and 16% of our revenue for our fiscal year ended December 31, 2025. As a consequence of the concentrated nature of our customer base, our quarterly revenue and results of operations may fluctuate from quarter to quarter and are difficult to estimate, and any delay, reduction or cancellation of orders or services rendered or any acceleration or delay in anticipated purchases or grants and awards by our larger customers could materially affect our revenue and results of operations in any quarterly period.

Additionally, many of our large customer relationships involve pilot programs, research collaborations or grant-funded projects rather than long-term production commitments. These arrangements are often shorter in duration, subject to budget cycles or grant renewal, and may not convert to ongoing commercial relationships. The experimental nature of these engagements increases the risk that revenue from large customers may not recur in future periods. We may be unable to sustain or increase our revenue from our larger customers, grow revenues with new or other existing customers at the rate we anticipate or at all, or offset the discontinuation of concentrated purchases by our larger customers with purchases by new or existing customers. These larger customers could also reduce or discontinue their purchases of our products, services and solutions in the event they transition to internally developed products, services and solutions or determine to divide their purchases of our products, services and solutions between us and a second source. We expect that such concentrated purchases will continue to contribute materially to our revenue for the foreseeable future and that our results of operations may fluctuate materially as a result of such larger customers' buying patterns or funding cycles. The loss or temporary loss of such customers, or a significant delay or reduction in their purchases, could materially harm our business, results of operations and financial condition.

***We may not be able to accurately estimate the future supply and demand for our quantum computers, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays.***

It is difficult to predict our future revenues and appropriately budget for our expenses, and we may have limited insight into trends that may emerge and affect our business. We anticipate being required to provide forecasts of our demand to our current and future suppliers prior to the scheduled delivery of products to potential customers. Currently, there is no historical basis for making judgments on the demand for our quantum computers or our ability to develop, manufacture and deliver quantum computers, or our profitability, if any, in the future. If we overestimate our requirements, our suppliers may have excess inventory, which indirectly could increase our costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our products, services and solutions and result in delays in product shipments and revenues. In addition, lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If we fail to order sufficient quantities of product components in a timely manner, the delivery of quantum computers and related compute time to our potential customers could be delayed, which could harm our business, results of operations and financial condition.

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

There are limited suppliers of isotopically enriched materials that are necessary for the production of our ion-trap technology. We currently purchase such materials through the National Isotope Development Center managed by the U.S. Department of Energy Isotope Program. We do not have any supplier agreements with the U.S. Department of Energy and purchase the materials through a standard ordering process. While we are currently looking to engage additional suppliers, there is no guarantee we will be able to establish or maintain relationships with such additional suppliers on terms satisfactory to us. Reliance on any single supplier increases the risks associated with being unable to obtain the necessary atomic samples because the supplier may have limited supplies, have laboratory constraints, can be subject to unanticipated

shutdowns and/or may be affected by natural disasters and other catastrophic events. Some of these factors may be completely out of our and our suppliers' control. Failure to acquire sufficient quantities of the necessary isotopically enriched atomic samples in a timely or cost-effective manner could materially harm our business.

***If our quantum computing systems are not compatible with some or all industry-standard software and hardware in the future, our business could be harmed.***

Programming for quantum computing requires unique tools, software, hardware and development environments. We have focused our efforts on creating quantum computing hardware, the system control platform for such hardware and a suite of base software programs that optimize execution of quantum algorithms on our hardware. At the middleware and application layer, third parties may create and advance software, standards, specifications, applications, hardware and services that enable these systems to integrate into various environments and be utilized towards various customer use cases. Full utilization of our quantum computing solutions may depend on these third-party software, standards, specifications, applications, hardware and services, which may not be compatible with our quantum computing solutions and their development, or may not be available to us or our customers on commercially reasonable terms, or at all, which could harm our business.

If our customers are unable to achieve compatibility between other software and hardware and our hardware, it could impact our relationships with such customers or with customers, generally, if the incompatibility is more widespread. In addition, the mere announcement of an incompatibility problem relating to our products with interfacing software tools could cause us to suffer reputational harm and/or lead to a loss of customers. Any adverse impacts from the incompatibility of our quantum computing products, services and solutions could adversely affect our business, results of operations and financial condition.

***If we are unable to maintain our current strategic partnerships or we are unable to develop future collaborative partnerships, our future growth and development could be negatively impacted.***

We have entered into, and may enter into, strategic partnerships to develop and commercialize our current and future research and development programs with other companies to accomplish one or more of the following:

- obtain expertise in relevant markets;
- obtain sales and marketing services or support;
- obtain equipment and facilities;
- develop relationships with potential future customers; and
- generate revenue.

We may not be successful in establishing or maintaining suitable partnerships, and we may not be able to negotiate collaboration agreements having terms satisfactory to us, or at all. Failure to make or maintain these arrangements or a delay or failure in a collaborative partner's performance under any such arrangements could harm our business and financial condition.

***Any cybersecurity-related incident, including a cybersecurity attack, significant data breach or disruption of the information technology systems, infrastructure, network, third-party processors or platforms on which we rely could damage our reputation and adversely affect our business and financial results.***

Our operations rely on information technology systems for the use, storage, transmission and other processing of sensitive, proprietary and confidential information, including personal data, with respect to us, our customers, our customers' customers, our employees and other third parties.

We have limited redundancy across certain critical systems, suppliers and operations, which exposes us to increased risk of disruption and cyber incidents. The nature of our quantum computing business may make us an attractive target for sophisticated cyber attackers, including nation-state actors seeking access to advanced technology or seeking to disrupt our operations. Our quantum computing research, source code and proprietary algorithms represent high-value intellectual property targets. Additionally, our quantum computing systems process customer data and algorithms that may contain sensitive or proprietary information and unauthorized access to or disclosure of such information could expose us to significant liability, contractual breaches, and reputational harm. A malicious cybersecurity-related attack, intrusion or disruption by either an internal or external source or other breach of or a cybersecurity incident relating to the systems on which our platform and products operate, and on which our employees conduct business, could lead to unauthorized access

to, use of, loss of or unauthorized disclosure of sensitive, proprietary and confidential information, disruption to our platform, networks, systems, products and services, viruses, worms, spyware, or other malware being served from our platform, networks or systems; and resulting regulatory enforcement actions, litigation, indemnity obligations and other possible liabilities, as well as negative publicity, which could damage our reputation, impair sales and harm our business. Cyberattacks and other malicious internet-based activity continue to increase, and cloud-based platform providers of products and services, including those that we rely on, have been and are expected to continue to be targeted. In addition to traditional computer "hackers," malicious code (such as viruses and worms), ransomware attacks, business email compromises, social engineering (including phishing), employee theft or misuse and denial-of-service attacks, sophisticated nation-state and nation-state supported actors now engage in cybersecurity-related attacks (including advanced persistent threat intrusions). Cyberattacks may also gain publishing access to our customers' accounts on our platform, using that access to publish content without authorization.

We experience attempts to gain unauthorized access to our computer systems, software, networks, data and other technology assets and we expect attempts to compromise our systems and data to continue in varying degrees in the future. For example, in July 2026, we were made aware a criminal third party obtained unauthorized access to a limited amount of internal company data in February 2026 by means of social engineering attack targeting a single employee. Upon detection, we activated our incident response plan, engaged third-party digital forensic investigators and notified federal law enforcement. The incident has been contained and we have no evidence that customer data was accessed or acquired without authorization. The incident did not materially disrupt our systems, business operations or work with partners and customers. In response to the incident, we are implementing additional measures designed to enhance our defenses. However, such measures may not prevent future cybersecurity incidents, which could result in unauthorized access to data, operational disruption, financial loss, reputational harm, regulatory scrutiny, litigation or other adverse consequences. To date, none of these attacks or incidents has had a material impact on our business, operations or financial results. However, there can be no assurance that future attacks will be immaterial and even immaterial incidents may adversely impact us.

We and our third-party service providers face evolving cybersecurity risks that threaten the confidentiality, integrity, and availability of our or our customers' confidential, sensitive, proprietary or personal data and our and our third-party service providers' information technology systems. These risks could result from telecommunications or network failures or interruptions, misconfigurations, "bugs," or other vulnerabilities in commercial software that is integrated into our and our third-party service providers' information technology systems, products, or services, which are prevalent in our industry in addition to cybersecurity-related attacks. Despite efforts to create security barriers to such threats, it is not feasible for us to entirely mitigate these risks. If our or our third party service providers', customers' or partners' security measures are compromised as a result of third-party action, employee, customer, or user error, malfeasance, stolen or fraudulently obtained log-in credentials or otherwise, our reputation would be damaged, our data, information or intellectual property, including sensitive, confidential and proprietary information, or those of our customers and our customers' consumers, may be accessed, lost, destroyed, stolen, altered, misused or otherwise compromised, we may lose current customers and future opportunities, our business may be harmed and we could incur significant liability, including fines, cost of recovery, and costs related to remediation measures and/or incident response, and future compliance costs.

Further, cyberattacks and other security incidents could remain undetected for an extended period and even when a security breach is detected, the full extent of the breach may not be determined immediately. We have not always been able in the past, and may be unable in the future, to anticipate or prevent techniques used to obtain unauthorized access to or compromise of our systems because they change frequently and are generally not detected until after an incident has occurred. We also cannot be certain that we will be able to prevent vulnerabilities in our software or address vulnerabilities that we may become aware of in the future.

In addition, techniques used to obtain unauthorized access or to sabotage systems change frequently. Bad actors are beginning to utilize AI-based tools, including generative AI-based tools, to execute attacks, circumvent security controls, evade detection, and remove forensic evidence, creating unprecedented cybersecurity challenges. As a result, we may be unable to detect, investigate, remediate, or recover from future attacks or incidents, or to avoid a material adverse impact to our information technology systems, confidential or personal data, or business. Further, there may be an increased risk of cyberattacks by state actors due to regional geopolitical conflicts, including the current conflict between Russia and the Ukraine. Any increase in such attacks on us or our systems could adversely affect our platform, networks, systems or other operations. Although we maintain cybersecurity policies and procedures to manage risk to our information technology systems, continuously adapt our systems and processes to mitigate such threats, and plan to enhance our protections against such attacks, we may not be able to address these cybersecurity threats proactively or implement adequate preventative measures and we may be unable to promptly detect and address any such disruption or security breach, if at all. Remote and hybrid working arrangements at our company (and at many third-party providers) also increase cybersecurity risks due to the challenges associated with worker fraud, including through the use of a stolen or forged identity to gain employment,

managing remote computing assets and security vulnerabilities that are present in many non-corporate and home networks. Moreover, any integration of AI in our or any third-party providers' operations, products or services is expected to pose new or unknown cybersecurity risks and challenges. If an actual or perceived security breach occurs, the market perception of our security measures could be harmed, and we could lose sales and customers. Any security breach of our platform, our operational systems, physical facilities, or the systems of our third-party processors, or the perception that a breach has occurred, or other adverse impact to the availability, integrity, or confidentiality of such platform and systems, could result in litigation (including class actions), indemnity obligations, regulatory enforcement actions, investigations, compulsory audits, fines, penalties, mitigation and remediation costs, disputes, reputational harm, diversion of management's attention, and other liabilities and damage to our business.

Further, as we rely on third-party cloud infrastructure, we depend in part on third-party security measures to protect against unauthorized access, cyberattacks and the mishandling of data and information. If these third parties fail to adhere to adequate data security procedures, or in the event of a breach of their networks, our own, our customers' and our customers' consumers' data may be improperly accessed, used or disclosed. Any cybersecurity event, including any vulnerability in our software, cyberattack, intrusion or disruption or any failure or breach unrelated to our own action or inaction, could result in significant increases in costs, including costs for remediating the effects of such an event; lost revenue due to network downtime, a decrease in customer and user trust; increases in insurance premiums due to cybersecurity incidents; increased exposure to a risk of litigation and possible liability; increased costs to address cybersecurity issues and attempts to prevent future incidents; and harm to our business, financial results and our reputation because of any such incident.

We include limitation of liability provisions in our subscription agreements; however, such provisions may not be enforceable or adequate and may not otherwise protect us from any such liabilities or damages with respect to any claim related to a cybersecurity incident or other potential claim referred to above. In addition, our existing general liability insurance coverage and coverage for cyber liability or errors or omissions may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims and our insurer may deny coverage with respect to future claims. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, would harm our business.

Many governments, including all 50 U.S. states, have enacted laws requiring companies to provide notice to affected individuals, regulatory authorities, and relevant others of data security incidents involving certain types of data, including personal data. In addition, some of our customers require us to notify them of data security breaches. The foregoing mandatory disclosures are costly and security compromises experienced by our competitors, by our customers or by us may lead to public disclosures, which may lead to widespread negative publicity. Any security compromise in our industry, whether actual or perceived, could harm our reputation, erode confidence in the effectiveness of our security measures, negatively affect our ability to attract new customers, encourage consumers to restrict use of our platform, cause existing customers to end or elect not to renew their subscriptions or subject us to third-party lawsuits, regulatory fines, the loss, suspension or revocation of licenses and operational and other rights, or other action or liability, which could affect our operations and harm our business.

Any adverse impact to the availability, integrity, or confidentiality of our data, systems, or physical facilities could result in disputes, claims, or litigation with our customers and impacted third-parties, or investigations by government authorities. These proceedings could force us to incur significant expenditures in defense or settlement, divert management's time and attention, increase our costs of doing business, or adversely affect our reputation. We could be required to fundamentally change our business activities and practices or modify our platform, products, and services in response to such litigation, which could have an adverse effect on our business. If a security breach were to occur, and the confidentiality, integrity, or availability of our data or the data of our customers and users was disrupted, we could incur significant liability, or our platform, products, and services may be perceived as less desirable, which could negatively affect our business and damage our reputation.

***Unfavorable conditions in our industry or the global economy could limit our ability to grow our business and negatively affect our results of operations.***

Our results of operations may vary based on the impact of changes in our industry or the global economy on the company or our customers and potential customers. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, international trade relations, pandemics (such as the COVID-19 pandemic), political turmoil, natural catastrophes, warfare and terrorist attacks on the United States or elsewhere, could cause a decrease in business investments, including the progress on development of quantum technologies, and negatively affect the growth of our

business. In addition, in challenging economic times, our current or potential future customers may experience cash flow problems and as a result may modify, delay or cancel plans to purchase our products, services and solutions. Additionally, if our customers are not successful in generating sufficient revenue or are unable to secure financing, they may not be able to pay, or may delay payment of, accounts receivable due to us. Moreover, our key suppliers may reduce their output or become insolvent, thereby adversely impacting our ability to manufacture our products, services and solutions. Furthermore, uncertain economic conditions may make it more difficult for us to raise funds through borrowings or private or public sales of debt or equity securities. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry.

***Government actions and regulations, such as tariffs, export restrictions and trade protection measures, may limit our ability to obtain products from our suppliers or sell our products, services and solutions to customers.***

Political challenges between the United States and countries in which our suppliers are located, and changes to trade policies, including tariff rates, export restrictions and customs duties, trade relations between the United States and those countries and other macroeconomic issues could adversely impact our business. The United States has imposed tariffs on certain products imported into the United States, and some countries have imposed tariffs in response to the actions of the United States. There is also a possibility of future tariffs, trade protection measures or other restrictions imposed on our products, services and solutions or on our customers by the United States or other countries that could have an adverse effect on our business. Our technology may be deemed a matter of national security and as such our customer base may be tightly restricted. We may accept government grants or investments that place restrictions on our ability to operate.

***If we engage in acquisitions, divestitures, strategic investments or strategic partnerships and fail to achieve favorable results, our business, results of operations and financial condition could be harmed and such transactions would be required to comply with the terms of our amended and restated certificate of incorporation and the Stockholder Agreement.***

We may in the future make acquisitions, divestitures or certain investments, subject to the terms of our amended and restated certificate of incorporation and the Stockholder Agreement. Any transactions that we enter into could be material to our financial condition and results of operations. The process of acquiring and integrating another company or technology could create unforeseen operating difficulties and expenditures. Acquisitions and investments involve a number of risks, such as:

- use of resources that are needed in other areas of our business;
- in the case of an acquisition, implementation or remediation of controls, procedures and policies of the acquired company;
- in the case of an acquisition, difficulty integrating the accounting systems and operations of the acquired company, including potential risks to our corporate culture;
- in the case of an acquisition, the integration of product, engineering and selling and marketing functions, including difficulties and additional expenses associated with supporting legacy services and products and hosting infrastructure of the acquired company, difficulties associated with supporting new products or services, technical and other difficulty migrating the customers of the acquired company onto our platform and difficulties associated with contract terms, including disparities in the revenues, licensing, support or professional services model of the acquired company;
- in the case of an acquisition, retention and integration of employees from the acquired company;
- in the case of an acquisition, past intellectual property infringement or data security issues arising from the acquired company;
- unforeseen or undetected costs or liabilities;
- adverse effects on our existing business relationships with customers as a result of the acquisition or investment;
- adverse tax consequences;
- regulatory review under laws that regulate mergers and acquisitions activities (including merger control and foreign investment reviews), which could lead to delay, restructuring, remedy commitments, or prohibition of a proposed acquisition;

- contested takeovers or acquisitions;
- regulatory hurdles, including overcoming potential antitrust issues;
- harmonization of corporate values and culture of the acquired entity;
- litigation or other claims arising in connection with the acquired company or investment; and
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our business, results of operations and financial condition based on this impairment assessment process, which could adversely affect our results of operations. Acquisitions and investments may be paid for by company equity or cash, or a combination thereof, resulting in dilutive issuances of equity securities, which could adversely affect our share price, or result in issuances of securities with superior rights and preferences to our common shares or the incurrence of debt with restrictive covenants that limit our future uses of capital in pursuit of business opportunities and significantly reduce our operating capital.

We may not be able to identify acquisition or investment opportunities that meet our strategic objectives, or to the extent such opportunities are identified, we may not be able to negotiate terms with respect to the acquisition or investment that are acceptable to us. At this time, we have made no commitments or agreements with respect to any such material transactions.

Furthermore, transactions that qualify as "Covered Transactions" within the meaning of our amended and restated certificate of incorporation and the Stockholder Agreement will be required to be considered and approved by our Transaction Committee (as defined herein) prior to being considered and approved by our board of directors (the "Board").

***If we fail to offer high-quality and reliable customer support, or if the cost of such support is not consistent with corresponding levels of revenue, our business, results of operations and reputation may be harmed.***

Due to our innovative technology and roadmaps, our customers will require particular support and service functions, some of which are not currently available, and may never be available. If we experience delays in adding such support capacity or servicing our customers efficiently, or encounter unforeseen issues with the reliability of our technology, it could overburden our servicing and support capabilities. Similarly, increasing the number of our products, services and solutions would require us to rapidly increase the availability of these services. Failure to adequately extend our post sales customer support and service our customers may inhibit our growth and ability to expand, and negatively impact our credibility, brand and reputation.

Our current customers rely on our customer support organization to respond to inquiries and resolve issues related to their use of our platform quickly and effectively. Our customer support relies on third-party technology platforms, which may become unavailable or otherwise prevent our customers and customer support team from interacting on a timely basis across some or all geographies. Our response times to customers and prospects may be impacted for reasons outside our control, such as changes to software and quantum computing services, which may interrupt aspects of our service to our customers. From time to time, we experience spikes in the number of customer support tickets that we receive, which may result in an increase in customer requests and significant delays in responding to our customers' requests. Customer demand for support may also increase as we expand and enhance our operations and product offerings. Increased customer demand for our support services, without corresponding revenue increases, could increase our costs and harm our business, results of operations and financial condition. As we continue to grow our operations and support our global user base, we need to continue to provide efficient and high-quality support that meets our customers' needs globally at scale. Our sales process is highly dependent on the ease of use of our platform and products, our business reputation and positive recommendations from our existing customers. Any failure to maintain a high-quality customer support organization, or a market perception that we do not maintain such levels of support, could harm our credibility, brand and reputation, our ability to sell to existing and prospective customers and our business, results of operations and financial condition.

***Because our success depends, in part, on our ability to expand sales internationally, our business will be susceptible to risks associated with international operations.***

We currently maintain offices and/or have personnel in the United States and other international locations. We expect to continue to expand our international operations by developing our sales and operations presence internationally, which

may include opening offices in new jurisdictions. Any additional international expansion efforts that we are undertaking and may undertake may not be successful. In addition, conducting international operations subjects us to new risks, some of which we have not generally faced in the United States or other countries where we currently operate. These risks include, among other things:

- lack of familiarity and burdens of complying with foreign laws, legal standards, privacy, data protection, and cybersecurity standards, regulatory requirements, tariffs and other barriers and the risk of penalties to our customers and individual members of management or employees if our practices are deemed to not be in compliance;
- practical difficulties of enforcing intellectual property and other proprietary rights in countries with varying laws and standards and reduced or varied protection for intellectual property and other proprietary rights in some countries;
- an evolving legal framework and additional legal or regulatory requirements for privacy, data protection, and cybersecurity, which may necessitate the establishment of systems to maintain data in local markets, requiring us to invest in additional data centers and network infrastructure, and the implementation of additional employee privacy documentation (including locally compliant privacy notices and policies), and employee compliance training, all of which may involve substantial expense and may cause us to need to divert resources from other aspects of our business, all of which may adversely affect our business;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties, technology transfer and controls laws, import and export regulations or other trade restrictions;
- difficulties in managing systems integrators and partners;
- increased or unexpected supply chain challenges or delays;
- differing technology standards;
- different pricing environments, longer sales cycles, longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- increased financial accounting and reporting burdens and complexities;
- difficulties in managing and staffing international operations including the proper classification of independent contractors and other contingent workers, differing employer/employee relationships and local employment laws;
- inadequate management of joint ventures;
- the loss, suspension or revocation of licenses and operational and other rights in particular in foreign jurisdictions where we operate;
- difficulties in winding-down operations in foreign jurisdictions where we operate;
- restrictions on the repatriation of capital to the U.S.;
- visa (work and travel) and other restrictions on key personnel whose domain expertise and presence are required in foreign countries where we operate;
- increased costs involved with recruiting and retaining an expanded employee population, including highly skilled workers and leaders in the quantum computing industry, outside the United States through cash and equity-based incentive programs, and legal costs and regulatory restrictions in issuing our shares to employees outside the United States;
- global political and regulatory changes that may lead to restrictions on immigration and travel for our employees;
- fluctuations in exchange rates that may decrease the value of our foreign-based revenue or increase the cost of our foreign operations;
- global public health threats or geopolitical events such as tensions in and around Ukraine, Israel, the Middle East, and other areas of the world;

- degradation in U.S. relationships with targeted countries that could result in those countries disfavoring doing business with U.S. companies and potential imposition of reciprocal or counter sanctions by foreign governments on the U.S. and U.S. companies;
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems, restrictions on the repatriation of earnings and transfer pricing requirements; and
- permanent establishment risks and complexities in connection with international payroll, tax and social security requirements for international employees.

Additionally, operating in international markets also requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required in establishing operations in other countries will produce desired levels of revenue or profitability.

Compliance with laws and regulations applicable to our global operations also substantially increases our cost of doing business in foreign jurisdictions. We have limited experience in marketing, selling and supporting our platform outside of the United States. Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to expand our international operations and are unable to do so successfully, in a timely manner, our business, financial condition, revenues, results of operations or cash flows will suffer. We may be unable to keep current with changes in government requirements as they change from time to time. Failure to comply with these regulations could harm our business. Although we have implemented policies and procedures designed to ensure compliance with these laws in the countries in which we operate and our internal policies, there can be no assurance that all of our employees, contractors, partners and agents will comply with these laws and policies. Violations of laws or key control policies by our employees, contractors, partners or agents could result in delays in revenue recognition, financial reporting misstatements, enforcement actions, reputational harm, disgorgement of profits, fines, civil and criminal penalties, damages, injunctions, other collateral consequences or the prohibition of the importation or exportation of our products, services and solutions and could harm our business, financial condition, revenues, results of operations or cash flows.

***Our international sales and operations subject us to additional risks and costs, including the ability to engage with customers in new geographies, exposure to foreign currency exchange rate fluctuations, that can adversely affect our business, financial condition, revenues, results of operations or cash flows.***

We currently derive most of our revenue from our customers outside the United States. We are continuing to expand our international operations as part of our growth strategy. However, there are a variety of risks and costs associated with our international sales and operations, which include making investments prior to the proven adoption of our solutions, the cost of conducting business internationally and hiring and training international employees and the costs associated with complying with local law. Furthermore, we cannot predict the rate at which our platform, products, services and solutions will be accepted in international markets by potential customers. We currently have sales, customer support and engineering personnel outside the United States and are gradually building our overseas sales force; however, our sales, support and engineering organization outside the United States is substantially smaller than our U.S. sales organization. We believe our ability to attract new customers to subscribe to our platform or to attract existing customers to renew or expand their use of our platform is directly correlated to the level of engagement we obtain with the customer. To the extent we are unable to effectively engage with non-U.S. customers due to our limited sales force capacity, we may be unable to effectively grow in international markets.

As our international operations expand, our exposure to the effects of fluctuations in currency exchange rates grows. While we have primarily transacted with customers in U.S. dollars, historically, we expect to continue to expand the number of transactions with our customers that are denominated in foreign currencies in the future. Additionally, fluctuations in the value of the U.S. dollar and foreign currencies may make our subscriptions more expensive for international customers, which could harm our business. Additionally, we incur expenses for employee compensation and other operating expenses at our non-U.S. locations in the local currency for such locations. Fluctuations in the exchange rates between the U.S. dollar and other currencies could result in an increase to the U.S. dollar equivalent of such expenses. These fluctuations could cause our results of operations to differ from our expectations or the expectations of our investors. Additionally, such foreign currency exchange rate fluctuations could make it more difficult to detect underlying trends in our business and results of operations.

***Our international operations may subject us to greater than anticipated tax liabilities.***

The amount of taxes we may pay in different jurisdictions depends on the application of the tax laws of various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to any future intercompany arrangement or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Our consolidated financial statements could fail to reflect adequate reserves to cover such a contingency. Similarly, a taxing authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions.

***Certain of our customer arrangements involve fixed fees, which may limit our ability to recover costs and could adversely affect our margins and financial results.***

Certain of our customer arrangements involve fixed fees. If we underestimate the amount of effort required to deliver on a contract, our profitability could be reduced. Any cost overruns on projects have not had a significant impact on our operations or profitability. However, if the actual costs of completing the contract exceed the agreed upon fixed price, we would incur a loss on the arrangement.

***Our deployment and operation of quantum computing systems are subject to U.S. government requirements and restrictions, which could limit our operations and growth.***

The Committee on Foreign Investment in the United States ("CFIUS") is an interagency body of the U.S. government authorized to review certain foreign investment transactions in U.S. businesses ("CFIUS Covered Transactions") in order to determine the effect of such transactions on the national security of the United States. If CFIUS determines that a CFIUS Covered Transaction presents national security risks to the United States and that other provisions of law do not provide adequate authority to address the risks, then CFIUS may enter into an agreement with, or impose conditions on, parties to mitigate such risks or may refer the case to the President who may suspend, prohibit, or unwind the transaction.

On July 23, 2021, we and certain of our subsidiaries filed a joint voluntary notice with CFIUS in connection with the formation of NewCo, a joint venture between Honeywell and Cambridge Quantum, to acquire 100% of the ownership interests in Honeywell Helios, LLC, a Delaware limited liability company, and Cambridge Quantum Computing Limited, a private company organized under the laws of the United Kingdom (the "NewCo Transaction"). CFIUS determined that there were no unresolved national security issues associated with the NewCo Transaction, on November 24, 2021, after we entered into a National Security Agreement (the "NSA") with the U.S. Department of Defense, U.S. Department of Energy, and Department of the Treasury as monitoring agencies (collectively, the "CMAs") on behalf of CFIUS. On November 3, 2026, we received a letter from the CMAs notifying the Company that the NSA terminated. Even after termination, we remain subject to export controls and the Award Agreement's research security, domestic control of intellectual property and domestic production requirements, and future transactions, including foreign investments in us, may also be subject to CFIUS review and new mitigation measures.

***Future investments in our Class A common stock may be subject to U.S. foreign investment regulations.***

Future investments in our business by foreign investors may be CFIUS Covered Transactions subject to CFIUS jurisdiction depending on the structure of the transaction and the governance and voting interests acquired by the foreign person. Submission of a notification to CFIUS with respect to a CFIUS Covered Transaction related to our business could result in significant transaction delays, as CFIUS' review of a CFIUS Covered Transaction can last between thirty days and several months, if not longer, depending on the form of the filing, the complexity of the transaction, the nationality and identity of the parties and the underlying national security risks associated with the CFIUS Covered Transaction. In the event CFIUS reviews a CFIUS Covered Transaction relating to our business, there can be no assurances that the parties will be able to maintain, or proceed with, participation in the CFIUS Covered Transaction on acceptable terms. In addition, potential restrictions on the ability of foreign persons to invest in us could affect the price that an investor may be willing to pay for shares of our common stock. Furthermore, any future investments in our business by foreign investors that qualify as "Covered Transactions" within the meaning of our amended and restated certificate of incorporation and the Stockholder Agreement will be required to be considered and approved by our Transaction Committee prior to being considered and approved by our Board.

**Risks Related to the U.S. Government Transaction**

***Our definitive agreement with the Department of Commerce will be funded in phases and is subject to our achievement of project milestones. There can be no assurance that we will achieve such milestones on the expected timeline or at all, and failure to complete certain required project activities or comply with specified requirements could result in the withholding or clawback of funding.***

On September 4, 2026, our subsidiary Quantinuum LLC entered into an Other Transaction Agreement (the "Award Agreement") with the Department of Commerce under the CHIPS Act of 2022. Under the Award Agreement, the Department of Commerce has agreed to award us up to an aggregate $100.0 million (the "Award"), with $56.0 million made available to us for draw down on or about the Award Date and additional payments of $32.0 million and $12.0 million to be available after we achieve specified project milestones. The period of performance ends on the earlier of completion of all project milestones and the fifth anniversary of the Award Date, unless earlier terminated, although we may request an extension that the Department of Commerce may not unreasonably withhold. There can be no assurance that we will achieve the milestones on the expected timeline or at all. Meeting one milestone does not guarantee meeting later milestones, and failure to meet one or both milestones could prevent the corresponding funding from becoming available. The Award may be used only for eligible project costs consistent in all material respects with an approved budget plan. The project involves research and development activities at multiple existing U.S. sites to address technical challenges in scaling trapped-ion-based quantum computing systems, including integrated photonics, cryogenic control electronics and optical components; our ability to complete these activities depends on technical, commercial, organizational and ecosystem factors. Failure to complete our performance under the Award Agreement and to receive the subsequent milestone payments could harm our business, financial condition, revenues, results of operations or cash flows.

***The Award Agreement gives the Department of Commerce rights to withhold or suspend funding, claw back disbursed amounts or terminate the Award Agreement in specified circumstances. The exercise of these rights could have a material adverse effect on our business, prospects, financial condition and results of operations.***

Under the Award Agreement, the Department of Commerce may withhold or suspend payments or impose additional award conditions in response to a breach. The Department of Commerce may claw back up to the full amount of the Award disbursed, in the form of debt payable to it, if we materially fail to comply with applicable research security requirements, domestic control of intellectual property or domestic production requirements, or meet certain required project activities. The Department of Commerce may also terminate the Award Agreement for a material failure to comply with research security, domestic control of intellectual property or domestic production requirements, or for a breach of any other provision it determines to be material. In addition, for any uncured breach of the Award Agreement, the Department of Commerce may impose additional conditions designed to remedy non-compliance, temporarily withhold or suspend payments, or remove our ability to withdraw funds. If we are determined to be in breach and are subject to withholding, clawback or termination of funding, it could adversely affect our business, prospects, financial condition and results of operations.

***Although we have entered into the Award Agreement and Securities Issuance Agreement, there can be no assurances that the authorization and continued support for the transactions contemplated by those agreements will not be modified, challenged or impaired in the future, which could have a material adverse effect on our business, prospects, financial condition and results of operations.***

We entered into the Award Agreement and Securities Issuance Agreement in September 2026. However, given the heightened sensitivity and complexity of contracting with a government entity, particularly in a high-profile industry implicating national security, there can be no assurances that terms of the U.S. Government Transaction, including those agreements, will not be modified, challenged or impaired in the future, which could have a material adverse effect on our business, prospects, financial condition and results of operations. We believe there are multiple factors that may contribute to this uncertainty, including, but not limited to, the interpretation of current and future, and enactment of future, federal and international laws, regulations, administrative actions and rulings, and interpretations and changes to interpretations thereof, whether by a court or within the legislative or executive branches of the federal government; our ability to comply with any conditions or other requirements imposed by such laws, regulations, actions and rulings, and changes thereto; a determination by the legislative, judicial, or executive branches of the federal government that any aspect of the U.S. Government Transaction, or the related agreements, was unauthorized, void, or voidable; future changes in federal administration and related executive and legislative priorities; the continued availability of Congressional appropriations and Department of Commerce funding; geopolitical developments; and the legal and strategic challenges associated with enforcing the obligations of and seeking performance from a government counterparty, especially in conjunction with the unique defenses and remedies available to the federal government. Furthermore, while the Department of Commerce is contractually bound under the Award Agreement and Securities Issuance Agreement, if breached, no other agency, office or branch of the federal government has made any assurances or will have any obligations under those agreements to

actively support, accede to or refrain from challenging, investigating or otherwise impeding the commitments and obligations of the parties to those agreements or relating to the U.S. Government Transaction, whether now or in the future. The U.S. Government Transaction may also be challenged by other third parties and is subject to the risk of litigation, both the cost and result of which could materially adversely affect our business, prospects, financial condition and results of operations.

***Future funding may be required to meet milestones under the U.S. Government Transaction. Our ability to fund such obligations from our balance sheet or by raising additional equity or debt financing may be adversely affected by market conditions, interest rates, investor risk appetite, or macroeconomic factors beyond our control.***

In the event that our budgeted sources of cash to fund the U.S. Government Transaction are lower than anticipated, we will be obligated to find an alternative source of cash. Our ability to fund such obligations from our balance sheet will depend on the strength of our balance sheet at the time. Our ability to obtain such capital will depend on market conditions and our operating performance, and may result in higher costs of capital, increased leverage, or dilution to existing stockholders. Depending on the type and terms of any financing we pursue, stockholders' rights and the value of their investment in our Class A common stock could be reduced. Any additional equity financing will dilute shareholdings. If the issuance of new securities results in diminished rights to holders of Class A common stock, the market price of our Class A common stock could be negatively impacted. New or additional debt financing, if available, may involve restrictions on financing and operating activities. Interest on such debt would increase costs and negatively impact operating results.

If we are unable to obtain additional financing, as needed, at competitive rates, our ability to fund our current operations and implement our business plan and strategy will be affected, and we would be required to reduce the scope of our operations and scale back our research and development programs. Certain market disruptions may increase our cost of borrowing or affect our ability to access one or more financial markets. Such market disruptions could result from a variety of events, many of which are outside of our control, including the following:

- adverse economic conditions, including inflationary factors and recessionary fears;
- adverse general capital market conditions, including rising interest rates;
- poor performance and health of the quantum computing industry in general;
- bankruptcy or financial distress of quantum computing companies or marketers;
- significant decrease in the current or future anticipated demand for quantum computing; or
- adverse regulatory actions that could impact the quantum computing industry.

***The shares issued to the Department of Commerce in connection with the Award diluted holders of our Class A common stock, and the Department of Commerce may retain those shares even if certain Award funds are withheld or clawed back.***

On September 8, 2026, in connection with the Award Agreement, we entered into a Securities Issuance Agreement with the Department of Commerce, pursuant to which the Department of Commerce received 2,369,528 shares of our Class A common stock. The issuance diluted existing holders of our Class A common stock. If we do not achieve the project milestones and do not receive the additional Award payments, or if disbursed Award amounts are subsequently clawed back, the Department of Commerce will retain the shares issued to it, and we will have no right to repurchase or otherwise recover those shares other than pursuant to the following limited repurchase right described below. The Securities Issuance Agreement provides a limited repurchase right at an aggregate purchase price of $1.00 if the Department of Commerce terminates the Award Agreement for convenience before the end of the Award period; the number of shares subject to that right depends on the Award funds not received by us or returned before being applied to eligible project costs. The Department of Commerce may terminate the Award Agreement for convenience by providing us a written notice and there can be no assurance that the limited repurchase right would offset the dilution resulting from the share issuance in other circumstances.

In addition, under the Securities Issuance Agreement, we granted the Department of Commerce registration rights with respect to its shares, including rights relating to a resale shelf registration statement, underwritten offerings and, in certain circumstances, inclusion of its shares in our registration statements. Before we receive the full Award, the Department of Commerce's ability to transfer shares is limited by the amount of Award funds withdrawn and not returned, and certain privately negotiated transfers are restricted. We will bear certain registration expenses and may be required to indemnify

the Department of Commerce and other holders against certain registration-related liabilities. The sale of a substantial number of shares of Class A common stock in the public market, or the perception that these sales might occur, could depress the market price of our Class A common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our Class A common stock.

***The financial, tax and accounting treatment of the U.S. Government Transaction may be complex and subject to change.***

Given both the novelty and complexity of the U.S. Government Transaction, our analysis of the financial, tax and accounting implications of our commitments and obligations under the Award Agreement and Securities Issuance Agreement may require adjustment as we perform under those agreements. Additionally, no assurance can be provided that our assessment will not require adjustment or amendment over time due to changes in tax law or regulations, accounting practices and requirements and unforeseen developments in the course of performing under those agreements, particularly with respect to characterization of payments received from the Department of Commerce, among other considerations. The Award Agreement and Securities Issuance Agreement are highly integrated, and certain of the obligations under each agreement may be contingent upon or impacted by the terms and obligations of the other. If one or more of such agreements, or one or more elements of the transactions, were to be altered, amended or terminated, we would need to assess the financial, tax and accounting implications of such changes, which could be significant, together with any related remedies available to us and the present condition of our business and operations. We are unable to predict, and may not be able to anticipate, either these changes or the impact thereof. Any of the foregoing may have a material adverse effect on our business, prospects, financial condition and results of operations, including, but not limited to, material changes to our financial outlook, recharacterizations, restatements or other modifications of our financial statements or adjustments to previously provided estimates or guidance.

***The Award Agreement contains requirements that may restrict our ability and the ability of our subsidiaries to take actions management believes are important to our long-term strategy, and the pursuit of the Award milestones may distract our management team and other employees from other matters important to our long-term strategy.***

The Award Agreement for the U.S. Government Transaction contains requirements concerning project activities, eligible costs, research security, domestic control of intellectual property and domestic production. These requirements may restrict our ability to take certain actions. In addition, the U.S. Government Transaction requires ongoing reporting and disclosure, including financial, operational, cybersecurity, supply chain information and notice of material corporate transactions that could affect the project.

We are required to comply with the Award Agreement's research security, domestic control of intellectual property and domestic production requirements, including restrictions on transfers of certain intellectual property to foreign countries and entities of concern. These requirements may be subject to broad or changing interpretation, and material violations, whether due to administrative error or misunderstanding, could result in the imposition of additional award conditions, suspension, clawback, or termination of funding. Further, the Award Agreement grants the U.S. government a license to practice certain inventions generated under the Award Agreement for government purposes and government purpose rights in data generated under the Award Agreement, which could affect our ability to commercialize or protect proprietary technology and information. Such a federal interest could limit our rights in such property, including our ability to (i) sell such property; (ii) use such property for purposes different from the uses contemplated under the Award Agreement; or (iii) use such property as collateral in future financings.

Compliance with the requirements contained in the Award Agreement could restrict our ability to take actions that management believes may be important to our long-term strategy. If strategic transactions we wish to undertake conflict with the requirements of the Award Agreement, our ability to execute our long-term strategy could be materially adversely affected, which could in turn have a material adverse effect on our business, prospects, financial condition, or results of operations. For example, requirements relating to domestic control of intellectual property, domestic production or advance notification of certain intellectual property transfers could delay or limit future collaborations, transactions or asset dispositions. These requirements may also limit our ability to manufacture or localize systems outside the United States. Furthermore, the pursuit of the Award milestones may distract our management team and other employees from other matters important to our long-term strategy.

The Award Agreement also includes certain restrictions designed to require us to maintain a nexus with the United States. Our subsidiary Quantinuum LLC or a controlled domestic affiliate must maintain its rights to background intellectual property owned or licensed by it that is necessary to execute the project during the period of performance and for at least ten years thereafter. Intellectual property generated in the performance of project activities funded under the

Award Agreement may not be sold, transferred, licensed or assigned to a foreign country or entity of concern or an entity controlled by any such country or entity during the period of performance and for at least ten years thereafter, subject to limited exceptions. Additionally, we must notify the Department of Commerce of its intent to sell, transfer, license or assign ownership of such project intellectual property, subject to limited exceptions, at least 60 days prior to the transaction. Any subject invention must be predominantly produced or licensed for production in the United States during the period of performance and for ten years thereafter, subject to limited exceptions. We must also notify the Department of Commerce of subject inventions and maintain an intellectual property rights management plan for the project. A material failure to comply with the Award Agreement's domestic control of intellectual property, domestic production or research security requirements, or a failure to timely complete certain required project activities, could permit the Department of Commerce to claw back up to the full disbursed Award amount in the form of debt payable to it.

***Given the scarcity of U.S. precedents for transactions such as the U.S. Government Transaction and the government becoming a significant stockholder of ours, we may experience other adverse consequences resulting from the completion of the U.S. Government Transaction.***

Given the scarcity of recent U.S. precedents for transactions such as the U.S. Government Transaction, it is difficult to foresee all the potential consequences. Among other things, there could be adverse reactions, immediately or over time, from investors, employees, customers, suppliers, other business or commercial partners, foreign governments or competitors. There may also be litigation related to the U.S. Government Transaction or otherwise and increased public or political scrutiny with respect to our operations. The Award Agreement's restrictions on transferring or licensing project intellectual property to foreign countries and entities of concern and applicable export controls, together with the U.S. government's status as a stockholder, may cause certain foreign governments, state-owned enterprises and customers to view us as aligned with U.S. government policy objectives. As a result, we may be excluded from or disadvantaged in procurements and partnerships in certain non-U.S. markets. Having the U.S. government as a stockholder, together with our receipt of funding under the Award Agreement, could also subject us to additional regulations, obligations or restrictions in other jurisdictions, such as foreign subsidy laws. The Award Agreement's restrictions apply during the period of performance and for at least ten years thereafter and may continue to apply even if U.S. law or policy toward a particular jurisdiction changes. We therefore may be unable to pursue opportunities, including in China, that become available to competitors not subject to similar restrictions.

**Risks Relating to Litigation and Government Regulation**

***Complex and evolving state, federal and foreign laws, rules and regulations related to privacy, collection, use and other processing of data, security and localization, and AI could adversely affect us.***

We are subject to complex and evolving state, federal and foreign laws, rules and regulations related to privacy, collection, use and other processing of data, cybersecurity and localization. In addition, in recent years, there has been a heightened legislative and regulatory focus on data security, including requiring consumer notification in the event of a data breach. Legislation has been introduced in Congress and there have been several Congressional hearings addressing these issues. From time to time, Congress has considered, and may do so again, legislation establishing requirements for data privacy, cybersecurity and response to data breaches that, if implemented, could affect us by increasing our costs of doing business. In addition, several states have enacted privacy or security breach legislation requiring varying levels of consumer notification in the event of a security breach and/or governing the collection, sharing, use, retention, disclosure, security, transfer, storage and other processing of personal information. For example, the California Consumer Privacy Act (“CCPA”), which enhances consumer protection and privacy rights by granting consumers resident in California new rights with respect to the collection of their personal data and imposing new operational requirements on businesses, went into effect in January 2020. The CCPA created new data privacy obligations for covered businesses and provided new privacy rights to California residents, including the right to opt out of certain disclosures of their information and receive detailed information about how their personal data is used. The CCPA includes a statutory damages framework, severe civil penalties for violations and private rights of action against businesses that fail to comply with certain CCPA terms or implement reasonable security procedures and practices to prevent data breaches. Numerous other states have also enacted, or are in the process of enacting or considering, comprehensive state-level data privacy and cybersecurity laws, rules and regulations that share similarities with the CCPA, which if enacted, would add additional costs and expense of resources to maintain compliance, and there remains increased interest at the federal level as well.

Foreign governments are raising similar privacy and data security concerns and, as we expand internationally, we may be subject to privacy and data security risks in connection with requirements of data protection regulations. In particular, the European Union enacted the European Union General Data Protection Regulation, or the EU GDPR, and the United Kingdom enacted the United Kingdom General Data Protection Regulation and Data Protection Act 2018, or the UK GDPR, which govern the processing of personal data, and impose comprehensive data privacy compliance obligations on

us, including, for example, accountability and transparency requirements, obligations to consider data protection as any new products or services are developed, obligations to facilitate data protection rights of data subjects, and requirements to ensure appropriate safeguards are in place when transferring personal data out of the EU and UK to certain jurisdictions. A breach of the EU GDPR or UK GDPR could each result in regulatory investigations, reputational damage, significant fines and sanctions, orders to cease or change our processing of our data, enforcement notices, assessment notices (for a compulsory audit), and civil claims, including representative actions and other class action-type litigation. Japan, Qatar and Singapore (where we have key strategic partnerships) and other countries are also strengthening their privacy laws and the enforcement of privacy and data security requirements, and to the extent these obligations apply to us, these requirements may increase both the risk of noncompliance and the costs of providing our products and services in a compliant manner, which may adversely affect our business.

Complying with such laws, rules and regulations may be costly and time-consuming and our efforts to continue to comply require additional resources, and could therefore harm our business, results of operations and financial condition. We or third parties we work with may at times fail (or be perceived to have failed) in our efforts to comply with such laws, rules and regulations. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with these laws, rules or regulations, we could face significant consequences, including but not limited to, enforcement actions, regulatory investigations and fines, individual or class action litigation, mass arbitration demands, additional costs of compliance, additional reporting requirements and/or oversight, bans or restrictions on processing personal data, orders to destroy or not use personal data, imprisonment of company officials, and/or reputational harm. Ongoing efforts to comply with these laws also may divert management and employee attention from other business and growth initiatives. We could be liable for loss or misuse of personal data in our possession or control if we fail to prevent or mitigate such misuse or loss. Failure to prevent or mitigate such misuse or breaches may affect our reputation and operating results negatively, may require significant management time and attention and could result in significant regulatory fines and/or other penalties. Government enforcement actions and violations of data privacy and cybersecurity laws, rules or regulations may be costly or interrupt our business operations. Further, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class action claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for significant statutory damages, depending on the volume of data and the number of violations. Any disruption to our business arising from such issues, or an increase in our costs to cover or remediate these issues may have an adverse effect on our business, financial condition and results of operations.

Obligations related to data privacy and cybersecurity are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf.

Additionally, the regulatory framework for AI technologies is rapidly evolving as many federal, state and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations. In the EU, the Artificial Intelligence Act and revised Product Liability Directive, as they become applicable, will have a material impact on the way AI technologies are regulated. Existing laws and regulations may be interpreted in ways that would affect the operation and development of our AI technologies, or could be rescinded or amended as new administrations take differing approaches to evolving AI technologies. As a result, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet completely determine the impact future laws, regulations, standards, or market perception of their requirements may have on our business and may not always be able to anticipate how to respond to these laws or regulations.

***We are subject to U.S. and foreign anti-corruption, anti-bribery and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business.***

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and other anti-bribery and anti-corruption laws in countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees and their third-party intermediaries from authorizing, promising, offering, providing, soliciting or accepting, directly or indirectly, improper payments or benefits to or from any person whether in the public or private sector. We may engage with independent contractors, partners and third-party intermediaries to market our products, services and solutions and to obtain necessary permits, licenses and other regulatory approvals. In addition, we or our independent contractors or third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held

liable for the corrupt or other illegal activities of these third-party intermediaries, and of our employees, representatives, contractors, partners and agents, even if we do not explicitly authorize such activities. We cannot provide any assurance that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible, especially if we are found not to have established adequate controls to prevent and detect violations.

Detecting, investigating and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources and attention from senior management. In addition, noncompliance with anti-corruption or anti-bribery laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties, injunctions, suspension or debarment from contracting with certain persons, including government entities, material reputational harm, adverse media coverage and other collateral consequences.

***We are subject to governmental export and import controls and trade and economic sanctions that could impair our ability to compete in global markets and subject us to liability if we are not in full compliance with applicable laws and other controls.***

Our products, services and solutions are subject to various restrictions under U.S. export controls, import laws and regulations and economic sanctions, including the U.S. Export Administration Regulations administered by the Department of Commerce, U.S. Customs regulations, and trade and economic sanctions administered by the U.S. Department of Treasury's Office of Foreign Assets Control. Quantum computing technology has been identified as a critical and emerging technology by the U.S. government and other governments and is subject to increasing export control scrutiny. The United States, United Kingdom, Germany, Japan and other countries have implemented or proposed export controls specifically targeting quantum computing hardware, software, and related technology. U.S. export controls and trade and economic sanctions include restrictions or prohibitions on the sale or supply of certain products, technologies and services to U.S. embargoed or sanctioned countries and governments of these countries, as well as other persons and entities. Additionally, under these current and future laws and regulations, exports of our products, services and solutions as well as the underlying technology may require export authorizations, including by license, a license exception or other appropriate government authorizations, and the filing of a classification request or self-classification report to use a license exception, as applicable. The export control classification of our quantum computing products and technology is complex and may be subject to differing interpretations by regulatory authorities. We may be required to obtain export licenses for transactions that we previously believed did not require such licenses, or regulatory authorities may disagree with our export control classifications. Customers may defer or decline their purchases of our products, services and solutions due to uncertainty about export controls, and as a result, our business could be materially and adversely affected.

Should we violate existing or similar future export controls or sanctions, we may be subject to substantial monetary fines or suffer reputational damage and other penalties that could negatively impact our business. If we need to obtain any necessary export licenses or other authorizations for a particular sale, the process may be time-consuming and may result in the delay or loss of opportunities to sell our products, services and solutions.

We take precautions to prevent our products, services and solutions and the underlying technology from being provided, deployed or used in violation of export controls and sanctions. However, we cannot provide assurance that our policies and procedures relating to technology transfers, export control and sanctions compliance will prevent violations in the future by us or our partners or agents. Any violation of U.S. sanctions or export controls, including failure to obtain appropriate import, export or re-export licenses or authorization, could result in significant penalties and government investigations, delays in approving or denials of export licenses and reputational harm and loss of business.

In addition to the United States, various other countries regulate the import and export of certain encryption and other technology, including import and export licensing requirements, and have enacted laws that could limit our ability to distribute our products, services and solutions or could limit our clients' ability to implement our products, services and solutions in those countries. The United States, United Kingdom, France, Spain, Germany, Denmark, Finland, Norway, Slovenia, Japan, Canada and the Netherlands have recently enacted export controls on quantum computing hardware and related software and technology at specified levels of technological advancement. We will continue to review our existing compliance measures to ensure compliance with any applicable regulatory changes. Changes in our products, services and solutions, or future changes in export and import regulations, may create delays in the introduction of our products, services and solutions and the underlying technology in international markets, prevent our clients with global operations from deploying our products, services and solutions globally, adversely affect our ability to hire personnel from certain countries to work on our products, services and solutions, or, in some cases, prevent the export or import of our products, services and solutions to certain countries, governments or persons altogether.

Any change in export or import controls, economic sanctions or related legislation, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our products, services and solutions by, or in our decreased ability to export or sell our products, services and solutions to, existing or potential customers. Any decreased use of our products, services and solutions or limitations on our ability to export or sell our products, services and solutions in major international markets could adversely affect our business, results of operations and financial condition.

We expect to incur significant costs in complying with these regulations. Regulations related to quantum computing are currently evolving and we may face additional risks associated with changes to these regulations as well as increased licensing requirements and other restrictions.

***Our business is exposed to risks associated with litigation, investigations and regulatory proceedings.***

We may in the future face legal, administrative and regulatory proceedings, claims, demands and/or investigations involving stockholder, consumer, competition and/or other issues relating to our business on a global basis. Litigation and regulatory proceedings are inherently uncertain, and adverse rulings could occur, including monetary damages, or an injunction stopping us from engaging in certain business practices, or requiring other remedies, such as compulsory licensing of patents. An unfavorable outcome or settlement may result in an adverse impact on our business, results of operations, financial position and overall trends. In addition, regardless of the outcome, litigation can be costly, time-consuming and disruptive to our operations. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future. In addition, the laws and regulations our business is subject to are complex and change frequently. We may be required to incur significant expense to comply with changes in, or remedy violations of, these laws and regulations.

Furthermore, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery.

***We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.***

We may become subject to product liability claims, even those without merit, which could harm our business, results of operations and financial condition. We may face inherent risk of exposure to claims in the event our quantum computers do not perform as expected or malfunction. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our quantum computers and business and inhibit or prevent commercialization of other future quantum computers, which could have adverse effects on our credibility, brand, reputation, business, results of operations and financial condition. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages either in excess of our coverage, or outside of our coverage, may have an adverse effect on our reputation, business and financial condition. We may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, particularly if we do face liability for our products, services and solutions and are forced to make a claim under our policy. Moreover, we could be ordered to cease or permanently desist from offering products, services or solutions that are the subject of product liability litigation, which would result in a loss in investment, potential termination of redundant employees and potentially shutting down one or more entire product, service or solutions offerings, which will have a material detrimental impact to the business and its financial position and prospects.

***We are subject to requirements relating to environmental and safety regulations which could adversely affect our business, results of operation and reputation.***

We are subject to numerous federal, state and local environmental laws and regulations governing, among other things, emission of substances into the environment, solid and hazardous waste storage, treatment and disposal. Certain of these laws impose liability without regard to fault or the legality of conduct at the time it occurred. There are significant capital, operating and other costs associated with compliance with these environmental laws and regulations. Environmental laws and regulations may become more stringent in the future, which could increase costs of compliance or require us to manufacture with alternative technologies and materials.

Federal, state and local authorities also regulate a variety of matters, including, but not limited to, health, safety and permitting in addition to the environmental matters discussed above. New legislation and regulations may require us to make material changes to our operations, resulting in significant increases to the cost of production.

Our hardware has operational hazards such as but not limited to hazardous operating temperatures, lasers, and high voltage and/or high current electrical systems typical of large computer processing equipment and related safety incidents.

There may be environmental or safety incidents that damage machinery or product, slow or stop production, or harm employees or third parties. Consequences may include litigation, regulation, issues with the cost or availability of insurance, mandates to temporarily halt production, workers' compensation claims, suspension or debarment from government contracts or other actions that impact our brand, finances or ability to operate.

***Our operations require significant quantities of helium, a scarce and non-renewable resource, and the use and storage of helium subjects us to environmental, health, and safety risks.***

Our quantum computing systems rely on cryogenic liquefaction infrastructure, including liquid helium, to achieve lower operating temperatures (10-20 Kelvin) that reduce errors and increase throughput. While our current helium consumption is relatively low compared to other manufacturers of quantum computing systems, we expect our demand for helium to increase significantly as we scale our operations and expand our installed base of quantum computing systems. Helium is a finite, non-renewable natural resource with a limited global supply, and any significant increase in our helium requirements could expose us to supply constraints, price volatility, and increased operational costs. The helium market has historically experienced periods of significant shortage and price volatility, and there is no assurance that we will be able to secure adequate helium supplies at reasonable prices, or at all, to support our operational requirements and growth plans. Disruptions in the global helium supply chain, whether due to geopolitical factors, reduced production from major helium-producing facilities, or competing demand from other industries, could materially impair our ability to operate and deploy our quantum computing systems.

The presence and use of helium at our facilities also subjects us to a variety of environmental, health, and safety hazards. Helium is an asphyxiant gas that, if released in an enclosed or poorly ventilated area, can displace oxygen and create a risk of suffocation for personnel. The handling of liquid helium, which is stored at extremely low cryogenic temperatures, poses additional risks of severe cryogenic burns or frostbite to employees and other individuals who come into contact with the substance or associated equipment. The storage and transport of helium in pressurized containers presents risks of rupture, explosion, or uncontrolled release if equipment malfunctions or is improperly maintained. Any incident involving helium at our facilities could result in personal injury or death, property damage, regulatory enforcement actions, increased insurance costs, or reputational harm.

We are subject to various federal, state, and local laws and regulations governing the storage, handling, and disposal of cryogenic materials and compressed gases, including helium. Compliance with these requirements imposes ongoing costs, and any failure to comply could result in fines, penalties, operational shutdowns, or other sanctions. Changes to applicable environmental, health, or safety regulations could further increase our compliance burden. There can be no assurance that we will not experience a helium-related incident or that we will be able to secure adequate supplies of helium on commercially reasonable terms, either of which could have a material adverse effect on our business, financial condition, and results of operations.

***Governmental actions related to national security, trade, or geopolitical concerns could adversely affect our business, including through indirect restrictions on market access, supply chains, or customer relationships.***

Quantum computing has been designated as a technology with national security implications in a number of jurisdictions, including the United States and Canada. As a result, governmental authorities may impose or expand laws, regulations, trade restrictions, export controls, tariffs, or other measures that affect the development, deployment, sale, or sourcing of quantum computing technologies and their component parts.

Although we do not currently conduct business in certain jurisdictions that are subject to heightened geopolitical tensions, including China, geopolitical developments involving those jurisdictions may nonetheless affect our business. For example, governments may restrict or condition the export, sale, or deployment of advanced technologies to customers or partners in third countries based on concerns regarding diversion, resale, technology transfer, or ultimate end use, even where the immediate customer or transaction is outside such jurisdictions.

In addition, geopolitical tensions, trade restrictions, or regulatory actions involving countries where our suppliers, or their suppliers, are located could disrupt supply chains, increase costs, delay production, or require us to modify sourcing, distribution, or compliance practices. If quantum computing technologies are subject to heightened national security

scrutiny or restrictions in certain markets, our ability to access customers, enter into partnerships, or pursue international growth opportunities could be limited. Any of these factors could reduce our addressable market, increase compliance and operational costs, or otherwise materially and adversely affect our business, results of operations, and financial condition.

***Contracts with domestic and international government and state agencies are subject to a number of challenges and risks.***

Contracts with domestic and international government and state agencies are subject to a number of challenges and risks. The bidding process for government contracts can be highly competitive, expensive and time-consuming, often requiring significant up-front time and expense without any assurance that these efforts will generate revenue.

We also must comply with both local and international laws and regulations relating to the formation, administration and performance of contracts, which provide public sector customers rights, many of which are not typically found in commercial contracts. Any changes to the government regulations applicable to government contracts could affect our ability to enter into, or the profitability of, contracts with government entities.

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

The sales cycle with sovereign government customers and state-owned enterprises can take even longer than the sales cycles with large corporate customers due to numerous factors including U.S. national security concerns, U.S. foreign policy, complexities in dealing with foreign governments and the various stakeholder agencies and departments in the foreign government, whether the opportunity involves a public or private tender, inter-government agency priorities and politics, and securing budget allocation and approvals across multiple levels of government and ministries. There is also the risk that once a transaction is entered into with a foreign government or state-owned enterprise, that a contract can be suspended or terminated with little or no warning due to sanctions imposed by the United States or the foreign government.

Complexities can be negatively compounded due to difficulties for example in the event of termination of joint ventures or distributorship agreements in foreign jurisdictions, which will pose challenges to the business in safeguarding our assets and interests whilst winding down operations and withdrawing from the transaction and relevant jurisdiction.

Accordingly, our business, results of operations and financial condition and growth prospects may be adversely affected by certain events or activities, including, but not limited to:

- changes in government fiscal or procurement policies, or decreases in government funding available for procurement of goods and services generally, or for our federal government contracts specifically;
- changes in government programs or applicable requirements;
- restrictions in the grant of personnel security clearances to our employees;
- ability to maintain facility clearances required to perform on classified contracts for U.S. government and foreign government agencies, as applicable;
- changes in the political environment, including before or after a change to the leadership within the government administration, and any resulting uncertainty or changes in policy or priorities and resultant funding;
- changes in the government's attitude towards us as a company or our technology;
- appeals, disputes or litigation relating to government procurement, including but not limited to bid protests by unsuccessful bidders on potential or actual awards of contracts to us or our partners by the government;
- the adoption of new laws or regulations or changes to existing laws or regulations, including the imposition of economic and trade sanctions;
- budgetary constraints, including automatic reductions as a result of "sequestration," operating under continuing resolutions, disruptions from government shutdowns, or similar measures and constraints imposed by any lapses in appropriations for the federal government or certain of its departments and agencies;

- influence by, or competition from, third parties with respect to pending, new or existing contracts with government customers;
- changes in legal obligations or political or social attitudes with respect to security or privacy issues;
- potential delays or changes in the government appropriations or procurement processes, including as a result of events such as war, incidents of terrorism, natural disasters and public health concerns;
- inadequate management of joint ventures;
- the loss, suspension or revocation of licenses and operational and other rights in particular in foreign jurisdictions where we operate;
- difficulties in winding-down operations in foreign jurisdictions where we operate;
- restrictions on the repatriation of capital to the U.S.;
- visa (work and travel) and other restrictions on key personnel whose domain expertise and presence are required in foreign countries where we operate; and
- increased or unexpected costs or unanticipated delays caused by other factors outside of our control.

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

***Changes in tax laws or regulations that are applied adversely to us may materially and adversely affect our business, results of operations and financial condition.***

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, or interpreted, changed, modified or applied adversely to us, any of which could adversely affect our business, results of operations and financial condition. In particular, presidential, congressional, state and local elections in the United States could result in significant changes in, and uncertainty with respect to, tax legislation, regulation and government policy directly affecting our business or indirectly affecting us because of impacts on our customers, suppliers and manufacturers. For example, the United States government has, from time to time, proposed and may enact significant changes to the taxation of business entities including, among others, an increase in the corporate income tax rate and the imposition of minimum taxes or surtaxes on certain types of income. The likelihood of these changes being enacted or implemented is unclear. We are currently unable to predict whether such changes will occur and, if so, the ultimate impact on our business. To the extent that such changes have a negative impact on us, including as a result of related uncertainty, these changes may materially and adversely affect our business, results of operations and financial condition.

In addition, we are subject to the examination of our income and other tax returns by the U.S. Internal Revenue Service (the "IRS") and other taxing authorities. We regularly assess the likelihood of adverse outcomes resulting from such examinations to determine the adequacy of our provision for income taxes. Although we believe we have made appropriate provisions for taxes in the jurisdictions in which we operate, changes in the tax laws or challenges from taxing authorities under existing tax laws could adversely affect our business, financial condition, and results of operations.

**Risks Relating to Our Intellectual Property and Artificial Intelligence Technologies**

***We rely on licensed intellectual property and joint development arrangements with third parties, and the loss or impairment of these rights could materially harm our ability to develop and commercialize our products, services and solutions.***

We rely on licenses to certain patent rights and other intellectual property from third parties that are important or necessary to the development of subsystems of future products, our products, services, and solutions. In particular, our quantum computing technology is dependent on our license agreement with Leonardo DRS, Inc. ("DRS"). Pursuant to the license agreement with DRS (the "DRS Agreement"), we were granted a field exclusive, worldwide, sublicensable (in certain cases) license for certain patents, know-how and other intellectual property to develop, manufacture and commercialize products for use in certain licensed fields, the scope of which includes the application of the licensed intellectual property in ion-trap quantum computing. The DRS Agreement commenced on December 11, 2025, and is perpetual unless terminated. Either we or DRS may terminate the DRS Agreement for a material breach by the other party,

subject to a 30-day cure period, or insolvency-related events. Additionally, DRS may terminate the DRS Agreement and the license granted thereunder immediately if we bring a challenge to the validity, patentability, enforceability and/or non-infringement, or otherwise oppose, any of the licensed patents (each, a "Patent Challenge"), including assisting a third party in bringing a Patent Challenge. We also have a sublicense agreement and a joint development and supply agreement under which the intellectual property licensed from DRS may be used to create new intellectual property in such licensed fields.

Our existing license agreements impose, and we expect that any future license agreements will impose, upon us various commercial and development obligations. If we fail to comply with our obligations under these agreements or otherwise materially breach such agreements (including by bringing challenges against or otherwise opposing any of the intellectual property we license thereunder), or are subject to an insolvency-related event, the licensor may have the right to terminate these agreements, in which event we would not be able to develop, market or otherwise commercialize products covered by these agreements, including if any of the foregoing were to occur with respect to our license agreement with DRS. Our business could suffer, for example, if any current or future licenses terminate, if the licensors or licensees fail to abide by the terms of the license, or if we are unable to enter into necessary licenses on acceptable terms.

Some of the licenses we rely on (or may in the future rely on) related to key technologies developed by third parties may not provide exclusive or unrestricted rights in all territories in which we may wish to develop or commercialize our products and may restrict our rights to offer certain products in certain markets. Accordingly, we may not be able to enter certain key markets in the future, and we may face competition from other licensees of these technologies. Even if we comply with all the terms of a license agreement, we cannot guarantee that we will be able to renew an agreement when it expires even if we desire to do so. The failure to maintain or renew our material license agreements could result in a loss of revenue and negatively impact our results of operations. Because of the rapid pace of technological change, we may not be able to obtain or continue to obtain licenses and technologies from relevant third parties on reasonable terms, or at all, and our inability to license this technology could harm our ability to compete.

In some circumstances, we may not have the right to control the maintenance, prosecution, preparation, filing, enforcement, or defense of patents and patent applications that we license from or to third parties, and we are reliant on our licensors or licensees to do so. For example, under our license agreement with DRS, while DRS is required to consult with us in advance regarding the filing, maintenance, and prosecution of the licensed patents, DRS has sole discretion regarding such filing, maintenance and prosecution. We thus cannot be certain that our licensors have or will conduct maintenance, prosecution, preparation, filing, enforcement, or defense consistent with our best interests or in compliance with applicable laws and regulations. If our licensors fail to maintain such patents or patent applications, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize products that are the subject of such licensed rights and our right to exclude third parties from commercializing competing products could be adversely affected.

Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues, and certain provisions in intellectual property license agreements may be susceptible to multiple interpretations. Disputes may arise between us and our licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense the licensed rights to third parties;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our products, services and solutions, and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us;
- our right to transfer or assign the license; and
- the effects of termination.

The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other

obligations under the relevant agreement, either of which could harm our business, results of operations and financial condition. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize our products, services and solutions.

In addition, we may seek to obtain additional licenses from our licensors and, in connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the licensors, including by agreeing to terms that could enable third parties, including our competitors, to receive licenses to a portion of the intellectual property that is subject to our existing licenses and to compete with us.

We have developed, and may develop in the future, jointly owned intellectual property in the course of joint research or joint development activities with third parties or generated through the use of our systems, platform and services for customer solutions and use cases. Under some circumstances, it may be difficult to determine who owns a particular invention or whether it is jointly owned, and disputes could arise regarding ownership or use of those inventions. With respect to any patents or patent applications co-owned with or by third parties, if we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents and patent applications, we may be unable to prevent such co-owner from licensing their rights under the patents or patent applications to other third parties, including our competitors, that may be able to market competing products and technology. We may need the cooperation or consent of any such co-owners of our existing or future patents to enforce such patents against third parties or to license or transfer such patents to third parties, and such cooperation or consent may not be provided to us. Any such co-owner may be able to license a co-owned patent to a third party we believe infringes such patent, preventing us from obtaining compensation or other remedies from such third party through litigation or settlement arrangements. We may also become engaged in disputes with our co-owners related to patent prosecution strategy or the apportionment of costs associated with the prosecution, maintenance or enforcement of co-owned patents or patent applications. Such disputes with any third-party co-owners of our patents could result in direct financial harm or divert management's attention, which could harm our business, results of operations and financial condition.

***If we are unable to obtain, maintain and enforce intellectual property protection for our products, services and solutions, or if the scope of the intellectual property protection obtained is not sufficiently broad or robust, our competitors could develop and commercialize products and technology similar or identical to ours, and our ability to successfully commercialize our products, services and solutions may be adversely affected. Moreover, the secrecy of our trade secrets could be compromised, which could cause us to lose the competitive advantage resulting from these trade secrets.***

Our success depends, in significant part, on our ability to obtain, maintain, protect, enforce and defend patents and other intellectual property and other proprietary rights, including trade secrets, with respect to our products, services and solutions and to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights of others. We may not be able to prevent unauthorized use of our intellectual property or other proprietary rights. We rely upon a combination of the intellectual property protections afforded by patent, copyright, trademark and trade secret laws in the United States and other jurisdictions, as well as license agreements and other contractual protections, to establish, maintain and enforce rights in our proprietary technologies. In addition, we seek to protect our intellectual property rights through nondisclosure and invention assignment agreements with our employees and consultants and through non-disclosure agreements with business partners and other third parties, however, we might not have entered into such agreements with all relevant individuals, and our employees and consultants may not abide by, and not all of them have always abided by, their obligations under their nondisclosure and invention assignment agreements. Such agreements may not be enforceable in full or in part in all jurisdictions, may not be adequate to protect our confidential information, trade secrets and proprietary technologies, and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, trade secrets or proprietary technology. Our trade secrets may also be compromised, which could cause us to lose the competitive advantage from such trade secrets.

Despite our efforts to protect our intellectual property and other proprietary rights, third parties may attempt to copy or otherwise obtain and use our intellectual property and other proprietary assets. Monitoring unauthorized use of our intellectual property and other proprietary assets is difficult and costly, and the steps we have taken or will take to obtain, maintain, enforce, protect and defend our intellectual property and other proprietary rights, including to prevent misappropriation or misuse of our intellectual property and proprietary information may not be sufficient. We will not be able to protect our proprietary technology, brand and other proprietary assets if we are unable to enforce our legal and contractual rights or if we do not detect unauthorized use of our intellectual property rights. Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive and could divert management's attention, which could harm our business, results of operations and financial condition. Furthermore, if we do decide to bring litigation, our

efforts to enforce our intellectual property or other proprietary rights may be met with defenses, counterclaims and countersuits challenging or opposing our right to use and otherwise exploit particular intellectual property, services and technology or the enforceability of our intellectual property or other proprietary rights. In addition, existing intellectual property laws and contractual remedies may afford less protection than needed to safeguard our intellectual property portfolio.

Patent, copyright, trademark and trade secret laws vary significantly throughout the world. A number of foreign countries do not protect intellectual property or other proprietary rights to the same extent as do the laws of the United States. Therefore, our intellectual property or other proprietary rights may not be as strong or as easily enforced outside of the United States, and efforts to protect against the unauthorized use of our intellectual property rights, technology and other proprietary rights may be more expensive and difficult outside of the United States. Failure to adequately protect our intellectual property or other proprietary rights could result in our competitors using our intellectual property to develop, commercialize and offer substantially identical or otherwise competitive products, potentially resulting in the loss of some of our competitive advantage and a decrease in our revenue, which could adversely affect our business, results of operations and financial condition.

***Our patent applications may not result in issued patents or our patent rights may be contested, circumvented, invalidated or limited in scope, any of which could have an adverse effect on our ability to prevent others from interfering with the commercialization of our products, services and solutions.***

Our patent applications may not result in issued patents, which may have an adverse effect on our ability to prevent others from commercially exploiting products similar to ours. Establishing the validity of patents involves complex legal and factual questions and the breadth of claims allowed is uncertain. As a result, we cannot be certain that any patent applications we have or will file will result in patents being issued, or that our patents and any patents that may be issued to us will afford protection against competitors with similar technology. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. In addition to those who may have patents or patent applications directed to relevant technology with an effective filing date earlier than any of our existing patents or pending patent applications, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable. Furthermore, patent applications filed in foreign countries are subject to laws, rules and procedures that differ from those of the United States, and thus we cannot be certain that foreign patent applications related to issued United States patents will be issued.

While we seek patent protection for some of our technology, we cannot guarantee that we will file patent applications in all of the jurisdictions where it would ultimately be desirable to obtain patent protection. If we fail to timely file a patent application in a jurisdiction, we may be precluded from doing so at a later date. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Recent changes to patent laws in the United States may also bring into question the validity of certain software patents and may make it more difficult and costly to prosecute patent applications. In countries where we have not applied for patent protection or where effective patent protection is not available to the same extent as in the United States, we may be at greater risk that our proprietary rights will be infringed or otherwise violated, or that our competitors will be able to commercialize technology that is similar to our own. Even in jurisdictions where we have obtained patent protection, competitors may infringe them, and we may not detect any such infringement, or have adequate resources to enforce such patents against any such infringement.

Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented, invalidated or limited in scope in the future. The rights granted under any issued patents may not provide us with meaningful protection or competitive advantages, and some foreign countries provide significantly less effective patent enforcement than in the United States. In addition, the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. The intellectual property rights of others could also bar us from licensing and exploiting any patents that issue from our pending applications. In addition, patents that we have or may obtain may be invalidated or held unenforceable through administrative processes, including re-examination, inter partes review, interference and derivation proceedings, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings) or litigation, or such patents may be infringed upon, challenged, circumvented or designed around by others. Additionally, rights granted under these patents may not actually provide adequate defensive protection or competitive advantages to us, and others may obtain patents that we need to license or design around. Any of the foregoing could increase costs and may adversely affect our business, results of operations and financial condition.

***We may face patent infringement and other intellectual property claims that could be costly to defend, result in injunctions and significant damage awards or other costs. If third parties claim that we infringe upon or otherwise violate their intellectual property rights, our business could be adversely affected.***

The quantum computing industry is characterized by an increasingly crowded patent landscape, with patents held by major technology companies, research institutions, government agencies and specialized competitors covering various aspects of quantum computing hardware, software, algorithms and applications. Although we have an established set of practices for evaluating the freedom to practice our technologies, given the technical complexity and specialized nature of quantum computing, we may be unaware of patents that could be asserted against our technology. Additionally, the scope and validity of patents in the quantum computing space are particularly uncertain because the technology is new and developing, patent examiners may have limited expertise in this specialized field, and there is limited judicial or administrative precedent interpreting such patents. As a result, we face heightened risks of patent claims and challenges in assessing the scope and validity of third-party patents. We also require our customers to obtain clearances from third party rightsholders for data they input into our quantum computers for processing by us prior to their input of such data, however, we cannot be certain that our customers obtain such clearances on all data prior to inputting such data for processing by us. In the event they fail to obtain such clearances, we will be subject to potential strict liability under U.S. patent law. Our future success depends in part on not infringing upon, misappropriating or otherwise violating the intellectual property rights of others. From time to time, our competitors or other third parties may claim that we are infringing upon or otherwise violating their intellectual property rights, and we may be found to be infringing upon, misappropriating or otherwise violating such rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology or conflict with our trademark rights. Moreover, we may face patent infringement claims from non-practicing entities that have no relevant product revenue and against whom our owned or licensed patent portfolio may therefore have no deterrent effect. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Any claims of intellectual property infringement, misappropriation or other intellectual property violations, even those without merit, could:

- be expensive and time consuming to defend;
- cause us to cease making, licensing or using our platform or products that incorporate the challenged intellectual property;
- require us to modify, redesign, reengineer or rebrand our platform or products, if feasible;
- cause significant delays in introducing new or enhanced services or technology;
- divert management's attention and resources;
- require disgorgement of profits; or
- require us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property.

Any royalty or licensing agreements, if required, may not be available to us on acceptable terms or at all. A successful claim of infringement against us could require that we pay significant damages (including treble damages and attorneys' fees for willful infringement), enter into costly settlement agreements, or prevent us from offering our platform or products, any of which could have a negative impact on our operating profits and harm our future prospects. We may also be obligated to indemnify our customers or business partners in connection with any such litigation and to obtain licenses, modify our platform or products, or refund subscription fees, which could further exhaust our resources. Such disputes could also disrupt our platform or products, adversely affecting our customer satisfaction and ability to attract customers.

Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. Even if we believe any such claims against us are without merit, a court may hold that third-party patents are valid, enforceable and infringed, which could adversely affect our ability to commercialize our products. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity, and there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent or find that our products or technology did not infringe any such claims.

Additionally, parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our products. Defense of these claims, regardless of their merit, could involve substantial litigation expense and would be a substantial diversion of employee resources from our business. There may also be public announcements of the results of hearings, motions, or other interim proceedings or

developments, and, if securities analysts or investors perceive these results to be negative, it could adversely affect the price of shares of our common stock.

***Some of our intellectual property has been conceived or developed pursuant to government-funded agreements, which impose certain obligations on us, such as a license to the U.S. government covered by such intellectual property, "march-in" rights, certain reporting requirements and a preference for U.S.-based companies, and compliance with such regulations may limit our exclusive rights and our ability to contract with non-U.S. manufacturers.***

Certain intellectual property rights that we have in-licensed have been generated through the use of U.S. government funding and are therefore subject to certain federal regulations, including the Bayh-Dole Act of 1980, also known as the Patent and Trademark Law Amendments Act. As a result, the U.S. government may have certain rights to inventions developed with government funding that are embodied in our current or future products. These U.S. government rights include a non-exclusive, non-transferable, irrevocable worldwide license to use such inventions for any governmental purpose. In addition, the U.S. government has the right, under certain limited circumstances, to require that we grant exclusive, partially exclusive or non-exclusive licenses to any such inventions to a third party if it determines that: (1) adequate steps have not been taken to commercialize the invention, (2) government action is necessary to meet public health or safety needs or (3) government action is necessary to meet requirements for public use under federal regulations (also referred to as "march-in rights"). If the U.S. government exercised its march-in rights, we could be forced to license or sublicense intellectual property rights on terms unfavorable to us, and there can be no assurance that we would receive compensation from the U.S. government for the exercise of such rights. The U.S. government also has the right to take title to these inventions if we fail to disclose the invention to the government or fail to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us to expend substantial resources. In addition, the U.S. government requires that any products embodying any of these inventions or produced through the use of any of these inventions be manufactured substantially in the U.S. This preference for U.S. industry may be waived by the federal agency that provided the funding if the owner or assignee of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture the products substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. To the extent any of our owned or licensed future intellectual property is also generated through the use of U.S. government funding, the provisions of the Bayh-Dole Act may similarly apply.

***We use open-source software in our systems, and changes to open-source licensing terms or our failure to comply with such terms could adversely affect our business.***

Our platform utilizes software licensed to it by third-party authors under "open-source" licenses and we expect to continue to utilize open-source software in the future. The use of open-source software may entail greater risks than the use of third-party commercial software, as open-source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code, which licensors are not typically required to maintain and update, and licensors can change the license terms on which they offer updated versions of the open-source software without notice. In addition, some open-source projects have known vulnerabilities and architectural instabilities, which, if not properly addressed, could negatively affect the performance of our platform. To the extent that our platform depends upon the successful operation of the open-source software we use, any undetected errors or defects in this open-source software could prevent the deployment or impair the functionality of our platform, delay new solution introductions, result in a failure of our platform and injure our reputation. For example, undetected errors or defects in open-source software could render us vulnerable to breaches or security attacks, and, in conjunction, make our systems more vulnerable to data breaches.

Furthermore, some open-source licenses require that proprietary source code that is combined with, linked to or distributed with such open-source software be released to the public. Accordingly, if we combine, link or distribute our proprietary software with open-source software in a specific manner, we could, under some open-source licenses, be required to release the source code of our proprietary software to the public, under terms authorizing further modification and redistribution, or otherwise be limited in the licensing of our offerings. This could allow our competitors to create similar solutions with lower development effort and time, create security vulnerabilities in our platform, require us to re-engineer all or a portion of our platform, and reduce or eliminate the value of our platform, which would ultimately put us at a competitive disadvantage.

Although we monitor our use of open-source software to avoid subjecting our platform to conditions we do not intend to attach to such platform or our proprietary code, we cannot assure you that our processes for controlling such use will be effective. If we are held to have breached the terms of an open-source software license, we could be required to seek licenses from third parties to continue operating using our solution on terms that are not economically feasible, to re-

engineer our solution or the supporting computational infrastructure to discontinue use of code, or to make generally available, in source code form, portions of our proprietary code. This could allow our competitors to create similar solutions with lower development effort and time and ultimately put us at a competitive disadvantage.

There is evolving legal precedent for interpreting the terms of certain open-source licenses, including the determination of which works are subject to the terms of such licenses. The terms of many open-source licenses have not been interpreted by U.S. courts, and there is a risk that these licenses could be construed in ways that could impose unanticipated conditions or restrictions on our ability to commercialize any offerings incorporating such software. From time to time, we may face claims from third parties asserting ownership of, or demanding release of, the open-source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open-source license. These claims, regardless of validity, could result in time consuming and costly litigation, divert management's time and attention away from developing the business, expose us to customer indemnity claims, or force us to disclose source code. Litigation could be costly for us to defend, result in our paying damages or entering into unfavorable licenses, have a negative effect on our business, financial condition, and results of operations, or cause delays by requiring us to devote additional research and development resources to modify our platform.

***We may release proprietary products under open-source or similar distribution models, which may negatively impact our intellectual property rights in such products and cyber security controls, which could negatively impact our business.***

We have elected and may elect to make certain portions of our proprietary software, including portions of our quantum computing platform, source code, development tools, or other products available under open source or similar distribution models to facilitate adoption as well as collaboration and participation from our developer communities. If we are unable to manage the risks related to any open-source licensing or similar distribution model, our business, financial condition, and results of operations could be adversely affected.

If and to the extent we elect or have elected to distribute any materials under open source or source-available licenses, our ability to protect our intellectual property rights with respect to such materials may be limited or lost entirely. Because the source code for any software we distribute under open source or source-available licenses would become publicly available, third parties, including our competitors, could copy such code and use it to develop products and services that compete with ours without the same degree of overhead and lead time required by us, particularly if customers do not value the differentiation of our proprietary components. In addition, the public availability of the source code for such software may make it easier for others to identify vulnerabilities in or otherwise compromise our platform.

Because of the rights accorded to third parties under open-source licenses, there may be fewer technological barriers to entry in the markets in which we compete, and it may be relatively easy for new and existing competitors, some of whom may have greater resources than we have, to compete with us. One of the characteristics of open-source software is that the governing license terms generally allow extensive modifications of the code and distribution thereof to a wide group of companies or individuals. It is possible for new and existing competitors, including those with greater resources than ours, to develop their own open-source software or hybrid proprietary and open-source software offerings, potentially reducing the demand for, and price of, our products. In addition, some competitors make open-source software available for free download or may position competing open-source software as a loss leader. We cannot guarantee that we will be able to compete successfully against current and future competitors or that competitive pressure or the availability of open-source software will not result in price reductions, reduced revenue and gross margins, and loss of market share, any one of which could adversely affect our business.

***Our failure to successfully develop and commercialize our products or services involving AI, machine learning, and automated decision-making technologies, including proprietary AI and machine learning algorithms and models, (collectively, "AI Technologies") could depress the market price of our stock and impair our ability to: raise capital; expand our business; provide, improve and diversify our product offerings; continue our operations and efficiently manage our operating expenses; and respond effectively to competitive developments.***

We use AI Technologies throughout our business and are making significant investments in this area. We expect that increased investment will be required in the future to continuously improve our use of AI Technologies. As with many technological innovations, there are significant risks involved in developing, maintaining and deploying these technologies, and there can be no assurance that the usage of or our investments in such technologies will always enhance our products or services or be beneficial to our business, including our efficiency or profitability.

In particular, if our AI Technologies are incorrectly designed or implemented; trained or reliant on incomplete, inadequate, inaccurate, or otherwise poor quality data; used without sufficient oversight and governance to ensure their responsible use; and/or adversely impacted by unforeseen defects, technical challenges, cybersecurity threats or material performance issues, the performance of our products, services and business, as well as our reputation and the reputations of our customers, could suffer or we could incur liability resulting from the violation of laws or contracts to which we are a party or civil claims.

In addition, the regulatory landscape governing AI is rapidly evolving, with new and proposed laws, regulations and industry standards at the federal, state and international levels addressing AI development, deployment, transparency, accountability and use. For example, the European Union's Artificial Intelligence Act imposes significant compliance obligations on providers and users of certain AI systems, including requirements relating to risk assessment, human oversight, data governance and transparency. Other jurisdictions, including certain U.S. states, have enacted or proposed legislation regulating AI in specific contexts, such as automated employment decision tools or AI-generated content. Compliance with these evolving requirements may require significant resources, and non-compliance could result in regulatory enforcement, fines, litigation or reputational harm.

With respect to our products or services that incorporate AI Technology, the market for such products and services is rapidly evolving and important assumptions about the characteristics of targeted markets, pricing, sales cycles, cost, performance, and perceived value associated with our services or products may be inaccurate. In addition, we face significant competition from other companies in our industry in relation to the development and deployment of AI Technologies. Those other companies may develop AI Technologies that are similar or superior to ours and/or are more cost-effective and/or quicker to develop, deploy and maintain. Any inability to develop, offer or deploy new AI Technologies, or to adopt AI Technologies in our own research, development and operations, as effectively, as quickly and/or as cost-efficiently as our competitors could have a materially adverse impact on our operating results, customer relationships and growth.

In addition to our proprietary AI Technologies, we use AI Technologies licensed from third parties in our technologies, and our ability to continue to use such technologies at the scale we need may be dependent on access to specific third-party software and infrastructure. We cannot control the availability or pricing of such third-party AI Technologies, especially in a highly competitive environment, and we may be unable to negotiate favorable economic terms with the applicable providers. If any such third-party AI Technologies become incompatible with our solutions or unavailable for use, or if the providers of such models unfavorably change the terms on which their AI Technologies are offered or terminate their relationship with us, our solutions may become less appealing to our customers, and our business will be harmed. In addition, to the extent any third-party AI Technologies are used as a hosted service, any disruption, outage, or loss of information through such hosted services could disrupt our operations or solutions, damage our reputation, cause a loss of confidence in our solutions, or result in legal claims or proceedings, for which we may be unable to recover damages from the affected provider.

***Use of AI Technologies in connection with ongoing product development and commercialization is subject to significant uncertainty, including with respect to the reliability of such AI Technologies and the ownership of related intellectual property rights, any of which could have an adverse effect on our reputation and ability to prevent others from interfering with the commercialization of our products, services and solutions.***

We are in varying stages of development in relation to our products and internal business processes involving AI Technologies. The continuous development, maintenance and operation of our AI Technologies is expensive and complex, and may involve unforeseen difficulties including material performance problems, undetected defects or errors. We may not be successful in our ongoing development and maintenance of these technologies in the face of novel and evolving technical, reputational and market factors.

A number of aspects of intellectual property protection in the field of AI and machine learning are currently under development, and there is uncertainty and ongoing litigation in different jurisdictions as to the degree and extent of protection warranted for AI and machine learning systems and relevant system input and outputs, and the law is uncertain across jurisdictions regarding the copyright ownership of content that is produced in whole or in part by generative AI tools. If we fail to obtain protection for the intellectual property rights concerning our AI Technologies, or our intellectual property rights invalidated or otherwise diminished, our competitors may be able to take advantage of our research and development efforts to develop competing products which could adversely affect our business, reputation and financial condition.

We may use AI Technologies, including tools provided by third parties, to develop or assist in the development of our own software code. While use of such tools makes our development process more efficient, AI Technologies have

sometimes generated content that is "substantially similar" to proprietary or open-source code on which the AI tool was trained. If the AI Technologies we use generate code that is too similar to other proprietary code, or to software processes that are protected by patent, we could be subject to intellectual property infringement claims. We may also not be able to anticipate and detect security vulnerabilities in such AI generated software code. If our tools generate code that is too similar to open-source code, we risk losing protection of our own proprietary code that is commingled with such code. Finally, to the extent we use third-party AI Technologies to develop software code, the terms of use of these tools may state that the third-party provider retains rights in the generated code.

**Risks Relating to Our Organizational Structure and the Tax Receivable Agreement**

***We are a holding company and our only material assets are our equity interests in Quantinuum Holdings, and we are accordingly dependent upon distributions from Quantinuum Holdings to pay our taxes and expenses, make payments under the Tax Receivable Agreement, and pay any dividends. Quantinuum Holdings' ability to make such distributions may be subject to various limitations and restrictions.***

We are a holding company and have no material assets other than our ownership of Common Units of Quantinuum Holdings, our operating company subsidiary. We have no independent means of generating revenue or cash flow and our ability to pay our taxes and operating expenses or declare and pay dividends in the future, if any, are dependent upon the financial results and cash flows of Quantinuum Holdings and distributions we receive from Quantinuum Holdings. Deterioration in the financial condition, earnings, or cash flow of Quantinuum Holdings and its subsidiaries for any reason could limit or impair its ability to pay such distributions. Additionally, to the extent that we need funds, and Quantinuum Holdings is restricted from making such distributions under applicable law or regulation or under the terms of any financing arrangements it may have in place, or is otherwise unable to provide such funds, such restriction could materially and adversely affect our liquidity and financial condition. There can be no assurance that Quantinuum Holdings will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions, including negative covenants in any applicable debt instruments, will permit such distributions. Quantinuum Holdings is currently subject to debt instruments or other agreements that restrict its ability to make distributions to us, which may in turn affect Quantinuum Holdings' ability to pay distributions to us and thereby adversely affect our cash flows.

Quantinuum Holdings will continue to be treated as a partnership for U.S. federal income tax purposes and, as such, generally will not be subject to any entity-level U.S. federal income tax. Instead, any taxable income of Quantinuum Holdings will be allocated to holders of Common Units (including us). Accordingly, we will be required to pay income taxes on our allocable share of any net taxable income of Quantinuum Holdings. Under the terms of the Quantinuum Holdings limited liability company agreement, Quantinuum Holdings is obligated, subject to various limitations and restrictions including with respect to its debt instruments or other agreements, to make tax distributions to holders of Common Units (including us) at certain assumed tax rates. In addition to tax expenses, we will also incur expenses related to our operations, including payments under the Tax Receivable Agreement entered into with Quantinuum Holdings and the TRA Parties, which we expect will be significant. We intend, as its managing member, to cause Quantinuum Holdings to make cash distributions pro rata to the holders of Common Units in an amount sufficient to (i) satisfy our tax liabilities and (ii) cover our operating expenses, including payments under the Tax Receivable Agreement. However, Quantinuum Holdings' ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which Quantinuum Holdings is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering Quantinuum Holdings insolvent. If we do not have sufficient funds to pay tax or other liabilities, or to fund our operations (including, if applicable, because of an acceleration of our obligations under the Tax Receivable Agreement), we may have to borrow funds, which could materially and adversely affect our liquidity and financial condition, and subject us to various restrictions imposed by any lenders of such funds. To the extent we are unable to make timely payments under the Tax Receivable Agreement for any reason, such payments generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement resulting in the acceleration of payments due under the Tax Receivable Agreement.

In certain periods, the tax distributions payable by Quantinuum Holdings pursuant to the Quantinuum Holdings LLCA may exceed our tax liabilities and obligations to make payments under the Tax Receivable Agreement. We will have no obligation to distribute such cash (or other available cash) to our stockholders. No adjustments to the exchange ratio for Common Units and corresponding shares of Class A common stock will be made as a result of any cash dividend or distribution by us or any retention of cash by us. To the extent that we do not distribute such excess cash as dividends on our Class A common stock or otherwise undertake actions between Common Units and shares of Class A common stock to equalize the implied value associated with such cash and instead, for example, hold such cash balances, certain holders of equity interests in Quantinuum Holdings as a result of Reorganization Transactions (the "Continuing Common

Unitholders") (other than us) may benefit from any value attributable to such cash balances as a result of their ownership of Class A common stock following a redemption or exchange of their Common Units for shares of Class A common stock, notwithstanding that such Continuing Common Unitholders may previously have participated as holders of Common Units in distributions by Quantinuum Holdings that resulted in such excess cash balances held by us.

Our Board, subject to the terms of our amended and restated certificate of incorporation and the Stockholder Agreement, in its discretion, will make any determination from time to time with respect to the use of any such excess cash so accumulated, which may include, among other uses, holding such excess cash, paying dividends, which may include special dividends, on our Class A common stock, or lending or contributing it (or a portion thereof) to Quantinuum Holdings, which may result in shares of our Class A common stock increasing in value relative to the value of Common Units. Following a contribution of such excess cash to Quantinuum Holdings, we may make an adjustment to the outstanding number of Common Units held by holders of Common Units (other than us).

In addition, the tax distributions that Quantinuum Holdings may be required to make may be substantial, and the amount of any additional tax distributions Quantinuum Holdings is required to make likely will exceed the tax liabilities that would be owed by a similarly situated corporate taxpayer. Funds used by Quantinuum Holdings to satisfy its obligation to make tax distributions will not be available for reinvestment in our business, except to the extent we or certain other Continuing Common Unitholders use any excess cash received to reinvest in Quantinuum Holdings for additional Common Units. Moreover, because cash available for additional tax distributions will be determined by taking into account the ability of Quantinuum Holdings and its subsidiaries to take on additional borrowing, Quantinuum Holdings may be required to increase its indebtedness in order to fund additional tax distributions. Such additional borrowing may adversely affect our results of operations, cash flows and financial position by, without limitation, limiting our ability to borrow in the future for other purposes, such as capital expenditures, and increasing our interest expense and leverage ratios.

Payments of dividends, if any, will be at the discretion of our Board after taking into account various factors, including our business, operating results and financial condition, current and anticipated cash needs, plans for expansion and any legal or contractual limitations on our ability to pay dividends, although we do not anticipate declaring or paying any cash dividends on our Class A common stock in the foreseeable future. See "Risk Factors—Risks Relating to Ownership of Our Class A Common Stock." Our ability to pay dividends may be restricted by the terms of any future credit agreement or any future debt or preferred equity securities of us. In addition, Quantinuum Holdings is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of Quantinuum Holdings (with certain exceptions) exceed the fair value of its assets. Subsidiaries of Quantinuum Holdings are generally subject to similar legal limitations on their ability to make distributions to Quantinuum Holdings. If Quantinuum Holdings does not have sufficient funds to make distributions, our ability to declare and pay cash dividends will also be restricted or impaired.

***The Tax Receivable Agreement with Quantinuum Holdings and the TRA Parties requires us to make cash payments to the TRA Parties in respect of certain tax benefits to which we may become entitled, and we expect that such payments will be substantial.***

In connection with the consummation of the IPO, we entered into a Tax Receivable Agreement with Quantinuum Holdings and the TRA Parties. Under the Tax Receivable Agreement, we are required to make cash payments to such TRA Parties equal to 85% of the cash tax savings, if any, that we actually realize, or in certain circumstances are deemed to realize, as a result of (i) the tax basis adjustments with respect to the Quantinuum Holdings' assets that are expected to be obtained by Quantinuum Inc. resulting from (a) any future redemptions or exchanges of Common Units from the TRA Parties (b) certain distributions (or deemed distributions) by Quantinuum Holdings, and (c) payments made under the Tax Receivable Agreement ("Basis Adjustments"), (ii) the tax basis in certain assets of Quantinuum Holdings and certain of its direct or indirect subsidiaries (including assets that will eventually be subject to depreciation or amortization once placed in service) that is obtained by Quantinuum Inc. (x) in connection with the IPO or (y) in connection with and is attributable to a Common Unit exchanged or redeemed by a TRA Party ("Existing Basis") and (iii) certain tax benefits (such as interest deductions) arising from payments under the Tax Receivable Agreement. We are required to make such payments to the TRA Parties even if all of the TRA Parties were to exchange or redeem their remaining Common Units.

The payment obligations under the Tax Receivable Agreement are an obligation of Quantinuum Inc. and not of Quantinuum Holdings. We expect that the amount of the cash payments we will be required to make under the Tax Receivable Agreement will be substantial. Any payments made by us to the TRA Parties under the Tax Receivable Agreement will not be available for reinvestment in our business and will generally reduce the amount of overall cash flow that might have otherwise been available to us. To the extent that we are unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid by us; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under

the Tax Receivable Agreement resulting in the acceleration of payments due under the Tax Receivable Agreement. Payments under the Tax Receivable Agreement are not conditioned upon continued ownership of Quantinuum Holdings by the exchanging TRA Parties. Furthermore, if we experience a change of control (as defined under the Tax Receivable Agreement), which includes certain mergers, asset sales, and other forms of business combinations, we would be obligated to make an immediate payment, and such payment may be significantly in advance of, and may materially exceed, the actual realization, if any, of the future tax benefits to which the payment relates. This payment obligation could (i) make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that are the subject of the Tax Receivable Agreement and (ii) result in holders of our Class A common stock receiving substantially less consideration in connection with a change of control transaction than they would receive in the absence of such obligation. Accordingly, the TRA Parties' interests may conflict with those of the holders of our Class A common stock.

Assuming no material changes in the relevant tax laws and that we earn sufficient taxable income to realize all tax benefits that are subject to the Tax Receivable Agreement future payments under the Tax Receivable Agreement could be substantial and could aggregate to several billions of dollars over a period of approximately 25 years. However, the actual amounts and timing of payments are highly uncertain and will depend on a number of factors. The actual Basis Adjustments, Existing Basis and the actual utilization of any resulting tax benefits, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors including the timing of redemptions by the TRA Parties, the price of shares of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, the amount of gain recognized by such TRA Parties, the amount and timing of the taxable income allocated to us or otherwise generated by us in the future, the portion of our payments under the Tax Receivable Agreement constituting imputed interest; and the federal and state income tax rates then applicable. As a result, the actual payments could be significantly higher or lower than this estimate, could be concentrated in certain periods rather than spread evenly over time, or may not materialize at all if we do not generate sufficient taxable income. Although we expect the payments we will be required to make will be substantial, there can be no assurance as to the amount or timing of payments we will be required to make under the Tax Receivable Agreement.

***Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon the Continuing Common Unitholders that do not benefit holders of our Class A common stock to the same extent that it will benefit the Continuing Common Unitholders.***

Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon the Continuing Common Unitholders that do not benefit the holders of our Class A common stock to the same extent that it benefits the Continuing Common Unitholders. We entered into the Tax Receivable Agreement with Quantinuum Holdings and the TRA Parties in connection with the completion of the IPO and the reorganization transactions completed in connection with the IPO (the "Reorganization Transactions"), which provides for the payment by us to the TRA Parties of 85% of the amount of cash tax savings, if any, that we actually realize, or in some circumstances are deemed to realize, as a result of (i) Basis Adjustments, (ii) Existing Basis and (iii) certain tax benefits (such as interest deductions) arising from payments under the Tax Receivable Agreement. Although we will retain 15% of the amount of such cash tax savings, this and other aspects of our organizational structure may adversely impact the future trading market for our Class A common stock.

***In certain cases, payments under the Tax Receivable Agreement to the TRA Parties may be accelerated or significantly exceed any actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement.***

The Tax Receivable Agreement will generally apply to each of our taxable years, beginning with the first taxable year ending after the consummation of the Transactions. There is no maximum term for the Tax Receivable Agreement. However, the Tax Receivable Agreement provides that if (i) we materially breach any of our material obligations under the Tax Receivable Agreement, (ii) certain mergers, asset sales, other forms of business combinations or other changes of control occur after the consummation of the IPO, or (iii) we elect an early termination of the Tax Receivable Agreement, then our obligations, or our successor's obligations, under the Tax Receivable Agreement to make payments will be determined based on certain assumptions, including an assumption that we will have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement.

As a result of the foregoing, we would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, based on certain assumptions, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. Such cash payment to the TRA Parties could be greater than the specified percentage of any actual benefits we ultimately realize in respect of the tax attributes that are subject to the Tax Receivable Agreement. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring, or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. For

example, had we elected to terminate the Tax Receivable Agreement, assuming no material changes in the relevant tax laws or tax rates, we estimate that the aggregate of termination payments could be substantial and could amount to billions of dollars. However, the actual amount would be highly dependent on numerous variable factors at the time of termination, including prevailing discount rates, our stock price at such time, the number of unredeemed Common Units, applicable tax rates, and other factors, and could differ materially from this estimate. There can be no assurance that we will be able to fund or finance our obligations under the Tax Receivable Agreement. We may need to incur debt to finance payments under the Tax Receivable Agreement to the extent our cash resources are insufficient to meet our obligations under the Tax Receivable Agreement as a result of timing discrepancies or otherwise.

***We will not be reimbursed for any payments made to the TRA Parties under the Tax Receivable Agreement in the event that any tax benefits are disallowed.***

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine, and the IRS, or another tax authority, may challenge all or part of the Basis Adjustments, Existing Basis or other tax benefits we claim, as well as other related tax positions we take, and a court could sustain such challenge. If the outcome of any such challenge would reasonably be expected to materially and adversely affect the rights and obligations of TRA Parties under the Tax Receivable Agreement, then we are not permitted to settle such challenge without the consent (not to be unreasonably withheld or delayed) of the TRA Representatives (as defined in the Tax Receivable Agreement). The interests of the TRA Parties in any such challenge may differ from or conflict with our interests and the interests of holders of Class A common stock, and the TRA Representatives may exercise their consent rights relating to any such challenge in a manner adverse to our interests and the interests of holders of Class A common stock. We will not be reimbursed for any cash payments previously made to the TRA Parties under the Tax Receivable Agreement in the event that any tax benefits initially claimed by us and for which payment has been made to a TRA Party are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us to a TRA Party will be netted against future cash payments, if any, that we might otherwise be required to make to such TRA Party, under the terms of the Tax Receivable Agreement. However, we might not determine that we have effectively made an excess cash payment to a TRA Party for a number of years following the initial time of such payment. Moreover, the excess cash payments we made previously under the Tax Receivable Agreement could be greater than the amount of future cash payments against which we would otherwise be permitted to net such excess. The applicable U.S. federal income tax rules for determining applicable tax benefits we may claim are complex and factual in nature, and there can be no assurance that the IRS or a court will agree with our tax reporting positions. As a result, payments could be made under the Tax Receivable Agreement significantly in excess of any actual cash tax savings that we realize in respect of the tax attributes with respect to a TRA Party that are subject to the Tax Receivable Agreement.

***The acceleration of payments under the Tax Receivable Agreement in the case of certain changes of control may impair our ability to consummate a change of control transaction or negatively impact the value received by owners of our Class A common stock in a change of control transaction.***

The Tax Receivable Agreement provides that upon certain mergers, asset sales or other forms of business combination or certain other changes of control, our (or our successor's) obligations with respect to the Tax Receivable Agreement would be based on certain assumptions, including that we (or our successor) would have sufficient taxable income to fully utilize the benefits arising from the increased tax deductions and tax basis and other benefits covered by the Tax Receivable Agreement. Consequently, it is possible, in these circumstances, that the actual cash tax savings realized by us may be significantly less than the corresponding tax benefit payments under the Tax Receivable Agreement. Our accelerated payment obligations and/or assumptions adopted under the Tax Receivable Agreement in the case of a change of control may impair our ability to consummate a change of control transaction or negatively impact the value received by owners of our Class A common stock in a change of control transaction.

***If Quantinuum Holdings were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, we and Quantinuum Holdings might be subject to potentially significant tax inefficiencies, and we would not be able to recover payments previously made by us under the Tax Receivable Agreement even if the corresponding tax benefits were subsequently determined to have been unavailable due to such status.***

We and Quantinuum Holdings intend to operate such that Quantinuum Holdings does not become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. A "publicly traded partnership" is a partnership the interests of which are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Under certain circumstances, exchanges of Quantinuum Holdings pursuant to the redemption right under the Quantinuum Holdings limited liability company agreement (the "Redemption Right") or other transfers of Common Units could cause Quantinuum Holdings to be treated as a publicly traded partnership. Applicable

U.S. Treasury regulations provide for certain safe harbors from treatment as a publicly traded partnership, and we intend to operate such that exchanges or other transfers of Common Units qualify for one or more such safe harbors.

If Quantinuum Holdings were to become a publicly traded partnership, significant tax inefficiencies might result for us and for Quantinuum Holdings including as a result of our inability to file a consolidated U.S. federal income tax return with Quantinuum Holdings. In addition, we would no longer receive the benefit of certain increases in tax basis received as a result of the exercise of the Redemption Right, and we would not be able to recover any payments previously made by us under the Tax Receivable Agreement, even if the corresponding tax benefits (including any claimed increase in the tax basis of Quantinuum Holdings' assets) were subsequently determined to have been unavailable.

***The Continuing Common Unitholders, including the Honeywell Entities and certain of their affiliates, may have conflicting interests with holders of shares of our Class A common stock.***

As of September 30, 2026, Honeywell and Honeywell Holdings International Inc. (collectively, the "Honeywell Entities") and certain of their affiliates beneficially own approximately 47.4% of the combined voting power of our Class A common stock and Class B common stock, par value $0.0001 per share (the "Class B common stock"). Each share of Class A common stock entitles the holder to one vote per share and each share of Class B common stock entitles the holder to one vote per share on all matters on which the holders of the Class A common stock and Class B common stock are entitled to vote.

As of September 30, 2026, the Continuing Common Unitholders, including the Honeywell Entities and certain of their affiliates, own approximately 84.4% of the Common Units. Because they hold their ownership interest in our business directly in Quantinuum Holdings, rather than through us, the Continuing Common Unitholders, including the Honeywell Entities and certain of their affiliates, may have conflicting interests with holders of shares of our Class A common stock. For example, if Quantinuum Holdings makes distributions to us, the non-managing members of Quantinuum Holdings will also be entitled to receive such distributions pro rata in accordance with their ownership of Common Units and their preferences as to the timing and amount of any such distributions may differ from those of our public stockholders. The Continuing Common Unitholders, including the Honeywell Entities and certain of their affiliates, may also have different tax positions from us that could influence their decisions regarding whether and when to dispose of assets, especially in light of the existence of the Tax Receivable Agreement that we entered into in connection with the IPO with Quantinuum Holdings and the TRA Parties, whether and when to incur new or refinance existing indebtedness, and whether and when we should terminate the Tax Receivable Agreement and accelerate our obligations thereunder. In addition, the structuring of future transactions may take into consideration the Continuing Common Unitholders' tax or other considerations even where no similar benefit would accrue to us.

Our shares of Class B common stock will not have economic rights. All of our Class B common stock is held by the Continuing Common Unitholders.

***We may not be successful as an independent, publicly traded company, and we will not enjoy the same benefits that we did as a consolidated subsidiary of Honeywell.***

Prior to becoming an independent, publicly traded company, we were able to take advantage of Honeywell's size, operational excellence, and purchasing power in procuring technology, services and supplies, including insurance, employee benefit support and audit and other professional services. While some of these benefits may continue with Honeywell as a large stockholder, and while the culture and rigor of Honeywell's operational excellence is a core part of our own culture and fabric given our Honeywell origin, we are nevertheless a smaller company than Honeywell, and we cannot assure you that we will have access to financial and other resources comparable to those available to us prior to us becoming an independent company. We may find it more difficult to attract and retain high-quality employees as a smaller company than we were operating within as a consolidated subsidiary of Honeywell, which could impact our results of operations. Our future success also depends on our ability to develop and maintain relationships with customers and suppliers. Our independent relationship from Honeywell and our smaller relative size as a result of being an independent company may make it more difficult to develop and maintain relationships with customers and suppliers, which could adversely affect our prospects.

**Risks Relating to Ownership of Our Class A Common Stock**

***We cannot predict the impact our dual-class structure may have on the market price of our Class A common stock.***

We cannot predict whether our dual-class structure, combined with the concentrated control of our stockholders who held our capital stock prior to the completion of the IPO, including our executive officers, employees, and directors and their affiliates, will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or

other adverse consequences. Certain stock index providers exclude or limit the ability of companies with dual-class share structures from being added to certain of their indices. In addition, several stockholder advisory firms and large institutional investors oppose the use of multiple class structures. Due to the dual-class structure of our common stock, we may be excluded from certain indices and we cannot assure you that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices may preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. Our dual-class structure may also cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any actions or publications by stockholder advisory firms or institutional investors critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock.

In addition, it is unclear what effect, if any, such policies will have on the valuations of publicly traded companies excluded from such indices, but it is possible that they may adversely affect valuations, as compared to similar companies that are included.

***The market price of our Class A common stock may be volatile or may decline steeply or suddenly regardless of our operating performance, and we may not be able to meet investor or analyst expectations. You could lose all or part of your investment.***

The trading price of our Class A common stock may be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A common stock. Factors that could cause fluctuations in the trading price of our Class A common stock include the following:

- market acceptance of our products, services and solutions;
- announcements of the results of research and development projects by us or our competitors;
- announcements by others relating to quantum technology;
- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology or other stocks;
- changes in operating performance and stock market valuations of other companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders, as well as the anticipation of the expiration of, or release from, market standoff or lock-up agreements;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- our failure to meet projections we may provide to the public;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;

- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management;
- the market response to rights granted to Honeywell pursuant to our amended and restated certificate of incorporation and the Stockholder Agreement;
- general macroeconomic conditions and slow or negative growth of our markets; and
- other events or geopolitical factors, including those resulting from war, incidents of terrorism, natural disasters, public health threats, or responses to those events.

In addition, the stock market in general, and the market for technology companies in particular, has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies, particularly during the current period of global macroeconomic uncertainty. These economic, political, regulatory, and market conditions may adversely impact the market price of our Class A common stock, regardless of our actual results of operations. In the past, securities class action litigation and derivative litigation have often been instituted against companies following periods of volatility in the market price of a company's securities. These types of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which could adversely affect our business, financial condition, and results of operations. Additionally, the dramatic increase in the cost of directors' and officers' liability insurance may cause us to opt for lower overall policy limits and coverage or to forgo insurance that we may otherwise rely on to cover significant litigation defense costs, settlements, and damages awarded to plaintiffs, or incur substantially higher costs to maintain the same or similar coverage. Any of the above potential effects relating to potential volatility in the market price of our Class A common stock could have an adverse effect on our business, financial condition, and results of operations.

***Honeywell has influence over us, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote.***

As of September 30, 2026, the Honeywell Entities and their respective affiliates beneficially own approximately 47.4% of the combined voting power of common stock. Each share of Class A common stock and Class B common stock entitles its holder to one vote for each share held of record on all matters submitted to a vote of stockholders and on which the holders of the Class A common stock and Class B common stock are entitled to vote. Thus the Honeywell Entities and their respective affiliates, by virtue of their ownership in us, may exercise influence over corporate actions requiring stockholder approval, including the election and removal of directors and the size of our Board, any amendment of our amended and restated certificate of incorporation or amended and restated bylaws or the approval of any merger or other significant corporate transaction, including a sale of substantially all our assets, and may continue to have influence over our business, affairs and policies. This influence may limit the ability of holders of Class A common stock to influence corporate matters for the foreseeable future. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of Class A common stock as part of a sale of our company and ultimately might affect the market price of our Class A common stock.

In addition, as of September 30, 2026, the Continuing Common Unitholders, including the Honeywell Entities and their respective affiliates, own approximately 84.4% of the Common Units. Because they hold their ownership interest in our business directly in Quantinuum Holdings, rather than through Quantinuum Inc., the Continuing Common Unitholders, including the Honeywell Entities and their respective affiliates, may have conflicting interests with holders of shares of our Class A common stock. For example, if Quantinuum Holdings makes distributions to Quantinuum Inc., the non-managing members of Quantinuum Holdings will also be entitled to receive such distributions pro rata in accordance with their ownership of Common Units and their preferences as to the timing and amount of any such distributions may differ from those of our public stockholders. The Continuing Common Unitholders, including the Honeywell Entities and their respective affiliates, may also have different tax positions from us that could influence their decisions regarding whether and when to dispose of assets, especially in light of the existence of the Tax Receivable Agreement that we entered into in connection with the IPO with the TRA Parties, whether and when to incur new or refinance existing indebtedness and whether and when Quantinuum Inc. should terminate the Tax Receivable Agreement and accelerate its obligations thereunder. In addition, the structuring of future transactions may take into consideration our pre-IPO owners' tax or other considerations even where no similar benefit would accrue to us.

Holders of our Class B common stock do not have any economic rights or any right to receive dividends or distributions in excess of $0.0001 per share upon the liquidation or winding up of Quantinuum Inc. As of September 30,

2026, all of our Class B common stock is held by the Continuing Common Unitholders on a one-to-one basis with the number of Common Units that they own.

Additionally, under our amended and restated certificate of incorporation and the Stockholder Agreement Honeywell also has certain governance rights that provide Honeywell with influence over certain of our corporate and governance matters. Under the terms of the Stockholder Agreement, Honeywell has the right to designate individuals for nomination to the Board as follows:

- for so long as the Honeywell Entities and their respective affiliates beneficially own, in the aggregate, 40% or more of our securities that it held at the closing of the IPO, two individuals;
- for so long as the Honeywell Entities and their respective affiliates beneficially own, in the aggregate, 20% or more, but less than 40%, of our securities that it held at the closing of the IPO, one individual; and
- if the Honeywell Entities and their respective affiliates no longer beneficially own, in the aggregate, 20% or more of our securities that it held at the closing of the IPO, no individuals.

Under the terms of our amended and restated certificate of incorporation, the Board is classified into three classes of directors for a period of seven years following the closing of the IPO, with the directors serving three-year staggered terms in accordance with our amended and restated certificate of incorporation. Our amended and restated certificate of incorporation provides for such a classified board of directors and also provides that, beginning at the seventh annual meeting of stockholders, the directors whose terms expire at that meeting will be elected to hold office for a two-year term expiring at the ninth annual meeting of stockholders; at the eighth annual meeting of stockholders following the IPO, the directors whose terms expire at such meeting will be elected to hold office for a one-year term expiring at the ninth annual meeting of stockholders; and at the ninth annual meeting of stockholders, all directors will be elected to hold office for a one-year term expiring at the next annual meeting of stockholders. Commencing with the conclusion of the ninth annual meeting of stockholders, the classification of the Board shall cease, and all directors will be elected for terms expiring at the next succeeding annual meeting of stockholders. As a result, approximately one-third of our Board will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our Board. These governance provisions will have the effect of limiting or precluding the ability of our other investors to influence corporate matters for the foreseeable future.

Furthermore, pursuant to our amended and restated certificate of incorporation and the Stockholder Agreement, for so long as Honeywell is entitled to designate at least one individual for nomination to the Board, the Board will be required to maintain a standing committee of the Board called the "Transaction Committee." The terms of the Transaction Committee are also contained in our amended and restated certificate of incorporation. Under the terms of our amended and restated certificate of incorporation and the Stockholder Agreement, the Board is prohibited from taking action with respect to any of a list of enumerated "Covered Transactions" unless and until the Transaction Committee has first reviewed such Covered Transaction and made an affirmative recommendation to the Board to approve, authorize or otherwise take such action.

The Transaction Committee consists of four members. For so long as Honeywell has the right to designate two directors to the Board pursuant to our amended and restated certificate of incorporation and the Stockholder Agreement, both such directors shall serve on the Transaction Committee. If at any time Honeywell has the right to designate only one director to the Board, such director shall serve on the Transaction Committee. Except under certain circumstances, a quorum of the Transaction Committee will not be deemed present at any meeting of the Transaction Committee unless all Honeywell-designated directors are present at such meeting. All actions of the Transaction Committee require the affirmative vote of at least one Honeywell-designated director. The Transaction Committee may also act by unanimous written consent of all members of the Transaction Committee.

***Certain of our directors have relationships with Honeywell, which may cause conflicts of interest with respect to our business.***

Two of our directors are affiliated with Honeywell. Our Honeywell-affiliated directors have fiduciary duties to us and, in addition, have duties to Honeywell. As a result, these directors may face real or apparent conflicts of interest with respect to matters affecting both us and Honeywell, whose interests may be adverse to ours in some circumstances.

***Our amended and restated certificate of incorporation provides that the doctrine of "corporate opportunity" does not apply with respect to Honeywell and its affiliates and members of the Board of Directors who are not employees of the Company, including Honeywell or any director designated by Honeywell.***

The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers or directors or other fiduciaries from personally benefiting from opportunities that belong to the corporation. Our amended and restated certificate of incorporation provides that the doctrine of "corporate opportunity" does not apply to Honeywell and its affiliates or members of the Board who are not our employees, including any director designated by Honeywell, and their respective affiliates (each, an "Exempt Person") with respect to certain interests and expectancies in specified business opportunities, as set forth therein. Any Exempt Person will, therefore, have no duty to communicate or present corporate opportunities to us, and will have the right to either hold any corporate opportunity for their (and their affiliates') own account and benefit or to recommend, assign or otherwise transfer such corporate opportunity to persons other than us, including to any other Exempt Person, except with respect to any opportunity that is expressly offered to a director, executive officer or employee of ours or our subsidiaries solely in his or her capacity as such.

As a result, Honeywell and its affiliates and members of the Board who are not our employees, including any director designated by Honeywell and their respective affiliates, will not be prohibited from operating or investing in competing businesses, including in the same or similar lines of business in which we engage. We, therefore, may find ourselves in competition with Honeywell, its designated directors or their respective affiliates, and we may not have knowledge of, or be able to pursue, transactions that could potentially be beneficial to us. Accordingly, we may lose a corporate opportunity or suffer competitive harm, which could negatively impact our business, operating results and financial condition.

***Anti-takeover provisions in our governing documents could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our Class A common stock.***

Certain provisions in our amended and restated certificate of incorporation, amended and restated bylaws, the Stockholder Agreement and Delaware law may have the effect of delaying or preventing a change of control or changes in our management. These governing documents include provisions that:

- establish a classified board of directors, as a result of which our Board will be divided into three classes, with each class serving for staggered three-year terms;
- authorize our Board to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights and preferences determined by our Board that may be senior to our Class A common stock;
- prohibit, subject to the rights of the holders of any series of preferred stock then outstanding, our stockholders from acting by written consent in lieu of a meeting;
- specify that, subject to the rights of the holders of any series of preferred stock then outstanding and the requirements of applicable law, special meetings of stockholders may be called only by or at the direction of (i) the Chairperson of our Board (if any), (ii) our Chief Executive Officer, (iii) our Board pursuant to a resolution adopted by a majority of the Board or (iv) the Secretary (or other officer or our Board) at the request of any stockholder of ours who owned common stock immediately prior to our initial public offering and as of the date of such request owns, in the aggregate, at least 25% of the voting power of all of the then outstanding shares of our capital stock entitled to vote generally in the election of directors;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of candidates for election to our Board; provided, however, that so long as any party to the Stockholder Agreement is entitled to nominate (or designate for nomination) a director or directors pursuant to the Stockholder Agreement, such party shall not be subject to such advance notice provisions with respect to a nomination made pursuant to the Stockholder Agreement;
- for so long as the Stockholder Agreement is in effect and Honeywell has the right to designate at least one individual for nomination to our Board pursuant to the Stockholder Agreement, we will maintain the Transaction Committee;

- provide the ability of our Board to amend our amended and restated bylaws without obtaining stockholder approval;
- specify that, from and after the time that the Honeywell Entities and Cambridge Quantum and their respective affiliates collectively beneficially own less than 40% of the voting power of all of the then outstanding shares of our capital stock entitled to vote generally in the election of directors, in addition to any other vote required by law or our amended and restated certificate of incorporation, the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of capital stock entitled to vote thereon, voting together as a single class, will be required to amend or repeal, or adopt any provision inconsistent with, certain provisions of our amended and restated certificate of incorporation, including provisions relating to the reclassification and authorized number of shares of common stock, the rights of the common stock, transfer restrictions associated with the Class B common stock, the reservation of shares and splits and combinations of the Class A common stock and Class B common stock, amendment of our amended and restated bylaws, the classified board, the size of our Board, removal of directors, vacancies on our Board, the Transaction Committee, special meetings of stockholders, prohibition of action by written consent of stockholders, elimination of liability of directors and certain officers for certain breaches of fiduciary duties, the corporate opportunity doctrine, and exclusive forum;
- specify that stockholders may not adopt, amend, alter or repeal our bylaws unless such action is approved, in addition to any other vote required by our amended and restated certificate of incorporation or applicable law, (a) as long the Honeywell Entities and Cambridge Quantum and their respective affiliates collectively beneficially own at least 40% of the voting power of all of the then outstanding shares of our capital stock entitled to vote generally in the election of directors, by the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of our capital stock entitled to vote thereon, voting together as a single class, or (b) from and after the time the Honeywell Entities and Cambridge Quantum and their respective affiliates collectively beneficially own less than 40% of the voting power of all of the then outstanding shares of our capital stock entitled to vote generally in the election of directors, by the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of our capital stock entitled to vote thereon, voting together as a single class; and
- prohibit cumulative voting in the election of directors.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law (the "DGCL"), which prevents us from engaging in certain "business combinations" (generally defined as a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder) with any "interested stockholder" (generally defined as any stockholder that is the beneficial owner of 15% or more of our outstanding voting stock and its affiliates and associates) for a period of three years following the time that such stockholder became an interested stockholder, unless (i) prior to the time such stockholder became an interested stockholder, our Board approved either the business combination or transaction that resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned 85% of the voting stock of the company outstanding at the time the transaction commenced (excluding certain shares) or (iii) at or subsequent to that time, the business combination is approved by our Board and by the affirmative vote of the holders of at least 66 2/3% of our outstanding voting stock not owned by such interested stockholder. Our amended and restated certificate of incorporation provides that we will be governed by Section 203 of the DGCL.

Furthermore, pursuant to our amended and restated certificate of incorporation and the Stockholder Agreement, for so long as the Stockholder Agreement is in effect and Honeywell is entitled to designate at least one individual for nomination to the Board, we are required to have standing committee of the Board called the "Transaction Committee." The terms of the Transaction Committee are also contained in our amended and restated certificate of incorporation. Under the terms of our amended and restated certificate of incorporation and the Stockholder Agreement, the Board is prohibited from taking action with respect to any of a list of specified actions unless and until the Transaction Committee has first reviewed such Covered Transaction and made an affirmative recommendation to the Board to approve, authorize or otherwise take such action. See "—Honeywell has and will continue to have influence over us, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote,"

These provisions, as well as other anti-takeover provisions in our governing documents, alone or together, may delay, disrupt or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board, which is responsible for appointing the members of our management. Any delay or prevention of a change of control transaction or changes in our management could cause the market price of our Class A common stock to decline.

***Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.***

Our amended and restated bylaws generally provide indemnification and advancement of expenses for our directors and officers to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the DGCL, our amended and restated bylaws provide that:

- Subject to limited exceptions, we will indemnify our directors and officers to the fullest extent permitted by Delaware law.
- We may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.
- We are required to pay expenses (including attorneys' fees) incurred by our directors and officers, and may, in our discretion, pay the expenses incurred by an employee or agent, in defending an action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), in advance of the final disposition of that Proceeding, except that payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the person to repay all amounts advanced if it is ultimately determined by a final judicial decision of a court of competent jurisdiction from which there is no further right to appeal that such person is not entitled to indemnification under the amended and restated bylaws or otherwise.
- We will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person, except with respect to proceedings authorized in the specific case by our Board or brought to enforce a right to indemnification or advancement of expenses.
- The rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons.

We may not retroactively repeal or modify provisions of our amended and restated bylaws with respect to indemnification to adversely affect any right or protection (i) provided in the amended and restated bylaws of any person in respect of any act or omission occurring prior to the time of such repeal or modification or (ii) under any agreement providing for indemnification or advancement of expenses of any of our officers, directors, employees or agents in effect prior to the time of such repeal or modification.

***Our amended and restated bylaws designate the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States as the exclusive forums for substantially all disputes between us and our stockholders, which will restrict our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees.***

Our amended and restated bylaws provide that, unless Quantinuum consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or in the event the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action, suit or proceeding brought on our behalf, (ii) any action, suit or proceeding asserting a claim of breach of fiduciary duty owed by any of our current or former directors, officers, other employees or stockholder, to us or our stockholders, (iii) any action, suit or proceeding arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation, or our amended and restated bylaws (as either may be amended or restated) or as to which the DGCL confers exclusive jurisdiction on the Court of Chancery, or (iv) and any action, suit or proceeding asserting a claim governed by the internal affairs doctrine; provided, however, that our amended and restated bylaws provides that this choice of forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, or any other claim for which the U.S. federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws further provide that the federal district courts of the U.S. will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act or any other claim for which the federal courts of the U.S. have exclusive jurisdiction.

Notwithstanding the foregoing provisions, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and

enforceability of the exclusive forum provisions of our amended and restated bylaws. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may (i) increase the costs for an investor and/or (ii) limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find either exclusive-forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition and results of operations.

Although we believe these provisions are valid and enforceable, a court could determine that one or more of these provisions are inapplicable or unenforceable as to a particular claim or as applied in a particular jurisdiction. For example, while the Delaware Supreme Court has upheld the facial validity of a federal forum provision for Securities Act claims in the context of a Delaware corporation's charter, there remains uncertainty as to whether and in what circumstances courts outside Delaware will enforce similar provisions. In addition, if a court were to find our exclusive forum provisions unenforceable in whole or in part, we could incur additional costs associated with litigating claims in multiple jurisdictions, and we could face the risk of inconsistent judgments or outcomes. We do not intend the Delaware or the Securities Act forum provisions in our amended and restated bylaws to limit the forums available to our stockholders for actions or proceedings asserting claims arising under the Exchange Act, which are already limited to the federal courts of the U.S. pursuant to the Exchange Act.

***Additional stock issuances (including pursuant to the redemption of Common Units from any Continuing Common Unitholders and pursuant to the U.S. Government Transaction) could result in significant dilution to our stockholders and cause the trading price of our Class A common stock to decline.***

Subject to the terms of our amended and restated certificate of incorporation and the Stockholder Agreement, we may issue our capital stock or securities convertible into our capital stock from time to time in connection with financing our business operations or growth, to repay debt, or for acquisitions, investments or otherwise (including pursuant to the redemption of Common Units from any Continuing Common Unitholders). Additional issuances of our common stock or securities convertible into common stock will result in dilution to existing holders of our common stock. Any such issuances could result in substantial dilution to our existing stockholders and cause the trading price of our Class A common stock to decline.

In particular, following the issuance of shares of Class A common stock in connection with the redemption of Common Units from any Continuing Common Unitholders and the related cancellation of shares of our Class B common stock, such shares of Class A common stock will have the same economic rights as other shares of Class A common stock.

Furthermore, in connection with the U.S. Government Transaction, we issued 2,369,528 shares of our Class A common stock to the Department of Commerce on September 9, 2026. We may require additional capital to fund our operations and project development, and we may seek to raise such capital through the issuance of additional shares of common stock, preferred stock, warrants, convertible notes, or other equity or equity-linked securities.

***Future sales, or the perception of future sales, by us or our existing stockholders in the public market could cause the market price for our Class A common stock to decline.***

The sale of shares of our Class A common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Class A common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As of September 30, 2026, we had a total of 43,313,266 shares of Class A common stock outstanding, all of which will be freely tradable without restriction or further registration under the Securities Act, other than any shares held by our affiliates. Any shares of Class A common stock held by our affiliates, including those purchased by our directors or officers pursuant to our directed share program will be eligible for resale pursuant to Rule 144 under the Securities Act, subject to the volume, manner of sale, holding period and other limitations of Rule 144.

Our directors and executive officers, and holders of 1% or more of our issued and outstanding shares of capital stock or other securities convertible into or exchangeable for shares of our capital stock outstanding at the time of consummation of the IPO, entered into lock-up agreements with the underwriters in the IPO prior to the commencement of the IPO pursuant to which each of these persons or entities, subject to certain exceptions, restrict the sale of the shares of our Class

A common stock and certain other securities held by them for a period of 180 days after the date of the IPO. J.P. Morgan and Morgan Stanley may, in their sole discretion and at any time, release all or any portion of the shares or securities subject to any such lock-up agreements.

In addition, we have initially reserved 40,899,555 shares of Class A common stock for issuance under the 2026 Plan. Any Class A common stock that we issue under the 2026 Plan or other equity incentive plans that we may adopt in the future would dilute the percentage ownership held by current holders of shares of Class A common stock.

As restrictions on resale end or if these stockholders exercise their registration rights, the market price of our shares of Class A common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of Class A common stock or other securities.

Furthermore, in connection with the U.S. Government Transaction, we expect to issue additional shares of our Class A common stock. Any Class A common stock that we issue in connection with the U.S. Government Transaction in the future would dilute the percentage ownership held by current holders of shares of Class A common stock.

In the future, subject to the terms of our amended and restated certificate of incorporation and the Stockholder Agreement, we may also issue securities in connection with investments, acquisitions, or capital raising activities. In particular, the number of shares of our Class A common stock issued in connection with an investment or acquisition, or to raise additional equity capital, could constitute a material portion of our then-outstanding shares of our Class A common stock. Any such issuance of additional securities in the future may result in additional dilution to you or may adversely impact the price of our Class A common stock.

***We have incurred substantial stock-based compensation expense and substantial obligations related to the vesting of restricted share awards and the grant and/or settlement of options and RSU awards in connection with the completion of the IPO, which may have an adverse effect on our financial condition and results of operations and may result in substantial dilution.***

In connection with the IPO, (i) we assumed the 2023 Plan, (ii) restricted Quantinuum Class C shares granted under the 2023 Plan were converted into 2,898,904 restricted shares of our Class A common stock, (iii) RSU awards granted under the 2023 Plan covering Quantinuum Class C shares were converted into RSU awards covering 757,816 shares of our Class A common stock, (iv) we granted RSU awards covering 8,475,115 shares of our Class A common stock under the 2026 Plan to our employees pursuant to contractual obligations to grant RSU awards that we assumed in connection with the Reorganization Transactions and (v) we granted options and RSU awards covering 409,146 shares of our Class A common stock under the 2026 Plan. Of these, in connection with the closing of the IPO, 1,744,726 restricted shares of our Class A common stock vested, 568,362 RSUs granted under the 2023 Plan vested and were settled in shares of our Class A common stock and 3,064,259 RSUs granted under the 2026 Plan vested and were settled in shares of our Class A common stock. We incurred substantial stock-based compensation expenses and expended substantial funds to satisfy tax withholding and remittance obligations related to these restricted shares of Class A common stock and RSU awards.

Restricted share awards covering Class A common stock and RSU awards granted under the 2023 Plan vest on the satisfaction of both (i) a service- or performance-based requirement and (ii) a liquidity event requirement, such that the applicable award vests as of the first date upon which both requirements are satisfied. The service-based requirement generally is satisfied in equal annual installments over a four-year period, subject to the grantee's continued service through the applicable vesting date. The performance-based requirement generally is satisfied upon the achievement of performance objectives for an applicable performance year, subject to the grantee's continued service through the last day of the applicable performance year. The liquidity event requirement was satisfied in connection with the closing of the IPO, such that the portion of each award that has satisfied the award's service- or performance-based requirement as of the closing of the IPO was vested. In addition, options and RSU awards will vest over a period of time; as noted above, a portion of these awards were vested as of the grant date of these awards.

Upon the IPO, we recorded a cumulative adjustment to Stock compensation expense totaling $103.8 million and $327.9 million for the 2023 Plan and 2026 Plan, respectively. As of September 30, 2026, unrecognized Stock compensation expense related to the 2023 Plan and 2026 Plan awards that are expected to vest was $22.6 million and $183.3 million, which is expected to be recognized over a weighted-average period of 1.5 years and 2.4 years, respectively.

In addition, a large number of shares of Class A common stock were issued or will be issuable if the applicable vesting conditions of each of these awards are satisfied. On the vesting or settlement dates for these awards, as applicable, we withheld, or plan to withhold shares and remit taxes on behalf of the holders of such awards at applicable statutory rates,

which we refer to as net settlement, which resulted in substantial tax withholding obligations. The amount of tax withholding obligations depends on the price of our Class A common stock, the actual number of restricted shares or RSUs for which the vesting conditions are satisfied over time and the applicable tax withholding rates then in effect. Upon the IPO, using an approximate 40.7% income tax withholding rate and an IPO price of $60.00 per share at vesting and settlement, for the 5,345,149 restricted shares and RSUs that vested as described in the preceding paragraphs in connection with the closing of the IPO, our cash obligation on behalf of the grantees to the relevant tax authorities to satisfy tax withholding obligations was $130.7 million, and we delivered an aggregate of approximately 3,180,065 shares of our Class A common stock to net settle these awards, after withholding an aggregate of approximately 2,165,084 shares of our Class A common stock.

Going forward, the actual amount of these tax obligations and the number of shares to be issued will depend on the price of our Class A common stock upon vesting or settlement, the actual number of shares of Class A common stock or RSUs for which the vesting conditions are satisfied, and the applicable tax withholding rates then in effect.

***Our trading price and trading volume could decline if securities or industry analysts do not publish research about our business, or if they publish unfavorable research.***

As a new public company, the analysts who publish information about our Class A common stock, will have had relatively little experience with our business, which could affect their ability to accurately forecast our results and make it more likely that we fail to meet their estimates. We cannot assure you that any equity research analysts will adequately provide research coverage of our Class A common stock after the listing of our Class A common stock on Nasdaq. A lack of adequate research coverage may harm the liquidity and trading price of our Class A common stock. To the extent equity research analysts do provide research coverage of our Class A common stock, we will not have any control over the content and opinions included in their reports. The trading price of our Class A common stock could decline if one or more equity research analysts downgrade our stock or publish other unfavorable commentary or research. If one or more equity research analysts cease coverage of our company, or fail to regularly publish reports on us, the demand for our Class A common stock could decrease, which in turn could cause our trading price or trading volume to decline.

***We do not intend to pay dividends for the foreseeable future.***

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. We expect to retain future earnings, if any, to fund the development and growth of our business. Any future determination to pay dividends on our capital stock will be at the discretion of our Board. In addition, our ability to pay dividends on our capital stock may be further restricted by the terms of any future debt or preferred securities and is subject to the terms of our amended and restated certificate of incorporation and the Stockholder Agreement. Holders of our Class B common stock do not have any economic rights or any right to receive dividends, or to receive a distribution in excess of $0.0001 per share upon a liquidation, dissolution or winding up of Quantinuum Inc., with respect to their Class B common stock. Accordingly, stockholders must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

***The JOBS Act will allow us to postpone the date by which we must comply with certain laws and regulations intended to protect investors and to reduce the amount of information we provide in our reports filed with the SEC. We cannot be certain if this reduced disclosure will make our Class A common stock less attractive to investors.***

The JOBS Act is intended to reduce the regulatory burden on "emerging growth companies." As defined in the JOBS Act, a public company whose initial public offering of common equity securities occurs after December 8, 2011, and whose annual net revenues are less than $1.235 billion will, in general, qualify as an "emerging growth company" until the earliest of:

- the last day of its fiscal year following the fifth anniversary of the date of its initial public offering of common equity securities;
- the last day of its fiscal year in which it has annual gross revenue of $1.235 billion or more;
- the date on which it has, during the previous three-year period, issued more than $1.0 billion in nonconvertible debt; and
- the date on which it is deemed to be a "large accelerated filer", which will occur at such time as the company (1) has an aggregate worldwide market value of common equity securities held by non-affiliates of $700 million or more as of the last business day of its most recently completed second fiscal quarter, (2) has been subject to the

reporting requirements under the Exchange Act for a period of at least 12 months, and (3) has filed at least one annual report pursuant to the Exchange Act.

Under this definition, we are an "emerging growth company" and could remain an "emerging growth company" until as late as December 31, 2031. For so long as we are an "emerging growth company," we will, among other things:

- only be required to have two years of audited financial statements and two years of related management's discussion and analysis of financial condition and results of operations disclosure;
- not be required to engage an auditor to report on our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act");
- not be required to comply with the requirement of the PCAOB, regarding the communication of critical audit matters in the auditor's report on the financial statements;
- not be required to submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay," "say-on-frequency" and "say-on-golden parachutes"; and
- not be required to comply with certain disclosure requirements related to executive compensation, such as the requirement to present a comparison of our Chief Executive Officer's compensation to our median employee compensation.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. This permits an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to use this extended transition period and, as a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to other public companies.

We cannot predict if investors will find our Class A common stock less attractive as a result of our decision to take advantage of some or all of the reduced disclosure requirements above. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

**General Risks**

***Our quarterly results of operations and financial condition may fluctuate significantly and could fall below the expectations of securities analysts and investors due to seasonality and other factors, some of which are beyond our control, resulting in a decline in our stock price.***

Our quarterly results of operations and financial condition may fluctuate significantly because of several factors, including:

- labor availability and costs for hourly and management personnel;
- profitability of our products, services and solutions, especially in new markets and due to seasonal fluctuations;
- changes in interest rates;
- impairment of long-lived assets;
- macroeconomic conditions, both nationally and locally;
- negative publicity relating to products we serve;
- changes in consumer preferences and competitive conditions;
- expansion to new markets; and
- fluctuations in commodity prices.

***Our management has limited experience operating a public company, and thus our success in such endeavors cannot be guaranteed.***

Our executive officers have limited experience in the management of a publicly traded company. Our management team may not successfully or effectively manage our transition to a public company that will be subject to significant regulatory oversight and reporting obligations under U.S. securities laws. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities which will result in less time being devoted to the management and growth of the company. We may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal control over financial reporting required of public companies in the United States. This could impact our ability or prevent us from timely reporting our results of operations and financial condition, timely filing required reports with the SEC and complying with Section 404 of the Sarbanes-Oxley Act. The development and implementation of the standards and controls necessary for us to achieve the level of accounting standards required of a public company in the United States may require costs greater than expected. It is possible that we will be required to expand our employee base and hire additional employees to support our operations as a public company, which will increase our operating costs in future periods.

***We have and will continue to incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives and corporate governance practices. We may fail to comply with the rules that apply to public companies, including Section 404 of the Sarbanes-Oxley Act, which could result in sanctions or other penalties that could adversely impact our business.***

As a public company, and particularly after we are no longer an "emerging growth company," we have and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company, including costs resulting from public company reporting obligations under the Securities Act, or the Exchange Act, and regulations regarding corporate governance practices. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules of the SEC, the listing requirements of Nasdaq, and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. We have begun to hire additional accounting, finance and other personnel in connection with our becoming, and our efforts to comply with the requirements of being, a public company, and our management and other personnel will need to devote a substantial amount of time towards maintaining compliance with these requirements. These requirements will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We cannot predict or estimate the amount of additional costs we will incur as a result of becoming a public company or the timing of such costs. Any changes we make to comply with these obligations may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis, or at all. These reporting requirements, rules and regulations, coupled with the increase in potential litigation exposure associated with being a public company, could also make it more difficult for us to attract and retain qualified persons to serve on our Board or board committees or to serve as executive officers, or to obtain certain types of insurance, including directors' and officers' insurance, on acceptable terms.

Pursuant to Sarbanes-Oxley Act Section 404, we will be required to furnish a report by our management on our internal control over financial reporting beginning with the filing of our Annual Report on Form 10-K with the SEC for the year ending December 31, 2027. In order to continue to maintain effective internal controls to support growth and public company requirements, we will need additional financial personnel, systems and resources. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Sarbanes-Oxley Act Section 404 within the prescribed period, we will be engaged in a process to enhance our documentation and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Sarbanes-Oxley Act Section 404. If we identify one or more material weaknesses in the future, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

***Changes in statutory, regulatory, accounting and other legal requirements, including changes in accounting principles generally accepted in the United States, could potentially impact our operating and financial results.***

We are subject to numerous statutory, regulatory and legal requirements. Our business, results of operations and financial condition could be negatively impacted by developments in these areas due to the costs of compliance in addition to possible government penalties and litigation in the event of deemed noncompliance. Changes in the regulatory environment in the area of safety, privacy and information security, wage and hour laws, among others, could potentially impact our operations and financial results.

Generally accepted accounting principles in the United States ("GAAP") are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including regulations implemented by the SEC and Nasdaq, may increase legal and financial compliance costs and make some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased selling, general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If, notwithstanding our efforts, we fail to comply with new laws, regulations and standards, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

***Our facilities or operations could be damaged or adversely affected as a result of natural disasters and other catastrophic events.***

Our facilities or operations could be adversely affected by events outside of our control, such as natural disasters, and other calamities. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, cybersecurity threats, break-ins, war, riots, terrorist attacks, geopolitical events, acts of misconduct, or similar events. Various environmental, social, and political pressures, including from climate change, may increase the frequency or intensity of such events or contribute to chronic changes that may have similar impacts, such as changes in the availability or quality of water available for digital infrastructure on which we may rely. Despite any precautions we may take, any of the foregoing events may give rise to interruptions, performance problems, breakdowns, system failures (including those of our third party service providers we rely on), platform failures (including those of our third party service providers we rely on), internet failures or failure of our infrastructure, which could cause the loss or corruption of data (including sensitive, confidential and proprietary data) or malfunctions of software or hardware as well as adversely affect our ability to provide services. In addition, our ability to conduct normal business operations could be severely affected. In the event of significant physical damage to one of these facilities, it may take a significant period of time to achieve full resumption of our services, and our disaster recovery planning may not account for all eventualities. In addition, any negative publicity arising from these disruptions could harm our reputation and brand and adversely affect our business.

***We are subject to a series of risks related to sustainability and related stakeholder expectations.***

There is scrutiny from various stakeholders on companies' management of environmental, social, and political matters, including climate change, human capital, and resource use. We may from time to time engage in certain efforts to improve our sustainability profile or otherwise respond to stakeholder expectations; however, we cannot guarantee these efforts will have the desired effect. Stakeholder expectations evolve over time, vary, and at times can conflict. For example, while some regulators (such as the European Union and the State of California) have adopted requirements for certain companies to undertake sustainability disclosures or other actions, other policymakers have sought to actively constrain companies' consideration of such matters. Both advocates and opponents of such matters, including underlying technologies or applications, are increasingly relying on various forms of activism to advance their views. For example, there are increasingly nuanced claims of greenwashing against companies for alleged failures in disclosure, methodology, or performance. Additionally, various local communities have expressed increasing concern or opposition regarding data centers, which are important to certain of our product/service offerings. Our industry and associated industries may be particularly subject to such risks due to the perceived resource intensity of our products, services and solutions offerings or underlying operations or any failure to meet expectations regarding the associated societal benefits quantum computing may deliver, including the timeline of such benefits. Failure to successfully navigate stakeholder expectations may result in reputational harm, loss of customers, regulatory engagement, or other adverse impacts to our business. Various of our

business partners, suppliers, and other stakeholders are subject to similar risks that may augment existing or create additional risks.

***Unfavorable conditions in our industry or the global economy, including uncertain geopolitical conditions, could limit our ability to grow our business and negatively affect our results of operations.***

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers and potential customers. Negative conditions in the general economy in the U.S. and foreign jurisdictions, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, inflation, international trade relations, pandemics (such as the COVID-19 pandemic), political turmoil, uncertain geopolitical conditions, natural catastrophes, warfare and terrorist attacks could cause a decrease in business investments, including the progress on development of quantum technologies, and negatively affect the growth of our business. In February 2022, Russia launched a large-scale invasion of Ukraine and, in February 2026, the United States and Israel launched aerial attacks on Iran. Although the length and impact of the ongoing military conflicts are highly unpredictable, these conflicts could lead to market disruptions, including significant volatility in commodity prices, availability of the credit markets and capital markets. These military actions and the resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional funds. Any of the abovementioned factors could affect our business, prospects, financial condition, and operating results. The extent and duration of military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions may also magnify the impact of other risks described in this Quarterly Report on Form 10-Q.

In addition, in challenging economic times, our current or potential future customers may experience cash flow problems and as a result may modify, delay or cancel plans to purchase our products, services and solutions. Many of our customers invest in quantum computing products, services and solutions as part of their medium- to longer-term strategies to optimize aspects of their business, and significant global disruptions or geopolitical conflicts may result in potential customers focusing on short-term challenges, resulting in a reduction in their investments in quantum computing. Additionally, if our customers are not successful in generating sufficient revenue or are unable to secure financing, they may not be able to pay, or may delay payment of, accounts receivable due to us. Moreover, our key suppliers may reduce their output or become insolvent, thereby adversely impacting our ability to manufacture our products. Furthermore, uncertain economic conditions may make it more difficult for us to raise funds through borrowings or private or public sales of debt or equity securities. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry.

***If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our business, results of operations and financial condition could be adversely affected.***

The preparation of financial statements in conformity with GAAP and our key metrics require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes and amounts reported in our key metrics. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates were used in preparing our consolidated financial statements. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our common stock.

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

**Unregistered Sales of Equity Securities**

*U.S. Department of Commerce Securities Issuance*

On September 9, 2026, pursuant to that certain Securities Issuance Agreement described in Note 11 — U.S. Department of Commerce CHIPS Arrangement, the Department of Commerce received 2,369,528 shares of our Class A common stock. The issuance of the Shares by the Company was made in reliance upon the exemption from the registration requirements of Section 4(a)(2) under the Securities Act thereof as a transaction by an issuer not involving any public offering, and the transfer of the Shares by the Company to the Department of Commerce was made pursuant to an exemption from the registration requirements of the Securities Act that is commonly referred to as the Section 4(a)(1 1/2) exemption.

**Use of Proceeds**

In June 2026, we closed our IPO, in which we registered and sold 28,500,000 shares of our Class A common stock (including 500,000 shares sold pursuant to the underwriters' option to purchase additional shares). The shares of our Class A common stock sold in the IPO were registered under the Securities Act pursuant to our registration statement on Form S-1, as amended (File No. 333-295701), which was declared effective by the SEC on June 3, 2026. Our shares of Class A common stock were sold at an initial public offering price of $60.00 per share, which generated aggregate gross proceeds of approximately $1.68 billion. We received net proceeds from our IPO of approximately $1.59 billion, after deducting underwriting discounts and other offering expenses. J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC acted as representatives of the underwriters for the offering.

We granted the underwriters a 30-day option from the date of the IPO to purchase up to 4,200,000 additional shares of Class A common stock at the initial public offering price of $60.00 per share, less underwriting discounts and commissions. The underwriters exercised this option.

There has been no material change in the planned use of proceeds from the IPO as described in our final prospectus dated June 3, 2026 and filed with the SEC pursuant to Rule 424(b) under the Securities Act on June 5, 2026.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

**Rule 10b5-1 Trading Plans**

Rajeeb Hazra 10b5-1 Plan

On September 14, 2026, Rajeeb Hazra, President, Chief Executive Officer and Director of the Company, entered into a pre-arranged written stock sale plan in accordance with Rule 10b5-1 under the Exchange Act for the sale of shares of the Company's Class A common stock owned by Mr. Hazra (the "Hazra 10b5-1 Plan").

The Hazra 10b5-1 Plan was entered into during an open trading window in accordance with the Company's policies regarding transactions in the Company's securities and was intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The Hazra 10b5-1 Plan provides for the potential sale of up to 67,625 shares, plus an indeterminate number of shares to be sold to satisfy tax withholding obligations upon the vesting of restricted stock units, so long as the market price of the Company's Class A common stock is higher than certain minimum threshold prices specified in the Hazra 10b5-1 Plan, between December 14, 2026 and November 12, 2027.

The Hazra 10b5-1 Plan includes a representation from Mr. Hazra to the broker administering the plan that he was not in possession of any material nonpublic information regarding the Company or the securities subject to the Hazra 10b5-1 Plan at the time it was entered into. A similar representation was made to the Company in connection with the adoption of the Hazra 10b5-1 Plan under the Company's policies regarding transactions in the Company's securities. Those representations were made as of the date of adoption of the Hazra 10b5-1 Plan, and speak only as of such date. In making those representations, there is no assurance with respect to any material nonpublic information of which Mr. Hazra was unaware, or with respect to any material nonpublic information acquired by Mr. Hazra or the Company after the date of the representation.

## Item 6. Exhibits

| Exhibit Number | Exhibit Description |
|---|---|
| 10.1*+ | Other Transaction Agreement, by and between Quantinuum LLC and United States Department of Commerce, dated September 4, 2026. |
| 10.2*+ | Securities Issuance Agreement, by and between Quantinuum Inc., Quantinuum Holdings, LLC, Quantinuum LLC and United States Department of Commerce, dated September 8, 2026. |
| 31.1* | Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2* | Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 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 |
| 32.2** | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101 | The following financial information from Quantinuum Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Loss, (iv) the Condensed Consolidated Statements of Temporary Equity and Shareholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

* Filed herewith.

\+ Certain schedules and similar attachments to this exhibit have been omitted pursuant to Item 601(a)(5) and/or Item 601(b)(10)(iv), as applicable, of Regulation S-K. The registrant agrees to furnish an unredacted copy of this exhibit (including any omitted schedule or attachment) to the SEC upon request.

** The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q, and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in such filing.

**SIGNATURES**

Pursuant to the requirements 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.

QUANTINUUM INC.

Date: November 9, 2026

By: /s/ Dr. Rajeeb Hazra

Dr. Rajeeb Hazra
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: November 9, 2026

By: /s/ Nitesh Sharan

Nitesh Sharan
Chief Financial Officer
(Principal Financial Officer)

**INFORMATION IN THIS EXHIBIT IDENTIFIED BY [***] IS CONFIDENTIAL AND HAS BEEN REDACTED PURSUANT TO ITEM 601(B)(10)(iv) OF REGULATION S-K BECAUSE IT IS BOTH NOT MATERIAL AND CUSTOMARILY AND ACTUALLY TREATED BY THE REGISTRANT AS PRIVATE OR CONFIDENTIAL.**

# OTHER TRANSACTION AGREEMENT

BETWEEN

Quantinuum LLC

303 S. Technology Court, Broomfield, Colorado 80021

AND

United States Department of Commerce

1401 Constitution Avenue, NW, Washington, DC 20230

CONCERNING

## ADVANCED MICROELECTRONICS RESEARCH AND DEVELOPMENT IN THE U.S.

FAIN: 80NANB26T204

Award Amount: $100,000,000

Authorities: 15 U.S.C. § 4656(c)(2)(A)

15 U.S.C. § 4659(a)(1)

15 U.S.C. § 4656(d)

Award Date: September 4, 2026

Pursuant to the Authorities specified above, this Other Transaction Agreement is entered into as of the Award Date specified above, between Quantinuum LLC, a Delaware limited liability company (the "**Awardee**"), and the U.S. Department of Commerce (the "**Department**").

| **QUANTINUUM LLC** | **UNITED STATES DEPARTMENT OF COMMERCE** |
|---|---|
| By: /s/ Dr. Rajeeb Hazra | By: /s/ Bill Frauenhofer |
| Name: Dr. Rajeeb Hazra | Name: Bill Frauenhofer |
| Title: President | Title: Executive Director<br>Semiconductor Innovation and Investment |

**CONTENTS**


ARTICLE I. GENERAL PROVISIONS 4
A. Authorities 4
B. Rules of Interpretation; Definitions 4
ARTICLE II. PROJECT 4
A. Scope 4
B. Project Plans 5
C. Milestones 5
D. Period of Performance 5
ARTICLE III. FINANCIAL REQUIREMENTS 5
A. Award Amount 5
B. ASAP Payments; Funding Tranches 5
C. Eligible Project Costs 6
D. Financial Records 7
E. Audits; Site Visits 7
ARTICLE IV. DELIVERABLES 7
A. Award Date Deliverables 7
B. Post-Award Date Deliverables 7
C. Project Plans 8
D. Reporting Requirements 8
ARTICLE V. REPRESENTATIONS AND WARRANTIES 8
A. Organization 8
B. Authorization; No Conflict 8
C. Legality; Validity; Enforceability 9
D. Financial Statements 9
E. Litigation 9
F. Debarment and Suspension 9
G. Inverted Domestic Corporation Status 9
H. Tax Liability 9
ARTICLE VI. PROGRAM REQUIREMENTS 10
ARTICLE VII. RESERVED. 10
ARTICLE VIII. COMPLIANCE WITH APPLICABLE LAWS AND EXECUTIVE ORDERS 10
A. Compliance with Applicable Laws 10
B. Compliance with Executive Orders 10
ARTICLE IX. OTHER REQUIREMENTS 11
A. Lobbying Restrictions 11
B. Whistleblower Protections 11
C. Government Furnished Information/Property 11
D. Publication Requirements 12
E. Federal Award Performance and Integrity Information 12
F. Federally Funded Transportation 12
G. Debarment and Suspension 12
ARTICLE X. NON-COMPLIANCE WITH AGREEMENT 12
A. Remedies 12

B. Cure Period 13
C. Miscellaneous 13
ARTICLE XI. MISCELLANEOUS PROVISIONS 13
A. Termination Rights 13
B. Survival 14
C. Agreement Administration 14
D. Waivers and Amendments 15
E. No Assignments 15
F. Flow Down 15
G. No Partnership 16
H. Federal Debt 16
I. Disputes 16
J. Limitation of Liability 17
K. Integration; Counterparts 17
L. Public Announcements. 17
M. Governing Law. 18
N. Waiver of Jury Trial. 18
ARTICLE XII. ATTACHMENTS 19
ATTACHMENT 1. STATEMENT OF WORK 19
ATTACHMENT 2. RULES OF INTERPRETATION; DEFINITIONS 20
ATTACHMENT 3. INTELLECTUAL PROPERTY 27
ATTACHMENT 4. SECURITY 33
ATTACHMENT 5. DOMESTIC CONTROL AND PRODUCTION 39
ATTACHMENT 6. DAVIS-BACON ACT REQUIREMENTS 42
ATTACHMENT 7. PROJECT PLANS; REPORTING REQUIREMENTS 44
ATTACHMENT 8. FORM OF SECURITIES ISSUANCE AGREEMENT 48

## ARTICLE I. GENERAL PROVISIONS

### A. Authorities

This Agreement is entered into pursuant to Title XCIX of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116-283)—Creating Helpful Incentives to Produce Semiconductors for America, as amended by the CHIPS Act of 2022 (Division A of Pub. L. 117-167) (collectively, the "**CHIPS Act**"). Pursuant to 15 U.S.C. § 4656(c)(1), the Secretary of Commerce, in collaboration with the Secretary of Defense, is directed to "establish a national semiconductor technology center to conduct research and prototyping of advanced semiconductor technology … to strengthen the economic competitiveness and security of the domestic supply chain." Pursuant to 15 U.S.C. § 4656(c)(1), the Secretary of Commerce may make financial assistance awards, including construction awards, in support of such national semiconductor technology center. Pursuant to 15 U.S.C. § 4656(d), the Secretary of Commerce may make financial assistance awards, including construction awards, to strengthen semiconductor advanced test, assembly, and packaging capability in the domestic ecosystem. Pursuant to 15 U.S.C. § 4659(a)(1), the Secretary of Commerce may enter into agreements, including contracts, grants and cooperative agreements, and other transactions, in carrying out the responsibilities of the Department under 15 U.S.C. §§ 4656(c)(1), (d).

On September 24, 2025, the National Institute of Standards and Technology ("**NIST**"), a bureau within the Department, announced it was soliciting proposals from eligible applicants for research, prototyping, and commercial solutions that advance microelectronics technology in the U.S. to be considered for funding by the CHIPS Research and Development Office ("**CRDO**") pursuant to the Broad Agency Announcement (2025-NIST-CHIPS-CRDO-01) (as amended, the "**BAA**"). On April 13, 2026, the Awardee submitted an application in response to the BAA. On May 20, 2026, the Department entered into a letter of intent with the Awardee with respect to the application. Pursuant to the BAA, this Agreement is entered into as of the date hereof for the purpose of advanced microelectronics research and development related to the application of quantum technology. This Agreement is an other transaction pursuant to 15 U.S.C. § 4659(a)(1).

### B. Rules of Interpretation; Definitions

The rules of interpretation set forth in Attachment 2 (**Rules of Interpretation; Definitions**), Article 1 shall apply to this Agreement. Capitalized terms used in this Agreement shall have the meanings set forth in this Agreement, including as set forth in Attachment 2 (**Rules of Interpretation; Definitions**), Article 2 and the other Attachments.

## ARTICLE II. PROJECT

### A. Scope

The scope of the project (the "**Project**") shall consist of (i) Research and Development Activities related to (1) the development of low-loss integrated photonics capable of operation at 422 nm, (2) the prototyping of control application-specific integrated circuits on a suitable high-voltage process for cryogenic operation, and (3) the development and packaging of reliable optical components (including optical amplifiers, acousto-optic modulators, and electro-optic modulators) at trapped-ion critical wavelengths, in each case at the Project Sites, (ii) any Research and Development Activities performed at Project Sites or elsewhere exclusively in support of such activities in connection with the execution of any Milestone set forth in Attachment 1 (**Statement of Work**), and (iii) any other Research and Development Activities related to the foregoing as may be agreed to by the Department and the Awardee in writing.

**B. Project Plans**

The Awardee shall carry out the Project in accordance with the Approved Budget Plan, the CVDP Plan, the Data Management Plan, the IP Management Plan, the Research Security Plan, the Technical Plan, and the Technology Control Plan (collectively, the "**Project Plans**").

**C. Milestones**

1. The Awardee shall achieve each Milestone, to the reasonable satisfaction of the Department in its sole discretion, on or prior to the relevant Milestone Date. Promptly and no later than thirty (30) days after completion of all Milestones related to a Tranche, the Awardee shall provide the Department with supporting documentation, and any additional information requested by the Department, evidencing completion of such Milestones. The Department shall notify the Awardee after making a determination that the Awardee has achieved such Milestones to the reasonable satisfaction of the Department.
2. If the Awardee fails to complete any Required Project Activity prior to the applicable Required Project Activity Date (or cure date, if applicable), the Department may demand recovery of the aggregate amount of payments made to the Awardee pursuant to this Agreement as a debt payable to the Department in a manner to be determined and notified by the Department to the Awardee.

**D. Period of Performance**

The period of performance of this Agreement shall commence on the Award Date and terminate on the earlier of (i) the date all of the Milestones have been completed or (ii) the fifth ($5^{th}$) anniversary of the Award Date, unless earlier terminated in accordance with Article XI.A (the "**Period of Performance**"). The Awardee may request an amendment of this Agreement to extend the Period of Performance by submitting a request to the Department at least sixty (60) days prior to the expiration of the Period of Performance, and the Department shall not unreasonably withhold its consent to such amendment.

**ARTICLE III. FINANCIAL REQUIREMENTS**

**A. Award Amount**

The amount of the Award shall be up to $100,000,000.

**B. ASAP Payments; Funding Tranches**

1. The Department shall make payments to the Awardee by making such funds available for withdrawal through the Automated Standard Application for Payments system ("**ASAP**") of the U.S. Department of the Treasury's Bureau of the Fiscal Service at the request of the Awardee. Any amounts withdrawn from ASAP by the Awardee shall be deposited into an interest-bearing account maintained in the United States. The Awardee shall expend payments on Eligible Project Costs within thirty (30) days of withdrawal from ASAP. The Awardee shall return any payments to ASAP that have not been so expended within thirty (30) days of withdrawal from ASAP. Such returns shall be completed by the account bank via the Automated Clearing House network ("**ACH**") or a Fedwire Funds Service payment ("**FEDWIRE**"). Instructions for returning payments to ASAP can be obtained from the Department. Additional information is available at: https://www.fiscal.treasury.gov/asap/.
2. The Department shall make the first tranche of funding available to the Awardee, as set forth in Article III.B.1 above, in the amount of $56,000,000 (the "**Award Date Tranche**") on or as soon as practicable after (a) the Award Date and (b) the execution and delivery of the Other

Transaction Agreement Action Sheet obligating funds under this Agreement in an amount equal to $100,000,000.

3. If the Awardee achieves certain Milestones, in accordance with the applicable success criteria and by the applicable Milestone Date, to the Department's satisfaction, the Department shall make additional tranches of funding available to the Awardee, as set forth in Article III.B.1 above, as follows:
    a. after the Awardee has achieved each of the Tranche 1 Milestones, $32,000,000 ("**Tranche 1**").
    b. after the Awardee has achieved each of the Tranche 2 Milestones, $12,000,000 ("**Tranche 2**").
4. The Awardee may request a subsequent Tranche of funding be made available on any date that it has reasonably determined that the Milestones applicable to such Tranche have been achieved by providing written notice and evidence of their completion to the Department for its review.
5. The Awardee may retain up to $500 per year of interest earned on any payments on deposit in an interest-bearing account to use for permissible expenses. Any annual interest earned in excess of $500 on such payments shall be promptly returned to the Department via the Department of Health and Human Services Payment Management System ("**PMS**") via ACH or FEDWIRE. Instructions for returning interest to PMS are available at: https://pms.psc.gov/grant-recipients/returning-funds-interest.html.
6. Notwithstanding anything to the contrary, the Department shall not be required to make payments to the Awardee in excess of the aggregate amount of funds obligated by the Department under this Agreement.
7. The Awardee shall provide advance notice to the Department at least ten (10) Business Days prior to any withdrawal of available funds from ASAP in excess of $50,000,000.
8. As soon as practicable after the Award Date (and in any event prior to the withdrawal of any available funds from ASAP), the Awardee's SAM.gov registration shall be updated to reflect acceptance of the Federal Assistance Certification requirement.

**C. Eligible Project Costs**

The Awardee shall use the payments of Federal funds received under the Award solely to pay the following costs associated with the Project ("**Eligible Project Costs**"), consistent in all material respects with the Approved Budget Plan.

1. any Research and Development Activities necessary to achieve any Milestone;
2. any device development and production necessary to achieve any Milestone;
3. any analyses, preparation, or development efforts needed for the Activities of the Project to transition to commercially viable, domestically produced products or services;
4. equipment installation or outfitting of equipment necessary to achieve any Milestone;
5. any applicable workforce education and training activities relevant to the Project;
6. any costs incurred to protect innovations developed under this Agreement, including costs incurred to protect patents;
7. any activities undertaken pursuant to Attachment 4 (**Security**); and
8. other costs specifically identified in the Approved Budget Plan (including reimbursement of any Approved Pre-Award Costs);

provided, however, that any Federal funds provided to the Awardee pursuant to this Agreement may not (i) be used to purchase FEOC Equipment (unless specifically approved by the Department in writing) or (ii) be provided to a Foreign Entity of Concern.

### D. Financial Records

The Awardee shall maintain adequate records to account for all funding under this Agreement. The Awardee shall establish and maintain accounting and internal control systems that provide for appropriate monitoring of the Award to ensure that all payments are expended on Eligible Project Costs. The Awardee shall notify the Department immediately upon the occurrence of any deficiencies with respect to such systems.

### E. Audits; Site Visits

1. The Awardee shall obtain an annual audit consistent with the objective of 2 C.F.R. §§ 200.501, 200.514, and Generally Accepted Government Auditing Standards covering the Award issued under this Agreement and matters specific to the CRDO program. The Awardee shall provide the Department with the results, findings, responses, and resolutions of the annual audit within thirty (30) days of receiving final audit results.
2. Until the third (3rd) anniversary of the expiration or termination of the Period of Performance, the Department, the Department's Office of Inspector General ("**OIG**"), and any other authorized Federal agency shall have access to and the right to audit and examine books and records of the Awardee. The Awardee shall provide the appropriate U.S. Government officials with direct access to sufficient books and records and other information of the Awardee, to ensure full accountability for all funding under this Agreement. Such access, audit, or examination shall be performed during business hours on Business Days upon ten (10) Business Days' prior written notice to the audited party and shall be subject to the security requirements of the audited party and shall be conducted in a manner that shall not unreasonably interfere with the business and operations of the audited party.
3. The Department may conduct site visits at any Project Site during the Period of Performance upon five (5) Business Days' prior written notice. Such site visits shall be performed during business hours on Business Days and shall be subject to the security requirements of the Awardee and shall be conducted in a manner that shall not unreasonably interfere with the business and operations of the Awardee.

## ARTICLE IV. DELIVERABLES

### A. Award Date Deliverables

As of the Award Date, the Awardee shall have delivered the following documents to the Department, each of which shall be in form and substance satisfactory to the Department:

1. this Agreement;
2. the Covered Individual List;
3. the Approved Budget Plan;
4. the CVDP Plan;
5. the Data Management Plan;
6. the IP Management Plan;
7. the Research Security Plan;
8. the Technical Plan; and
9. the Technology Control Plan.

### B. Post-Award Date Deliverables

As soon as practicable after the Award Date (and in no event more than one (1) Business Day thereafter without the Awardee's and the Department's consent), the Closing (as such term is defined in the Securities Issuance Agreement) shall be consummated and:

(i) the Awardee shall have delivered the following documents to the Department, each of which shall be in form and substance satisfactory to the Department:

1. the Securities Issuance Agreement, between the Issuer and the Department, substantially in the form attached to this Agreement;
2. each of the closing deliverables specified in Section 1.2 of the Securities Issuance Agreement; and
3. a legal opinion from Kirkland & Ellis LLP, counsel for the Awardee, and Issuer, addressed to the Department and in form and substance satisfactory to the Department; and

(ii) the Department shall have delivered the following documents to the Awardee, each of which shall be in form and substance satisfactory to the Awardee:

1. the Securities Issuance Agreement, between the Issuer and the Department, substantially in the form attached to this Agreement; and
2. each of the closing deliverables specified in Section 1.2 of the Securities Issuance Agreement.

**C. Project Plans**

The Awardee shall comply with the Project Plan requirements set forth in Attachment 7 (**Project Plans; Reporting Requirements**).

**D. Reporting Requirements**

The Awardee shall comply with the reporting requirements set forth in Attachment 7 (**Project Plans; Reporting Requirements**).

## ARTICLE V. REPRESENTATIONS AND WARRANTIES

The Awardee makes each of the following representations and warranties to and in favor of the Department as of (a) the Award Date; and (b) each Payment Date, as applicable, except as such representations and warranties are expressly made as to an earlier date:

**A. Organization**

The Awardee (a) is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware; (b) is duly qualified to do business in the state where any Project Site is located and in each other jurisdiction where the failure to so qualify could reasonably be expected to have a Material Adverse Effect; and (c) has all requisite power and authority to (i) own or hold under lease and operate the property it purports to own or hold under lease; (ii) carry on its business as now being conducted and as proposed to be conducted in respect of the Project; and (iii) execute, deliver, perform and observe the terms and conditions of each of the Award Documents to which it is a party.

**B. Authorization; No Conflict**

The Awardee has duly authorized, executed and delivered the Award Documents to which it is a party, and neither its execution and delivery thereof, nor its consummation of the transactions contemplated hereby or thereby nor its compliance with the terms of this Agreement or any other Award Document (a) contravenes its organizational documents or any applicable laws in any material respects; (b) contravenes or results in any breach or constitutes any default under any material governmental judgment; (c) contravenes or results in any breach or constitutes any default under any material agreement or instrument to which it is a party; or (d) requires the consent or approval of any person other than any consents or approvals that have been obtained and are in full force and effect.

**C. Legality; Validity; Enforceability**

Assuming the duly authorized execution and delivery thereof by each other party thereto (other than Awardee and the Issuer), each Award Document to which the Awardee or the Issuer is (or will be when executed) a party constitutes (or when executed, will constitute) a legal, valid and binding obligation of the Awardee and/or the Issuer (as applicable), enforceable against the Awardee and/or the Issuer (as applicable) in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other applicable laws affecting creditors' rights generally and by general principles of equity.

**D. Financial Statements**

Each of the financial statements of the Awardee and the Issuer delivered to the Department pursuant to the BAA (i) is complete and correct, has been prepared in accordance with GAAP, and presents fairly, in all material respects, the financial condition of the Awardee or the Issuer as of the respective dates of the financial statements for the respective periods covered therein; and (ii) reflects all liabilities or obligations of the Awardee or the Issuer and other information of any nature whatsoever for the period to which such financial statements relate and that are required to be disclosed in accordance with GAAP. Since the date of delivery of such financial statements, or the respective date of such financial statements, whichever is earlier, neither the Awardee nor the Issuer has incurred or assumed any liabilities or obligations that would be required to be disclosed in accordance with GAAP, except to the extent such liabilities or obligations have been disclosed to the Department in writing.

**E. Litigation**

There is no pending or, to the Awardee's knowledge, documented (in writing) threatened action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration at law or in equity, or before or by any governmental authority, domestic or foreign or other regulatory body or any arbitrator that relates to: (a) the legality, validity or enforceability of any Award Document or any transaction contemplated thereby; or (b) has caused, or could reasonably be expected to cause, a Material Adverse Effect.

**F. Debarment and Suspension**

The Awardee, the Issuer and their affiliates have not been debarred, suspended, or otherwise excluded from receiving an award by the U.S. Government or otherwise prohibited by Executive Order or law from receiving an award from the U.S. Government.

**G. Inverted Domestic Corporation Status**

The Awardee is not a foreign incorporated entity that is treated as an inverted domestic corporation under section 835(b) of the Homeland Security Act of 2002 (6 U.S.C. § 395(b)) or a subsidiary of such an entity.

**H. Tax Liability**

To the best of the Awardee's knowledge and belief, the Awardee, the Issuer and their affiliates have filed all Federal tax returns required during the preceding three (3) years, have not been convicted of a criminal offense under the Internal Revenue Code of 1986, and have not been notified of any unpaid Federal tax

assessment for which the liability remains unsatisfied, unless the assessment is the subject of an installment agreement or offer in compromise that has been approved by the Internal Revenue Service and is not in default, or the assessment is the subject of a non-frivolous administrative or judicial proceeding.

## ARTICLE VI. PROGRAM REQUIREMENTS

1. The Awardee shall comply with the Intellectual Property requirements set forth in Attachment 3 (**Intellectual Property**).
2. The Awardee shall comply with the security requirements set forth in Attachment 4 (**Security**).
3. The Awardee shall comply with the requirements relating to domestic control and production of Intellectual Property set forth in Attachment 5 (**Domestic Control and Production**).

## ARTICLE VII. RESERVED.

## ARTICLE VIII. COMPLIANCE WITH APPLICABLE LAWS AND EXECUTIVE ORDERS

### A. Compliance with Applicable Laws

The Awardee shall comply with and conduct and manage its business, operations, assets, equipment, property, leaseholds, in compliance with:

1. the CHIPS Act;
2. the Program Fraud Civil Remedies Act (31 U.S.C. § 3801 et seq.);
3. 18 U.S.C. § 287 (criminal false statements);
4. 18 U.S.C. § 1001 (false statements);
5. the Civil False Claims Act (31 U.S.C. §§ 3729 - 3733);
6. the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq.) in all material respects;
7. all applicable Federal labor and employment laws, including Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e *et seq*.), the Fair Labor Standards Act (29 U.S.C. § 201 *et seq*.), the Occupational Safety and Health Act (29 U.S.C. § 651 *et seq*.) and the National Labor Relations Act (29 U.S.C. § 151 *et seq*.) in all material respects;
8. all applicable Sanctions and Export Control Laws in all respects, except for any actual or potential violations of Export Control Laws that involve only unintentional minor, technical infractions, which either (A) were voluntarily self-disclosed to the Department's Bureau of Industry and Security within sixty (60) days of the Awardee becoming aware of the violation, and, within sixty (60) days of disclosure resulted in the issuance of a warning or no action letter by the Department's Bureau of Industry and Security; or (B) otherwise could not reasonably be expected to give rise to an enforcement action, or the imposition of any fine or penalty by any governmental authority; and
9. without limiting the obligation to comply with the preceding laws, all other applicable laws in all material respects.

### B. Compliance with Executive Orders

1. This award term implements Executive Order 14173, 90 FR 8633 (Jan. 21, 2025). By accepting this Award and expending Federal funds thereunder, the Awardee:
    a. agrees that compliance in all respects with all applicable Federal anti-discrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of Title 31 of the United States Code;

b. certifies to the Department that it does not operate any programs promoting diversity, equity, and inclusion that violate any applicable Federal anti-discrimination laws; and
c. further certifies to the Department that it does not participate in any illegal preferences, mandates, policies, programs, activities, guidance, regulations, enforcement actions, consent orders, and requirements, that violate any applicable Federal anti-discrimination laws.

2. The Awardee must actively monitor its administration of this Agreement to ensure that its activities do not violate the requirements of this Agreement, including this Article VIII.B. At any time during the Period of Performance of this Agreement, if the Awardee believes that any of the activities in its approved scope of work may be inconsistent with the policies outlined in any applicable Executive Order, the Awardee has an affirmative duty to immediately stop work on those potentially inconsistent activities and immediately contact the Department to determine whether the potentially inconsistent activities may proceed under this Agreement. The performance of activities that violate or that are otherwise inconsistent with requirements under any applicable Executive Order will result in appropriate enforcement action, including the disallowance of costs and possible termination of a portion or all of this Agreement.

## ARTICLE IX. OTHER REQUIREMENTS

### A. Lobbying Restrictions

The Awardee shall not use Federal funds received from this Agreement for lobbying the executive or legislative branches of the U.S. Government. The Awardee additionally shall disclose to the Department any registrations under the Lobbying Disclosure Act (2 U.S.C. §§ 1601 et seq.) or the Foreign Agents Registration Act (22 U.S.C. §§ 611 et seq.) related to the Project that is the subject of this Agreement.

### B. Whistleblower Protections

The provisions of this Agreement are consistent with and do not supersede, conflict with, or otherwise alter the obligations, rights, or liabilities created by existing statute or Executive Order relating to (1) classified information, (2) communications to Congress, (3) the reporting to an Inspector General or the Office of Special Counsel of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive Orders and statutory provisions are incorporated into this Agreement and are controlling. The Awardee shall timely disclose, in writing to the Department and/or the OIG, whenever, in connection with this Agreement, the Awardee has credible evidence that a principal, employee, agent, or entity has committed a violation of (1) Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations (see Title 18 of the United States Code) or (2) the civil False Claims Act (see 31 U.S.C. §§ 3729-3733). The Awardee may also report allegations of fraud, waste, and abuse to the OIG through https://www.oig.doc.gov/Pages/Hotline.aspx.

### C. Government Furnished Information/Property

No U.S. Government furnished information or property will be provided upon execution of this Agreement. In the event U.S. Government information and/or property is required to facilitate performance of this Agreement, the U.S. Government may provide U.S. Government information (information created, collected, processed, or disseminated by or for the U.S. Government) and U.S. Government property (material, equipment, special tooling, special test equipment, and real property) as applicable and appropriate.

### D. Publication Requirements

To the extent feasible and consistent with law, agency mission, resource constraints, and U.S. national, homeland, and economic security, the Awardee shall promote the deposit of scientific data arising from unclassified Fundamental Research, funded wholly or in part by the Department, except for Standard Reference Data, as defined in 15 U.S.C. § 290a, and data subject to trade secret protection, free of charge in publicly accessible databases. Subject to the same conditions and constraints listed above, the Awardee, to the extent feasible, shall make freely available to the public, in publicly accessible repositories, all peer-reviewed scholarly publications arising from unclassified research funded wholly or in part under this Agreement.

### E. Federal Award Performance and Integrity Information

In accordance with section 872 of Pub. L. 110-417 (as amended; see 41 U.S.C. § 2313), if the total value of the Awardee's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds $10,000,000 for any period of time during the Period of Performance of this Agreement, then the Awardee shall be responsible for maintaining the currency of information reported to the System of Award Management (SAM) about certain civil, criminal, or administrative proceedings involving the Awardee.

### F. Federally Funded Transportation

If the Awardee requests payment of expenses for air travel in connection with this Agreement, such air travel shall be on a U.S. flag certified air carrier in compliance with 49 U.S.C. § 40118, unless (1) a bilateral or multilateral agreement with the United States exists permitting flying on a foreign-flag carrier pursuant to 49 U.S.C. § 40118(b), (2) air travel on a U.S. flag certified air carrier between locations outside of the United States is not reasonably available, or (3) air travel on a U.S. flag certified air carrier between the United States and a location outside of the United States is not available.

### G. Debarment and Suspension

The Awardee shall comply with the Office of Management and Budget's guidelines on Debarment and Suspension contained in subparts A, B, C, and I of 2 C.F.R. Part 180, and the Department's related policies and procedures contained in Subpart C of 2 C.F.R. Part 1326.

## ARTICLE X. NON-COMPLIANCE WITH AGREEMENT

### A. Remedies

Upon the Awardee's failure to comply with any terms of any Award Document, the Department may exercise one or more of the remedies set forth below:

1. providing written notice specifying the nature and extent of any non-compliance and requiring the Awardee to remedy the same, in accordance with a Corrective Action Plan or otherwise;
2. imposing additional award conditions designed to remedy the non-compliance without the consent of the Awardee;
3. temporarily withholding or suspending any requested payment, pending satisfactory implementation of any Corrective Action Plan, as determined by the Department in its sole discretion;
4. changing the payment method of the Award in Article III.B (**ASAP Payments; Funding Tranches**) to reimbursement only;
5. solely with respect to a failure to comply with the provisions of Article III.C (**Eligible Project Costs**), disallowing project costs found not to be Eligible Project Costs and/or to the extent these

costs have already been paid for with Award funds, establishing a payment obligation to the Department equal to the disallowed amount;

6. initiating suspension or debarment proceedings with respect to the Awardee;
7. solely with respect to a material failure to comply with the provisions of Attachment 4 (**Security**) or Attachment 5 (**Domestic Control and Production**) other than Article 3.6, the Department may demand recovery of the aggregate amount of payments made to the Awardee pursuant to this Agreement as a debt payable to the Department in a manner to be determined and notified by the Department to the Awardee;
8. with respect to a material failure to comply with the provisions of Attachment 4 (**Security**) or Attachment 5 (**Domestic Control and Production**), or any other provision of this Agreement determined by the Department to be material, terminating this Agreement; and
9. such other remedies as may be available at law or equity.

**B. Cure Period**

Notwithstanding the foregoing, if such failure (A)(1) arises from a failure of the Awardee to meet any Milestone on or prior to the relevant Milestone Date relating to such Milestone or to complete a Required Project Activity by the Required Project Activity Date, or (2) would not reasonably be expected to have a Material Adverse Effect, and (B) is capable of being remedied, then the Department shall forbear from exercising such remedies (other than the remedies set forth in Article X.A.1 and X.A.3) during the cure period ending on the later of (x) the sixtieth (60th) day following the Awardee obtaining knowledge of such failure, (y) the date set forth in an Awardee corrective action plan in form and substance satisfactory to the Department ("**Corrective Action Plan**"), it being agreed that if such failure is remedied during such cure period, pursuant to the terms set forth in any applicable Corrective Action Plan or any manner otherwise satisfactory to the Department, then no additional remedies will be taken due to the occurrence of such failure to comply, and (z) in the case of failure of the Awardee to timely meet any Milestone, the expiration of the Period of Performance so long as the Department determines the Awardee is acting in good faith to achieve such Milestone. For the avoidance of doubt, any failure of the Awardee to meet a Milestone or Required Project Activity on or prior to the relevant Milestone Date or Required Project Activity Date shall be considered capable of being remedied hereunder, and shall be deemed remedied if the applicable Milestone or Required Project Activity is met prior to the expiration of the cure period.

**C. Miscellaneous**

For the avoidance of doubt, the Department shall not, as a result of any exercise of remedies pursuant to this Article X, forfeit any securities issued to the Department.

Any determination made by the Department pursuant to this Agreement or any other Award Document shall be determined at the discretion of the Department, provided that the Department shall not unlawfully withhold or unreasonably delay a decision, nor act in an arbitrary or capricious manner, abuse its discretion, or otherwise fail to act in accordance with the law. Failure to timely address any non-compliance during the applicable cure period or pursuant to any applicable Corrective Action Plan shall be conclusively deemed material hereunder.

## ARTICLE XI. MISCELLANEOUS PROVISIONS

**A. Termination Rights**

1. The Department may terminate this Agreement for convenience by providing sixty (60) days' written notice to the Awardee. If the Awardee has completed each of the Required Project Activities, the Awardee may terminate the Period of Performance for convenience by providing sixty (60) days' prior written notice to the Department. For the avoidance of doubt, in the event that this Agreement is terminated for convenience by the Department prior to the latest Required

Project Activity Date, the rights of the Department under Article II.C.2 to demand recovery of the aggregate amount of payments made to the Awardee pursuant to this Agreement shall also terminate and have no further force or effect.

2. Upon termination of this Agreement by the Department or termination of the Period of Performance by the Awardee:
    a. any Data developed under this Agreement as of the termination date shall be disposed of in accordance with the provisions set forth in Article 3 (**Data Rights**) of Attachment 3 (**Intellectual Property**);
    b. the Department will provide instructions to the Awardee in connection with administrative matters and to facilitate timely closeout of the Award and this Agreement, including for the purposes of determining in good faith a settlement of all final claims of the Awardee for Eligible Project Costs under this Agreement incurred prior to the effective date of such termination, it being understood that the Awardee shall not be unreasonably required to bear unreimbursed bona fide Eligible Project Costs incurred in accordance with this Agreement prior to such termination;
    c. any expenses incurred by the Awardee related to termination or closeout activities shall be funded from payments made under this Agreement; and
    d. the Department will de-obligate any remaining Federal funds obligated in connection with the Award not expended in accordance with this Agreement.
3. For the avoidance of doubt, the Department shall not, as a result of any termination of this Agreement pursuant to this Article XI.A, forfeit the securities or any Shares (as such term is defined in the Securities Issuance Agreement) issued as of the date of such termination except in accordance with the terms set forth in Section 3.9 of the Securities Issuance Agreement.

**B. Survival**

The following provisions shall survive the Period of Performance in accordance with their terms:

1. Article III.E.2 (**Audits; Site Visits**);
2. Article III. B (**ASAP Payments**);
3. Article VI.1 (**Program Requirements**) and Attachment 3 (**Intellectual Property**);
4. Article VI.3 (**Program Requirements**) and Attachment 5 (**Domestic Control and Production**);
5. Article XI.I (**Disputes**);
6. Article XI.A (**Termination Rights**);
7. The obligation to deliver a final report pursuant to Article F of Attachment 7 (**Project Plans; Reporting Requirements**); and
8. Solely as applicable to the foregoing surviving provisions, Article X (**Non-Compliance With Agreement**).

For the avoidance of doubt, the Securities Documents shall survive the Period of Performance.

**C. Agreement Administration**

Administrative and contractual matters under this Agreement shall be referred to the representatives of the Parties identified on page 2 of the Other Transaction Agreement Action Sheet. Each Party may change its representatives identified on page 2 of the Other Transaction Agreement Action Sheet by written notification to the other Party.

**D. Waivers and Amendments**

1. Any waiver, consent or amendment to this Agreement shall not be effective until executed in writing by the Parties; provided, however, that the Department may unilaterally waive any Awardee requirement or obligation in this Agreement by executing a waiver or consent and delivering it to the Awardee.
2. In the event the Awardee wishes to request a waiver or amendment of any provision of this Agreement, the Awardee shall submit a waiver or amendment request to the Department with supporting justification, including the technical, budget, and timeline impact of the proposed waiver or amendment on the Project, as appropriate.
3. If the Awardee requests an amendment to modify a Milestone and has submitted evidence satisfactory in form and substance to the Department that (a) the Milestone to be replaced is scientifically infeasible or technologically impracticable (except when due to circumstances within the Awardee's reasonable control or matters known by the Awardee prior to the Award Date), and (b) the proposed modified Milestone demonstrates equivalent, or otherwise satisfactory to the Department, scientific or technical progress toward the objectives of the Project, the Department shall not unreasonably withhold its consent to such amendment.

**E. No Assignments**

The Awardee shall not assign or delegate any of its rights or obligations under this Agreement without the Department's prior written consent, such consent not to be unreasonably withheld. Any attempted assignment or delegation in violation of this Agreement shall be null and void ab initio.

**F. Flow Down**

1. The Awardee shall be responsible for ensuring each Subawardee complies with the terms of this Agreement, including by incorporating into Subawards and other applicable contracts equivalent provisions to carry out the following obligations:
    a. Article III.D (**Financial Records**) and III.E (**Audits; Site Visits**), it being understood and agreed that Subawardees need not conduct a separate annual audit to the audit described in Article III.E.1;
    b. Article IV.C (**Project Plans**);
    c. Article V.E (**Litigation**), V.F (**Debarment and Suspension**), V.G (**Inverted Domestic Corporation Status**), and V.H (**Tax Liability**); and
    d. Articles VI (**Program Requirements**), VIII (**Compliance with Applicable Laws and Executive Orders**), and IX (**Other Requirements**) (with the exception of Article IX.D (**Publication Requirements**)).
2. With respect to Article VI (**Program Requirements**) and Attachment 4 (**Security**):
    a. Subawardees are only required to report Security-related Adverse Events that Attachment 4 (**Security**) specifically makes applicable to Subawardees;
    b. Subawardees are not required to conduct an Annual Third-Party IT Security Assessment as described in Attachment 4 (**Security**), Article 2.f.2; and
    c. For the disclosures described in Attachment 4 (**Security**), Articles 4 and 6, Subawardees are to disclose through the Awardee.
3. For the avoidance of doubt, in the event of a breach by a Subawardee that is not cured, the Department may exercise any remedies available to the Department pursuant to Article X (**Non-Compliance with this Agreement**) with respect to the Subawardee.

**G. No Partnership**

This Agreement is not intended to be, nor shall it be construed as, by implication or otherwise, a partnership, a corporation, or other business organization. This Agreement does not in any way create or constitute an agency relationship between the Department and the Awardee.

**H. Federal Debt**

1. The Awardee shall promptly pay any debts determined to be owed to the Department hereunder. Any funds paid to the Awardee in excess of the amount to which the Awardee is finally determined to be entitled under the terms hereof shall constitute a debt to the Department. The Department must collect all debts arising out of its Federal awards in accordance with the Standards for the Administrative Collection of Claims (31 C.F.R. Part 901).
2. The Department's debt collection procedures are set out in 15 C.F.R. Part 19. In accordance with 15 C.F.R. Part 19 and 31 U.S.C. § 3717, failure to pay a debt owed to the Department hereunder must result in the assessment of interest, penalties and administrative costs in accordance with the provisions of 31 U.S.C. § 3717 and 31 C.F.R. § 901.9. The Department will transfer any Department debt that is delinquent for more than one hundred twenty (120) days to the U.S. Department of the Treasury's Financial Management Service for debt collection services, a process known as cross-servicing, pursuant to 31 U.S.C. § 3711(g), 31 C.F.R. § 285.12, and 15 C.F.R. § 19.9. The Department may also take further action as specified in DOC GT&C A.06 (Unsatisfactory Performance or Non-Compliance with Award Provisions). Funds for payment of a debt must not come from other Federally-sponsored programs, and the Department may conduct on-site visits, audits, and other reviews to verify that other Federal funds have not been used to pay a debt.
3. Interest will be assessed on the delinquent debt in accordance with the Debt Collection Improvement Act of 1996, as amended (31 U.S.C. § 3717(a)). The minimum annual interest rate to be assessed is the U.S. Department of the Treasury's Current Value of Funds Rate (CVFR). The CVFR is available online at https://www.fiscal.treasury.gov/fsreports/rpt/cvfr/cvfr_home.htm and in the Treasury Financial Manual Bulletin. The assessed rate must remain fixed for the duration of the indebtedness. Penalties will accrue at a rate of not more than six percent per year or such other higher rate as authorized by law. Administrative charges, i.e., the costs of processing and handling a delinquent debt, will be determined by the Department, as directed by the Office of the Chief Financial Officer and Assistant Secretary for Administration.
4. Pursuant to 31 U.S.C. § 3720B and 31 C.F.R. § 901.6, unless waived by the Department, the Department is not permitted to extend financial assistance in the form of a loan, loan guarantee, or loan insurance to any person delinquent on a nontax debt owed to a Federal agency. This prohibition does not apply to disaster loans.
5. Pursuant to 28 U.S.C. § 3201(e), unless waived by the Department, a debtor who has a judgment lien against the debtor's property for a debt to the United States is not eligible to receive any grant or loan that is made, insured, guaranteed, or financed directly or indirectly by the United States or to receive funds directly from the U.S. Government in any program, except funds to which the debtor is entitled as beneficiary, until the judgment is paid in full or otherwise satisfied.

**I. Disputes**

1. Any disagreement, claim, misunderstanding, request for waiver or modification, or dispute (collectively, a "**Dispute**") between the Parties concerning any question of fact or law arising from, or in connection with, this Agreement, irrespective of whether such Dispute concerns an alleged breach of this Agreement or interpretation of this Agreement, may be raised by either Party under this Article. No Party shall have the right to raise any matter as a Dispute arbitrarily

or capriciously, or concerning a question of fact or law that has previously been raised as a Dispute.

2. If a Dispute arises, the Parties should first attempt to resolve the Dispute by informal discussion and mutual agreement as soon as practicable. If a Dispute is not resolved through discussion and mutual agreement, a Party should provide formal notification of a Dispute within sixty (60) days per Article XI.I.3 hereof. Failure of a Party to raise a Dispute within the sixty (60) day period shall not prejudice any judicial remedies available to such Party.
3. Upon failure to resolve a Dispute through discussion and mutual agreement of the Parties as described under Article XI.I.2 above, the aggrieved Party shall document the Dispute by notifying the other Party (the "**Responding Party**") in writing, documenting the relevant facts, identifying unresolved issues, specifying the clarification or remedy sought, and providing the rationale for why the clarification or remedy is appropriate (a "**Dispute Notice**"). Any notice of non-compliance delivered by the Department pursuant to Article X.A.1 shall be deemed to be a Dispute Notice for the purposes of this Article XI.I.
4. A Responding Party shall provide a written response (the "**Response**") to a Dispute Notice within sixty (60) days after receipt of the Dispute Notice. The Response shall identify which of the issues raised in the Dispute Notice is resolved or is not resolved, document the relevant facts, address each clarification or remedy sought by the aggrieved Party and provide the rationale for why the clarification or remedy is or is not appropriate.
5. In the event issues raised in a Dispute Notice remain unresolved after the Responding Party's Response, or in the event the Responding Party does not provide a timely Response under Article XI.I.4, the aggrieved Party may pursue any right or remedy under the Award Documents or under applicable law and in a court of competent jurisdiction.
6. During the pendency of any Dispute under this Article, each of the Department's remedies under Article X (other than the remedies set forth in Articles X.A.1 and X.A.3) shall be stayed.

**J. Limitation of Liability**

The Awardee will indemnify the Department and each of its officers, employees, attorneys and agents (each, an "**Indemnified Party**") from and against any liabilities, obligations, losses, damages, penalties, claims, judgments, lawsuits, costs and expenses (other than attorneys' costs and fees) for which an Indemnified Party may become responsible because of a claim asserted by a third party related to this Agreement, or the Project; provided that the Awardee shall not have any indemnification obligation hereunder to the extent the third party's claim is based solely on the conduct of the Department (and no other Party) or arises from the bad faith, gross negligence or willful misconduct of any Indemnified Party (as determined pursuant to a final, non-appealable judgment by a court of competent jurisdiction). In no event will Awardee's total liability arising out of this Article IX.J exceed the total amount of the Award.

**K. Integration; Counterparts**

This Agreement constitutes the entire agreement of the Parties and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions among the Parties, whether oral or written with respect to the subject matter hereof. This Agreement and any waivers or amendments thereto may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**L. Public Announcements.**

The Awardee shall, prior to the making thereof, coordinate with the Department with respect to any public announcement: (a) in connection with material developments in respect of the Project; and (b) that directly refers to the Award or the Award Document (including by submitting the full text of any

proposed public statement to the Department for review and refraining from making any such public statement without the Department's prior written approval), other than any such statements that are, as may be determined by the Awardee or any affiliate thereof: (x) required by or to comply with applicable law or stock exchange rules or regulations; or (y) made in connection with any action brought by or against the Awardee or any of its affiliates.

**M. Governing Law.**

This Agreement will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the Awardee and the Department agrees (a) to submit to the exclusive general jurisdiction and venue of (i) the courts of the United States in the District of Columbia (including the U.S. Court of Federal Claims), (ii) the courts of the United States in the Southern District of New York and (iii) appellate courts from any of the foregoing, in each case for any civil action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby or thereby.

**N. Waiver of Jury Trial.**

EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE OTHER AWARD DOCUMENTS. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

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**ARTICLE XII. ATTACHMENTS**

**ATTACHMENT 1. STATEMENT OF WORK**

See attached.

**ATTACHMENT 1.**

**STATEMENT OF WORK**

The Project contemplates the performance of Research and Development Activities related to the three (3) overall tasks described below, and the Milestones comprising each overall project task as are listed under it. Funding for both the overall project tasks and the Milestones related to such tasks is detailed in the Approved Budget Plan. Prior to requesting a subsequent Tranche of funding, the Awardee must complete each of the Milestones associated with such Tranche. The Milestones below are generally numbered by reference to the Tranche to which they relate. For the avoidance of doubt, Milestone 3.A, Milestone 3.B, Milestone 3.C, Milestone 3.D, Milestone 3.E, Milestone 3.F, Milestone 3.G, and Milestone 3.H are not associated with a Tranche.

**DEFINITIONS**

"**Required Project Activity**" means: each of the following activities required to be completed in connection with the Project:

| No. | Description of the Required Activity | Date |
|---|---|---|
| 1 | Awardee manufactures and characterizes a prototype device on a foundry process flow for optical waveguides and gratings at 422nm. | [***] |
| 2 | Awardee manufactures an ASIC prototype on a cryo-capable process technology and characterizes low temperature performance. | [***] |
| 3 | Awardee defines a switching architecture and characterizes optical components for performance and reliability. | [***] |

Any reference to a specific Required Project Activity may reference the number in the table above in the following manner: "Required Activity 1" or "Required Activity 2," etc.

"**Required Project Activity Date**" means: for any Required Project Activity, the corresponding date specified in the "Date" column in the definition of Required Project Activity.

"**Tranche 1 Milestones**" means: Milestone 1.A, Milestone 1.B, Milestone 1.C, Milestone 1.D, Milestone 1.E, Milestone 1.F, Milestone 1.G

"**Tranche 2 Milestones**" means: Milestone 2.A, Milestone 2.B, Milestone 2.C, Milestone 2.D

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| **OVERALL PROJECT TASK #1** |
| --- |
| Develop domestic production of integrated photonics waveguides and grating couplers specifically for 422nm wavelength light. This is an enabling technology integration required for the Awardee's next generation trapped ion quantum processer units ("**QPU**") designs. |
| **[***]** |

| **OVERALL PROJECT TASK #2** |
| --- |
| Develop domestic production of cryogenic Application Specific Integrated Circuit ("**ASIC**") switch used to produce electronic signals to the QPU chips operating at +/-10 volts ("**V**") and integrated with Through-Silicon Vias ("**TSVs**") at 500 um pitch and at least two backside re-distribution layers ("**RDL**"). |
| **[***]** |

| **OVERALL PROJECT TASK #3** |
| --- |
| Research and Development Activities to produce high-reliability semiconductor lasers and components at visible and infrared ("**IR**") wavelengths. |
| **[***]** |

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## ATTACHMENT 2. RULES OF INTERPRETATION; DEFINITIONS

### Article 1. RULES OF INTERPRETATION

1. **Use of Or**. The word "or" is not exclusive.
2. **Change of Law**. Each reference to a law includes any amendment, supplement or modification and all regulations, rulings and other laws promulgated thereunder, including with respect to any successor law.
3. **Successors and Assigns**. A reference to a person includes its successors and permitted assigns.
4. **Including**. The words "include," "includes" and "including" are not limiting and mean include, includes and including "without limitation," "without limitation by specification" and "but not limited to."
5. **Articles, Sections, Exhibits**. A reference in a document to an Article, Section, Exhibit, Schedule, Annex or Appendix is to the Article, Section, Exhibit, Schedule, Annex or Appendix of such document unless otherwise indicated.
6. **Attachments, Replacements, Amendments**. References to any document, instrument or agreement (a) shall include all exhibits, schedules, annexes and appendices thereto, and all exhibits, schedules, annexes or appendices to any document shall be deemed incorporated by reference in such document; (b) shall include all documents, instruments or agreements issued or executed in replacement thereof; and (c) shall mean such document, instrument or agreement, or replacement thereto, as amended, amended and restated, supplemented, or otherwise modified from time to time and in effect at any given time to the extent that any such amendment, amendment and restatement, supplement, or modification is permitted under the terms of such document, instrument or agreement.
7. **Periods and Time**. Unless otherwise specified, references to "days," "weeks," "months" and "years" shall mean calendar days, weeks, months and years, respectively. References to a time of day shall mean such time in Washington, D.C.
8. **Department Determinations**. Any determination made by the Department pursuant to this Agreement shall be determined at the discretion of the Department, provided that the Department shall not unlawfully withhold or unreasonably delay a decision, nor act in an arbitrary or capricious manner, abuse its discretion, or otherwise act not in accordance with the law.
9. **Ambiguities**. This Agreement and the Securities Documents are the result of negotiations and have been reviewed by each party and their respective counsel. Accordingly, they shall be deemed to be the product of all parties thereto, and no ambiguity shall be construed in favor of or against any party.
10. **Continuing Definitions**. With respect to any term that is defined by reference to any document, for purposes hereof, such term shall continue to have the original definition notwithstanding any termination, expiration or modification of such document unless otherwise agreed in writing by the Parties.
11. **Headings**. The table of contents and article and section headings and other captions have been inserted as a matter of convenience for the purpose of reference only and do not limit or affect the meaning of the terms and provisions thereof.

12. **Accounting Terms**. All accounting terms not specifically defined shall be construed in accordance with GAAP.

13. **Reasonable Efforts**. The expression "reasonable efforts" and expressions of like import, when used in connection with an obligation of either Party, means taking in good faith and with due diligence commercially reasonable steps to achieve the objective and to perform the obligation, including doing what can reasonably be done in the circumstances taking into account each Party's obligations hereunder to mitigate delays and additional costs to the other Party, and in any event taking no less steps and efforts than those that would be taken by a commercially reasonable and prudent person in comparable circumstances, where the whole of the benefit of the obligation and where all the results of taking such steps and efforts accrued solely to that person's own benefit.

14. **Reasonableness**. The words "reasonable", "reasonably", "unreasonably", and words of similar import, when applied to the Department's satisfaction, acceptance, determination, consent, discretion or approval, take into account any special consideration affecting decisions of the Department in its capacity as a governmental entity or its responsibilities as such and are based on its policies, practices, and procedures, and law and regulations applicable to it.

15. **Conflict**. In the event of any inconsistency between the terms of any Award Document, the inconsistency shall be resolved by giving precedence in the following order: (1) this Agreement, (2) Attachments 1-8 to this Agreement with equal weight, (3) the Securities Issuance Agreement, and (4) the other Securities Documents with equal weight.

16. **Independence of Covenants**. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a breach hereunder if such action is taken or condition exists.

**Article 2. DEFINITIONS**

"**ACH**" means: as defined in Article III.B.

"**Activities**" means: in each case as may be performed under this Agreement, planning and management, Basic Research, Applied Research, Experimental Development, Demonstration Device development and production, commercial viability and domestic production activities, education and workforce development activities, the purchase and installation of equipment, prototyping activities, the repeatable demonstration and initial operation of such equipment, and other tasks Federally-funded in whole or in part under this Agreement undertaken to accomplish the Milestones. Research and Development Activities are a subset of Activities.

"**Agreement**" means: this Other Transaction Agreement, including Attachments 1-8, and the Other Transaction Agreement Action Sheet, which is expressly incorporated in and made a part of the Agreement.

"**Applied Research**" means: original investigation undertaken in order to acquire new knowledge. Applied research is, however, directed primarily towards a specific practical aim or objective.

"**Approved Budget Plan**" means: the Awardee's budget plan for the Project, as described in Article D of Attachment 7 (**Project Plans; Reporting Requirements**) hereto, and as modified from time to time with the prior approval of the Department.

"**Approved Pre-Award Costs**" means: costs associated with the Project that (i) were incurred and paid by the Awardee on or after the date of the letter of intent between the Awardee and the Department and prior to the commencement of the Period of Performance, (ii) are reasonably identified as pre-award costs and set forth in the Approved Budget Plan and (iii) otherwise constitute Eligible Project Costs.

"**ASAP**" means: as defined in Article III.B.

"**Award**" means: the CHIPS award issued pursuant to this Agreement.

"**Award Date**" means: the date specified as the "Award Date" on the cover page of this Agreement.

"**Award Documents**" means: this Agreement and the Securities Documents.

"**BAA**" means: as defined in Article I.A.

"**Background IP**" means: all Intellectual Property, Intellectual Property rights, and other proprietary rights owned or licensed by the Awardee or Subawardee that are pre-existing or developed prior to the date of this Agreement and/or developed independently of the Award.

"**Basic Research**" means: experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, including activities with broad or general applications in mind.

"**Business Day**" means: any day other than Saturday, Sunday or other day on which either the Department of the Treasury or the Federal Reserve Bank of New York is not open for business.

"**CHIPS Act**" means: as defined in Article I.A.

"**Competitor**" means: any current or prospective competitor of the Awardee that is reasonably identified in writing on the Awardee's competitor list delivered to and approved by the Department; provided that if the Awardee delivers an updated competitor list to the Department and it fails to object within 30 days, then the update to the competitor list will be deemed approved by the Department.

"**Corrective Action Plan**" means: as defined in Article X.

"**Covered Individual**" means: consistent with 42 U.S.C. § 6605(d)(1), an individual who (1) contributes in a substantive, meaningful way to the scientific development or execution of a research and development project proposed to be carried out with a research and development award from a Federal Research Agency; and (2) is designated as a covered individual by the Department.

"**Covered Individual List**" means: a written list of Covered Individuals participating in the Research and Development Activities under this Agreement.

"**CVDP Plan**" means: the commercial viability and domestic production plan for the Project, as described in Article D of Attachment 7 (**Project Plans; Reporting Requirements**) hereto, and as modified from time to time with the prior approval of the Department.

"**Data**" means: **any** recorded information, regardless of form or method of recording, including any technical data, specifications, software, recorded trade secrets, recorded Know-How, and mask and maskless works. The term does not include any information, unrelated to this Agreement, or incidental to the Awardee's internal contract administration (such as financial, administrative, cost or pricing, or management information).

"**Data Management Plan**" means: the data management plan for the Project, as described in Article D of Attachment 7 (**Project Plans; Reporting Requirements**) hereto, and as modified from time to time with the prior approval of the Department.

"**Demonstration Device**" means: the integration of Developed Technologies to create a functional and testable device.

"**Developed Technology**" means: any Technology developed under this Agreement. For the avoidance of doubt, Developed Technology does not include any related Technology that is developed outside the scope of this Agreement.

"**Domestic Entity**" means: an entity (a) organized under the laws of the United States or any jurisdiction within the United States and (b) having a principal place of business in the United States. The principal place of business means the place where an entity's officers direct, control, and coordinate the entity's activities. A Foreign Adversary is not a Domestic Entity.

"**Eligible Project Costs**" means: as defined in Article III.C.

"**Experimental Development**" means: creative and systematic work, drawing on knowledge gained from research and practical experience, which is directed at producing new products or processes or improving existing products or processes and which will result in gaining additional knowledge.

"**Export Control Laws**" means: any and all laws of the United States which have the purpose or effect of restricting or controlling the export, re-export, transfer of or access to controlled or sensitive information, commodities, software, technology or services between or within one or more countries or their nationals, including without limitation, the Export Administration Regulations (EAR) and International Traffic in Arms Regulations (ITAR).

"**Federal Research Agency**" means: consistent with 42 U.S.C. § 6605(d)(4), any Federal agency with an annual extramural research expenditure of over $100,000,000.

"**Federally-Funded IP**" means: any IP generated in the performance of the Project activities funded under the Award Documents.

"**FEDWIRE**" means: as defined in Article III.B.

"**FEOC Equipment**" means any completed, fully assembled equipment for the fabrication, assembly, testing, advanced packaging, production, or research and development of semiconductors that externally transmits information and is manufactured or assembled by any Foreign Entity of Concern. For clarity, "completed, fully assembled equipment" as used in this definition means the state in which all (or substantially all) necessary parts, chambers, subsystems, and sub components have been put together, resulting in such equipment, and does not include any subsystem or subcomponent that enables, or is incorporated into or part of, any such equipment.

"**Foreign Adversary**" means: (i) any Foreign Entity of Concern, (ii) any Foreign Country of Concern, and (iii) any entity whose actions, policies, or personnel decisions are controlled by a Foreign Entity of Concern or Foreign Country of Concern.

"**Foreign Country of Concern**" or "**FCOC**" means: the same meaning given the term "foreign country of concern" under 15 U.S.C. § 4651(7) and 15 C.F.R. § 231.102.

"**Foreign Entity**" means: any entity that is not a Domestic Entity.

"**Foreign Entity of Concern**" or "**FEOC**" means: the same meaning given the term "foreign entity of concern" under 15 U.S.C. § 4651(8) and 15 C.F.R. § 231.104, provided that the definition of Foreign Entity in this Agreement shall apply.

"**Fundamental Research**" means: Basic Research, Applied Research, and Experimental Development in science and engineering, the results of which ordinarily are published and shared broadly within the scientific community, as distinguished from proprietary research and from industrial development, design, production, and product utilization, the results of which ordinarily are restricted for proprietary or national security reasons.

"**GAAP**" means generally accepted accounting principles in the United States in effect from time to time, including, where appropriate, generally accepted auditing standards, including the pronouncements and interpretations of appropriate accountancy administrative bodies (including the Financial Accounting Standards Board and any predecessor and successor thereto), applied on a consistent basis both as to classification of items and amounts.

"**Generally Accepted Government Auditing Standards**" means: the framework for conducting audits of government entities and programs as established by the Government Accountability Office and published in the Yellow Book (https://www.gao.gov/yellowbook).

"**Government Data Rights**" means: the rights to use, modify, reproduce, release, perform, display, or disclose Data, in whole or in part, within the U.S. Government for a Government Purpose; and, in the event the Department exercises its rights pursuant to Article 2.g (**March-in Rights**) of Attachment 3 (**Intellectual Property**), to release or disclose Data, in whole or in part, outside the U.S. Government and authorize persons to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that Data for any related purpose, including commercial purposes.

"**Government Purpose**" means: any activity, mission, function, operation, or endeavor that the U.S. Government authorizes or recognizes as within the scope of its legal authorities, but not (i) the sale or licensing of Subject Inventions or Data for a commercial purpose to a Competitor of the Awardee or the Awardee's subsidiaries or affiliates; or (ii) the manufacture, production, or commercialization of a Subject Invention or Data in competition with the Awardee or the Awardee's subsidiaries or affiliates.

"**Indemnified Party**" means: as defined in Article XI.J.

"**Intellectual Property**" or "**IP**" means: all intellectual property rights, whether registered or unregistered, that are recognized in any jurisdiction of the world, including rights in patents, utility models, trademarks and tradenames, service marks, copyrights, trade secrets, software, mask works, Know How (and any registrations of or applications to register any of the foregoing), and any Invention.

"**Invention**" means: any invention or discovery which is or may be patentable or otherwise protectable in any country in the world.

"**IP Management Plan**" means: the intellectual property rights management plan for the Project, as described in Article D of Attachment 7 (**Project Plans; Reporting Requirements**) hereto, and as modified from time to time with the prior approval of the Department.

"**Issuer**" means: Quantinuum Inc., a Delaware corporation.

"**Know-How**" means: all information including, but not limited to, discoveries, formulas, materials, processes, ideas, approaches, concepts, techniques, methods, documentation, procedures, technical information, and specifications that are useful to the pursuit of execution of a process or activity.

"**Made**" means: when relating to an Invention, the earlier of the conception or first actual reduction to practice of such Invention.

"**Material Adverse Effect**" means: as of any date of determination by the Department, a material and adverse effect on: (a) the Project; (b) the ability of the Awardee or the Issuer to observe and perform its material obligations or enforce its rights in a timely manner under any Award Document to which it is a party; (c) the business, operations, liabilities, condition (financial or otherwise) or property of the Awardee or the Issuer; (d) the validity or enforceability of any material provision of any Award Document; or (e) any material right or remedy of the Awardee, the Issuer or the Department under the Award Documents.

"**Milestone**" means: any milestone set forth in Attachment 1 (**Statement of Work**), as amended from time to time. Any reference to a specific Milestone may reference the number and letter set forth in the tables in Attachment 1 (Statement of Work) in the following manner: "Milestone 1.A" or "Milestone 2.B," etc.

"**Milestone Date**" means: for any Milestone, the corresponding date set forth in Attachment 1 (**Statement of Work**) specified as the "Milestone Date" for such Milestone, as may be extended by operation of the Awardee's cure rights set forth in Article X.B (**Non-Compliance with Agreement**) or otherwise amended from time to time.

"**Other Transaction Agreement Action Sheet**" means: the Other Transaction Agreement Action Sheet issued by the Department in respect of the amount of the Award and acknowledged by the Awardee.

"**Party**" means: each of the Department and the Awardee.

"**Payment Date**" means: a Business Day on which a payment is made to the Awardee pursuant to Article III.B.

"**Period of Performance**" means: as defined in Article II.D.

"**PMS**" means: as defined in Article III.B.

"**Practical Application**" means: to manufacture, in the case of a composition of product; to practice, in the case of a process or method; or to operate, in the case of a machine or system; and, in each case, under such conditions as to establish that the Invention is capable of being utilized and that its benefits are, to the extent permitted by law or U.S. Government regulations, and consistent with commercial practice generally accepted in the application industry, available to the public on reasonable terms.

"**Project**" means: as defined in Article II.A.

"**Project Background IP**" means: any Background IP (whether owned or licensed by the Awardee) necessary for the execution of the Project.

"**Project Plans**" means: as defined in Article II.B.

"**Project Site**" means: the Awardee's facilities (including buildings, fixtures and other improvements) located in Broomfield, Colorado; Albuquerque, New Mexico; and Brooklyn Park, Minnesota, together with any other location agreed to by the Department in writing.

"**Required Project Activity**" means: as defined in Attachment 1 (**Statement of Work**).

"**Required Project Activity Date**" means: as defined in Attachment 1 (**Statement of Work**).

"**Research and Development Activities**" means: in each case as may be performed under this Agreement, Basic Research, Applied Research, and Experimental Development, but excluding, for the avoidance of doubt, any construction.

"**Research Security Plan**" means: the research security plan for the Project, as described in Article 6 of Attachment 4 (**Security**) hereto, and as modified from time to time with the prior approval of the Department.

"**Sanctions**" means: any and all laws concerning or relating to economic, financial or trade sanctions, embargoes, or similar restrictive measures imposed, administered, enacted or enforced by a Sanctions Authority.

"**Sanctions Authority**" means: any agency, department, division or instrumentality of the United States Government, including the Office of Foreign Assets Control and the Bureau of Industry and Security.

"**Securities Documents**" means: the Securities Issuance Agreement.

"**Securities Issuance Agreement**" means: the securities issuance agreement, substantially in the form attached hereto as Attachment 8.

"**SMART**" means: the "Specific, Measurable, Achievable, Relevant, and Time-Bound" acronym used to describe goals, targets, or objectives.

"**Subaward**" means: any award of Federal funds received under the Award to any other person to perform any part of the Project, excluding any contracts for the purchase of goods or services.

"**Subawardee**" means: any person or entity that receives a Subaward, consistent with the standards articulated in 2 C.F.R. § 200.331.

"**Subject Invention**" means: any Invention of Federally-Funded IP conceived or first actually reduced to practice by the Awardee in the performance of Project activities.

"**Technical Plan**" means: the technical plan for the Project, as described in Article D of Attachment 7 (**Project Plans; Reporting Requirements**) hereto, and as modified from time to time with the prior approval of the Department.

"**Technology**" means: discoveries, innovations, Know-How, Data, and Inventions recognized under U.S. law as intellectual creations to which rights of ownership accrue, including, but not limited to, patents, trade secrets, and copyrights developed under this Agreement.

"**Technology Control Plan**" means: the plan to safeguard Technology against unauthorized export, transfer, or disclosure, as described in Article D of Attachment 7 (**Project Plans; Reporting Requirements**) hereto, and as modified from time to time with the prior approval of the Department.

"**Tranche**" means: any of the Award Date Tranche, Tranche 1, and Tranche 2.

"**Tranche 1**" means: as defined in Article III.B.

"**Tranche 2**" means: as defined in Article III.B.

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## ATTACHMENT 3. INTELLECTUAL PROPERTY

### Article 1. PROJECT BACKGROUND IP

1. During the Period of Performance, the Awardee shall retain sufficient right, title, and interest to all Project Background IP owned or licensed by it for so long as it is necessary for the execution of the Project. Except as otherwise expressly set forth in Article 2.h of this Attachment 3 (**Intellectual Property**), no rights to Background IP are granted under the terms of this Agreement.
2. During the Period of Performance, for any Project Background IP being introduced, included, or used during the course of Activities, Research and Development Activities, or other obligations undertaken pursuant to this Agreement, the Awardee shall identify and disclose such Project Background IP by providing to the Department a confidential written summary of the Project Background IP; provided that such confidential written summary shall identify any trade secrets that are Project Background IP through a high-level description of the relevant technical area (without disclosing the substance of any such trade secrets).
3. The Awardee certifies that to the best of the Awardee's knowledge as of the date of this Agreement, the Awardee has not granted licenses or options for licenses to Background IP or IP that may be developed under this Agreement that may impede Research and Development Activities funded by this Agreement or obligations set forth in this Agreement, including but not limited to the requirements of Attachment 5 (**Domestic Control and Production**). In the event the Awardee becomes aware of any such impedance to its obligations under this Agreement due to licenses or options for licenses to Background IP or to future IP, the Awardee shall promptly provide notice to the Department and the Parties shall take efforts to identify any necessary mitigations or remedies to resolve the impediment.
4. During the Period of Performance, where feasible, for any additional Background IP that is not Project Background IP being introduced, included, or used during the course of Activities, Research and Development Activities, or other obligations undertaken pursuant to this Agreement, the Awardee may identify and disclose such Background IP by providing to the Department a confidential written summary of the Background IP. The decision to disclose Background IP that is not Project Background IP is at the sole discretion of the Awardee; provided, however, that any election by the Awardee not to disclose Background IP that is not Project Background IP shall not impact the Awardee's ownership of or rights to, or be deemed to grant to U.S. Government or any departments, agencies, or instrumentalities thereof any rights to, such Background IP.
5. The Department agrees that it shall treat all disclosures of unpublished Background IP hereunder as confidential, shall not disclose such information to persons outside the U.S. Government without permission of the Awardee (unless required by law), and shall use reasonable efforts to protect such information from unauthorized use and disclosure.

### Article 2. PATENT RIGHTS

#### a. Allocation of Principal Rights

1. Except as expressly set forth under this Agreement, the Awardee shall retain the entire right, title, and interest throughout the world to each Subject Invention consistent with the provisions of this Article.
2. With respect to any Subject Invention in which the Awardee retains title, the U.S. Government shall have a perpetual, nonexclusive, non-transferable (except for sublicenses of the Subject

Invention to departments and agencies of the U.S. Government), irrevocable, royalty-free, fully paid-up, worldwide right and license to practice or have practiced on behalf of the United States the Subject Invention throughout the world for Government Purposes. For avoidance of doubt and except where the Department has exercised its rights under Article 2.g (**March-in Rights**) of this Attachment 3 (**Intellectual Property**), the Government will not (i) sell or license a Subject Invention for a commercial purpose to a Competitor of the Awardee or the Awardee's subsidiaries or affiliates; or (ii) manufacture, produce, or commercialize a Subject Invention in competition with the Awardee or the Awardee's subsidiaries or affiliates.

**b. Invention Disclosure, Election of Title, and Filing of Patent Application.**

1. The Awardee shall disclose each Subject Invention to the Department within ninety (90) days after the inventor discloses it in writing to Awardee personnel responsible for patent matters. The disclosure to the Department shall be in the form of a written report and shall identify this Agreement and circumstances under which the Subject Invention was Made and the identity of the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological, or electrical characteristics of the Invention. The disclosure shall also identify any publication, sale, or public use of the Subject Invention and whether a manuscript describing the Subject Invention has been submitted and/or accepted for publication at the time of disclosure.
2. Where applicable under this Agreement, the Awardee shall elect in writing whether or not to retain title to any such Subject Invention by notifying the Department within two (2) years of disclosure to the Department. If the Awardee elects to retain title, the Awardee may, in its sole discretion, determine whether to protect such Subject Invention through trade secret protection, patent protection, or other available protection. In any case where publication, sale, or public use has initiated the one (1) year statutory period wherein valid patent protection can still be obtained in the United States, the period for such notice may be shortened by the Department to a date that is no more than sixty (60) days prior to the end of the statutory period.
3. Where applicable under this Agreement, the Awardee shall file its initial patent application on a Subject Invention to which it elects to retain title within one (1) year after election of title or, if earlier, prior to the end of the statutory period wherein valid patent protection can be obtained in the United States after a publication, or sale, or public use. For more information on the timing of filing the initial patent application, please see 37 C.F.R. § 401.14(c)(3)(ii). The Awardee may elect to file patent applications in additional countries (including the European Patent Office and the Patent Cooperation Treaty) within either ten (10) months of the corresponding initial patent application or six (6) months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications, where such filing has been prohibited by a Secrecy Order.
4. The Awardee shall notify the Department of any decisions not to continue the prosecution of a patent application, pay maintenance fees, or defend in reexamination or opposition proceedings on a patent (including administrative challenges and post-grant proceedings), in any country, not less than sixty (60) days before the expiration of the response period required by the relevant patent office.
5. Requests for extension of the time for disclosure election, and filing under this Article, may be granted at the Department's discretion after considering the circumstances of the Awardee and the overall effect of the extension.
6. The Awardee shall submit to the Department annual listings of Subject Inventions. Upon the expiration of the Period of Performance or earlier termination of this Agreement, the Awardee

shall submit a comprehensive listing of all Subject Inventions identified during the course of the Period of Performance and the current status thereof.

**c. Conditions When the Government May Obtain Title**

Where applicable under this Agreement, upon the Department's written request, the Awardee shall convey title to any Subject Invention to the Department under any of the following conditions:

1. If the Awardee fails to disclose or elects not to retain title to the Subject Invention within the times specified in Article 2.b of this Attachment 3 (**Intellectual Property**);
2. For any Subject Invention for which the Awardee has indicated to the Department in writing that it intends to pursue patent protection (rather than trade secret protection or other available protection, in accordance with Article 2.b.2 of this Attachment 3 (**Intellectual Property**)), in those countries in which the Department specifically requests the filing of a patent application and the Awardee fails to file such patent application on or prior to the date that is one hundred eighty (180) days after receipt of such written request from the Department; or
3. For any Subject Invention for which the Awardee has indicated to the Department in writing that it intends to pursue patent protection (rather than trade secret protection or other available protection, in accordance with Article 2.b.2 of this Attachment 3 (**Intellectual Property**)), in any country in which the Department has specifically requested the filing of a patent application and the Awardee decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceedings on, a patent on a Subject Invention.

**d. Minimum Rights to the Awardee and Protection of the Awardee's Right to File**

1. Where applicable under this Agreement, the Awardee shall retain a nonexclusive, royalty-free license throughout the world in each Subject Invention to which the U.S. Government obtains title; except if the Awardee fails to disclose the Subject Invention within the times specified in Article 2.b of this Attachment 3 (**Intellectual Property**), and the Department does not grant any extension of time to disclose pursuant to Article 2.b.5 of this Attachment 3 (**Intellectual Property**), the Department may revoke such license. The Awardee's license extends to its domestic subsidiaries and affiliates, if any, and includes the right to grant licenses of the same scope to the extent the Awardee was legally obligated to do so on the Award Date. The license is transferable only with the approval of the Department, except when transferred to the successor of that part of the business to which the Subject Invention pertains. The Department approval for license transfer shall not be unreasonably withheld.
2. The Awardee's domestic license may be revoked or modified by the Department to the extent necessary to achieve expeditious Practical Application of the Subject Invention, but only after the Department complies with the applicable provisions of 37 C.F.R. Part 404. The Awardee's domestic license shall not be revoked in that field of use (elected by the Awardee and approved by the Department) or the geographical areas (elected by the Awardee and approved by the Department) in which the Awardee has achieved Practical Application and continues to make the benefits of the Subject Invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the Department to the extent the Awardee, its licensees, or the subsidiaries or affiliates have failed to achieve Practical Application in that foreign country.
3. Where applicable under this Agreement, before revocation or amendment of the license, the Department shall furnish the Awardee a written notice of its intention to revoke or modify the license, and the Awardee shall be allowed thirty (30) days (or such other time as may be

authorized for good cause shown) after the notice to show cause why the license should not be revoked or modified.

**e. Action to Protect the Government's Interest**

1. The Awardee agrees to execute or to have executed and promptly deliver to the Department all instruments necessary to (i) establish or confirm the rights the U.S. Government has throughout the world in those Subject Inventions to which the Awardee elects to retain title, and (ii) convey title to the Department when requested under Article 2.c of this Attachment 3 (Intellectual Property) and to assist the U.S. Government to obtain patent protection throughout the world in that Subject Invention.
2. The Awardee agrees to require by written agreement with its employees (other than clerical and non-technical employees) that such employees disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Awardee each Subject Invention Made under this Agreement in order that the Awardee can comply with the disclosure provisions of Article 2.b of this Attachment 3 (Intellectual Property), to (where required hereunder) assign to the Awardee the entire right, title, and interest in and to each Subject Invention Made under this Agreement, and to execute all papers necessary to file patent applications on Subject Inventions and to assist the U.S. Government in establishing its rights in the Subject Inventions hereunder. The Awardee shall instruct employees, through employee agreements or other suitable educational programs, on the importance of reporting Inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.
3. The Awardee shall include, within the specification of any United States patent application and any patent issuing thereon covering a Subject Invention, the following statement:

   "This Invention was Made with U.S. Government support under Agreement No. 80NANB26T204, awarded by the Department of Commerce. The U.S. Government has certain rights in the Invention."

**f. Reporting on Utilization of Subject Inventions**

1. The Awardee agrees to submit an annual report on the utilization of a Subject Invention or on efforts at obtaining such utilization that are being made by the Awardee or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the Awardee, and such other Data and information as the agency may reasonably specify. The Awardee also agrees to provide additional reports as may be reasonably requested by the Department in connection with any march-in proceedings undertaken by the Department in accordance with Article 2.g of this Attachment 3 (**Intellectual Property**). The Department agrees it shall not disclose such information to persons outside the U.S. Government without prior written permission of the Awardee, unless required by law.
2. All required reporting shall be accomplished, to the extent possible, using the iEdison reporting website: https://www.nist.gov/iedison. To the extent any such reporting cannot be carried out by use of iEdison, reports and communications shall be submitted to the Department, consistent with the requirements of Attachment 7 (**Project Plans; Reporting Requirements**).

**g. March-in Rights**

The Awardee agrees that, with respect to any Subject Invention in which the Awardee has retained title, the Department has the right to require the Awardee, an assignee, or exclusive licensee of a Subject Invention to promptly grant a perpetual, nonexclusive, irrevocable, royalty-free, transferrable (with rights

to assign and sublicense same), fully paid-up, worldwide right and license to use, perform, execute, reproduce, make, have made, sell, offer to sell, and otherwise exploit any patented or patentable IP included in the Subject Invention and if the Awardee, assignee, or exclusive licensee refuses such a request or does not grant such license within fifteen (15) days from receipt of such request, the Department has the right to grant such a license itself if the Department determines that:

1. Such action is necessary because the Awardee or assignee has not taken, or is not using good faith efforts to take, effective steps, consistent with the intent of this Agreement, to achieve Practical Application of the Subject Invention in those countries in which the Awardee was not restricted from commercializing a Subject Invention pursuant to the terms of this Agreement or U.S. Government controls on the Subject Invention;
2. Such action is necessary to alleviate U.S. public health or national security needs which are not reasonably satisfied by the Awardee, assignee, or their licensees; or
3. Such action is necessary because the Awardee has violated the requirements of Attachment 5 (**Domestic Control and Production**).

Prior to the exercise of these rights, the Department shall: (i) provide the Awardee with a written notice of such determination; and (ii) permit the Awardee a period of at least thirty (30) days to cure the identified deficiency. The determination to exercise march-in rights shall be made by the Secretary of Commerce or the Secretary's designee.

**h. Government Rights to Background IP**

To the extent any Project Background IP is embedded in Subject Inventions or is otherwise necessary for the U.S. Government's exercise of the rights in and to Subject Inventions granted it under Article 2.g of this Attachment 3 (**Intellectual Property**), the Awardee hereby grants to the U.S. Government a perpetual, nonexclusive, irrevocable, royalty-free, sublicensable (in connection with a sublicense of the Subject Inventions only), fully paid-up, worldwide right and license to use, perform, execute, reproduce, make, have made, sell, offer to sell, and otherwise exploit any patented or patentable IP included in such Project Background IP, solely in connection with the Subject Inventions and solely to the extent needed to permit the U.S. Government to exercise its rights in the same pursuant to Article 2.g of this Attachment 3 (**Intellectual Property**).

**i. Residual Intellectual Property Rights**

The Awardee shall retain the entire right, title, and interest throughout the world to any Intellectual Property, Intellectual Property rights, and other proprietary rights, and any inventions, discoveries, ideas, concepts, works of authorship, software, algorithms, databases, documentation, designs, specifications, Know-How, trade secrets, trademarks, service marks, logos, domain names, trade names, and other creative, technical, or proprietary materials or subject matter, in any form or medium, generated under or pursuant to this Agreement and that does not qualify as a Subject Invention or Data hereunder.

**Article 3. DATA RIGHTS**

**a. Allocation of Principal Rights**

1. The Parties agree that in consideration for U.S. Government funding, the Awardee intends to reduce to Practical Application items, components, and processes associated with the Developed Technology under this Agreement.
2. With respect to Data generated under this Agreement, the U.S. Government shall have Government Data Rights. The Awardee retains its ownership interest in the Data generated under this Agreement.
3. With respect to Data delivered pursuant to Attachment 1 (**Statement of Work**), the Department shall receive rights as delineated in Article 3.a.2 of this Attachment 3 (**Intellectual Property**).

Notwithstanding the provision in Article 3.a.4 of this Attachment 3 (**Intellectual Property**), the Awardee agrees, with respect to Data generated or developed under this Agreement that is reasonably necessary to achieve Practical Application of any subject Invention, the Department may require delivery of such Data and receive rights as delineated in Article 3.a.2 of this Attachment 3 (**Intellectual Property**) for ten (10) years after completion or termination of this Agreement.

4. In the event the U.S. Government chooses to exercise its March-in Rights pursuant to Article 2.g of this Attachment 3 (**Intellectual Property**), the Awardee agrees, upon written request from the U.S. Government, to deliver at no additional cost to the U.S. Government all Data in the Awardee's possession or control reasonably necessary to achieve Practical Application within thirty (30) days from the date of the written request, provided that such time period shall be tolled during the pendency of any cure period pursuant to Article 2.g of this Attachment 3 (**Intellectual Property**). The U.S. Government shall retain rights as delineated in Article 3.a.2 of this Attachment 3 (**Intellectual Property**) to this delivered Data.
5. To the extent that any Data delivered pursuant to Article 3.a.4 of this Attachment 3 (**Intellectual Property**) is a Trade Secret, the Department will impose appropriate confidentiality measures to preserve such Trade Secret.
6. To facilitate any potential deliveries, the Awardee shall retain and maintain in good condition until ten (10) years after completion or termination of this Agreement all Data in the Awardee's possession or control reasonably necessary to achieve Practical Application of any Subject Invention.

**b. Marking of Data**

Any Data delivered under this Agreement shall be marked with any of the following legends, which shall all have the same effect:

Use, duplication, or disclosure is subject to the restrictions stated in Agreement 80NANB26T204 between the U.S. Department of Commerce and Quantinuum LLC.

Quantinuum LLC Business Confidential. Use, duplication, or disclosure is subject to the restrictions stated in Agreement 80NANB26T204 between the U.S. Department of Commerce and Awardee.

Quantinuum LLC Business Confidential Limited Access / Quantinuum LLC.

Quantinuum LLC Business Confidential & Proprietary - Use, duplication, or disclosure is subject to the restrictions stated in Agreement 80NANB26T204 between the U.S. Department of Commerce and Quantinuum LLC.

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**ATTACHMENT 4. SECURITY**

**Article 1. Definitions**

"**Cybersecurity Incident**" means: an occurrence that actually or imminently jeopardizes the confidentiality, integrity, or availability of nonpublic Federally-Funded IP or an information system used in the performance of the Award or that constitutes a violation or imminent threat of violation of the law, or Awardee's security policies, security procedures, or acceptable use policies.

"**Identified Key Actor**" means:

(A) personnel such as primary officers, board members, board observers, and senior technical personnel that have access to proprietary or otherwise commercially or technically sensitive information related to the Project; and

(B) other Covered Individuals.

"**Current and Pending Support**" means:

(A) all resources made available, or expected to be made available, to an individual in support of the individual's research and development efforts, regardless of:

(i) whether the source of the resource is foreign or domestic;

(ii) whether the resource is made available through the entity applying for a R&D Award or directly to the individual; or

(iii) whether the resource has monetary value; and

(B) in-kind contributions requiring a commitment of time and directly supporting the individual's research and development efforts, such as the provision of office or laboratory space, equipment, supplies, employees, or students.

"**Malign Foreign Talent Recruitment Program**" means: consistent with 42 U.S.C. § 19237(4),

(A) any program, position, or activity that includes compensation in the form of cash, in-kind compensation, including research funding, promised future compensation, complimentary foreign travel, things of non de minimis value, honorific titles, career advancement opportunities, or other types of remuneration or consideration directly provided by a foreign country at any level (national, provincial, or local) or their designee, or an entity based in, funded by, or affiliated with a foreign country, whether or not directly sponsored by the foreign country, to the targeted individual, whether directly or indirectly stated in the arrangement, contract, or other documentation at issue, in exchange for the individual:

(i) engaging in the unauthorized transfer of IP, materials, data products, or other nonpublic information owned by a U.S. entity or developed with a R&D Award to the government of a foreign country or an entity based in, funded by, or affiliated with a foreign country regardless of whether that government or entity provided support for the development of the IP, materials, or data products;

(ii) being required to recruit trainees or researchers to enroll in such program, position, or activity;

(iii) establishing a laboratory or company, accepting a faculty position, or undertaking any other employment or appointment in a foreign country or with an entity based in, funded by, or affiliated with a foreign country if such activities are in violation of the standard terms and conditions of a R&D Award;

(iv) being unable to terminate the foreign talent recruitment program contract or agreement except in extraordinary circumstances;

(v) through funding or effort related to the foreign talent recruitment program, being limited in the capacity to carry out a research and development award or required to engage in work that would result in substantial overlap or duplication with a R&D Award;

(vi) being required to apply for and successfully receive funding from the sponsoring foreign government's funding agencies with the sponsoring foreign organization as the recipient;

(vii) being required to omit acknowledgment of the recipient institution with which the individual is affiliated, or the Federal Research Agency sponsoring the R&D Award, contrary to the institutional policies or standard terms and conditions of the R&D Award;

(viii) being required to not disclose to the Federal Research Agency or employing institution the participation of such individual in such program, position, or activity; or

(ix) having a conflict of interest or conflict of commitment contrary to the standard terms and conditions of the R&D Award; and

(B) a program that is sponsored by:

(i) a Foreign Country of Concern or an entity based in a Foreign Country of Concern, whether or not directly sponsored by the Foreign Country of Concern;

(ii) an academic institution on the list developed under section 1286(c)(8) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (10 U.S.C. 4001 note; Public Law 115-232); or a foreign talent recruitment program on the list developed under section 1286(c)(9) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (10 U.S.C. 4001 note; Public Law 115-232).

"**R&D Award**" means: consistent with 42 U.S.C. § 6605(d)(5), support provided to an individual or entity by a Federal Research Agency to carry out research development activities, which may include support in the form of a grant, contract, cooperative agreement, or other such transaction. The term does not include a grant, contract, agreement or other transaction for the procurement of goods or services to meet the administrative needs of a Federal Research Agency.

"**Security-Related Adverse Event**" means: a security incident related to research, investment, or other Activities being conducted pursuant to the Award that has resulted in or reasonably could be expected to materially jeopardize the objectives of the Award, including:

1. A Covered Individual or Identified Key Actor having affiliations that could subject the Covered Individual or Identified Key Actor to undue foreign influence or interference by a Foreign Country of Concern;

2. A breach or compromise of nonpublic Data related to the Award;
3. Physical or logical loss of Intellectual Property related to the Award;
4. The Awardee, subrecipient, Covered Individual or Identified Key Actor becoming a Foreign Entity of Concern;
5. The Awardee being in actual or alleged material non-compliance with any Sanctions, Export Control Laws, anti-money laundering laws, or anti-corruption laws;
6. The Awardee failing to make a mandatory Committee on Foreign Investment in the United States (CFIUS) filing;
7. The Awardee receiving written notice from CFIUS that there are unresolved national security concerns after the completion of any review or investigation under section 721 of the Defense Production Act of 1950, as amended by the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA);
8. The Awardee receiving an inquiry from CFIUS regarding a non-notified transaction; or
9. The Awardee becoming aware that Developed Technology is being used for military applications.

"**Substantial Noncompliance**" means: the failure by the Awardee to adhere to the requirements of the Research Security Plan in a manner that the Department determines is significant or recurrent.

**Article 2. Security Requirements**

**a. General Security**

The Awardee shall manage a comprehensive security program for the facilities and systems used to support any Project that covers the following security functional areas: cybersecurity, physical security, information security, personnel security, insider threat, and supply chain risk management.

**b. Foreign Research and Development Activities**

The Awardee will ensure that no Research and Development Activities under this Agreement are conducted outside the United States, unless approved by the Department in writing.

**c. Telecommunications Equipment**

In the performance of this Agreement, the Awardee will not use telecommunications or video surveillance equipment or services produced or provided by Huawei Technologies Company or ZTE Corporation, Hangzhou Hikvision Digital Technology Company, Dahua Technology Company, or any subsidiary or affiliate of such entities as a substantial or essential component of any system, or as critical technology as part of any system developed using Federal funds under this Agreement.

**d. Software Application TikTok**

The Awardee shall ensure that the software application TikTok, or any successor application or service of TikTok developed or provided by ByteDance Limited or an entity owned by ByteDance Limited, (A) is not installed on the devices the Awardee is using to perform the obligations under this Agreement; or (B) if installed, such software application has no ability to access information related to this Agreement or the Awardee's performance of its obligations under this Agreement.

**e. Kaspersky Laboratories**

The Awardee may not use funds provided pursuant to this Agreement to purchase any hardware, software, or service that is developed or provided by Kaspersky Laboratory, a Kaspersky Laboratory

successor entity, or any entity that controls, is controlled by, or is under common control with Kaspersky Laboratory.

**f. Information Security Management**

1. If any Activities under this Agreement result in the generation of, or require access to or storage of, controlled unclassified information ("CUI") as that term is defined by applicable federal law and regulation, such CUI will be processed, stored, and handled consistent with the requirements of NIST SP 800-171 (as amended, or any successor thereto). The Awardee may meet these requirements by using a SaaS solution at the FIPS 199 moderate or high impact level, as appropriate and authorized by FedRAMP. As of the Award Date, the Department does not consider the scope of research under this Agreement to include the receipt, development, collection, transmission, use, or storage of CUI. The Awardee will notify the Department if the scope of research under this Agreement changes such that the Awardee will be required to receive, develop, collect, transmit, use, or store CUI.

2. The Awardee shall implement (including through the provision of adequate resources and staffing) and be in compliance in all material respects with its cybersecurity plans, policies and procedures for the Project, which shall include, at a minimum, the following elements: (a) controls to identify information and technology assets, threats, and risks; (b) controls to protect data, information technology and operational technology systems consistent with prudent industry practice; (c) controls to detect, investigate, respond to, recover from, report, and mitigate security incidents; and (d) plans and controls that involve an annual third-party assessment ("**Annual Third-Party IT Security Assessment**") to ensure the security posture of systems are maintained and do not degrade. The Awardee shall provide a summary of the Annual Third-Party IT Security Assessment report and status of remediation of any findings, if any, in the Awardee's annual review of its Research Security Plan. To the extent practicable, the Awardee shall remediate any risks or findings identified in the Annual Third-Party IT Security Assessment, during continuous monitoring, or by the Department and brought to the Awardee's attention.

3. The Awardee shall provide the Department with notice of any Cybersecurity Incident or a Security-Related Adverse Event, in accordance with the following timelines: (a) forty-eight (48) hours after identification of a suspected or confirmed Cybersecurity Incident involving the compromise of Federally-Funded IP or Project-related personally identifiable information; and (b) three (3) Business Days after identification of a suspected or confirmed Cybersecurity Incident or Security-Related Adverse Event that does not involve the compromise of Federally-Funded IP or Project-related personally identifiable information.

**Article 3. Research Security Plan**

**a. Research Security Plan**

1. Prior to engaging in any Research and Development Activities under this Agreement, the Awardee must provide, and the Department must approve, a Research Security Plan that addresses:

    a. Actions the Awardee is taking to protect research results against undue foreign influence and interference, including actions related to:

        i. Cybersecurity;

        ii. Foreign travel;

        iii. Malign Foreign Talent Recruitment Programs;

iv. Conflicts of commitment and conflicts of interest;

v. Research security training; and

vi. Export control.

b. Actions to ensure that Foreign Adversaries are not unfunded collaborators in the Project.

c. Actions to ensure that foreign entities do not participate in the Project, unless approved by the Department pursuant to a foreign partner justification form.

d. How the Awardee will implement any mitigations identified by the Department in the application review process.

e. Actions to ensure the security of Federally-Funded IP and information related to the Project that is provided to potential or current investors.

f. How the Awardee is identifying and managing Identified Key Actors, including any obligations the Awardee has with respect to Identified Key Actors under this Award.

g. How the Awardee will ensure that Subawardees, contractors, and subcontractors will comply with the Research Security Plan.

h. If applicable, the parameters of a Research Security Program that:

i. Addresses cybersecurity, Malign Foreign Talent Recruitment Programs, conflicts of commitment, conflicts of interest, research integrity, and training related to foreign travel, research security, and export control.

ii. Addresses all aspects of the Awardee's research operations, including subawards.

iii. Addresses, where relevant, how the Awardee is ensuring the security of Federally-Funded IP and information related to the Project that is provided to potential or current investors.

2. The Research Security Plan shall address how the Awardee will require research security training and ensure that conflict of interest and conflict of commitment reviews are conducted for all individuals included on the Covered Individual List, including Covered Individuals employed by contractors, subcontractors, and other partners participating in the performance of the Award.

3. The Awardee shall promptly notify the Department of any proposed material update to the Research Security Plan; provided that such update will not be effective without the written approval of the Department, which shall not be unreasonably withheld.

4. The Awardee shall certify in writing to the Department that the Awardee is in compliance with the Research Security Plan annually and in connection with each Tranche being made available to the Awardee.

5. The Department may review the Research Security Plan and require modifications or suspend its approval of the Research Security Plan at any time. The Awardee may not engage in Research and Development Activities without an approved Research Security Plan.

**b. Contractors and Subcontractors**

The Awardee shall ensure that all contractors, subcontractors, and other partners participating in the performance of the Award comply with the requirements of the Research Security Plan.

### c. Security Support

The Department may advise the Awardee on its activities under the Research Security Plan. This includes the NIST Research Security Office providing the Awardee with relevant research and investment security-related information and advising on the process for conducting research security reviews.

## Article 4. Covered Individuals

1. The Awardee may not engage in Research and Development Activities funded under this Award until the Department has approved the Covered Individual List. This list will be incorporated into the Research Security Plan.
2. If the Awardee wants to add individuals to the Covered Individual List, it will promptly notify the Department. The Awardee shall complete and submit to the Department a Current and Pending (Other) Support Common Form for each proposed Covered Individual for the Department to conduct a research security review. In addition, the Awardee shall cause each proposed Covered Individual to disclose the amount, type, and source of all current and pending research support, which includes both monetary and non-monetary support, received by, or expected to be received by, the individual; and certify that the disclosure is current, accurate, and complete at the time of submission.
3. The Awardee shall cause all Covered Individuals to report to the Department any material changes to the information included in these disclosures within five (5) days of the Covered Individual becoming aware of any changes to the disclosures.
4. The Awardee shall cause each Covered Individual to certify that each such individual is not a party to a Malign Foreign Talent Recruitment Program prior to such individual engaging in any Research and Development Activities. For the duration of the Period of Performance, each Covered Individual shall recertify annually that they are not a party to a Malign Foreign Talent Recruitment Program.
5. The Awardee shall certify that each Covered Individual has been made aware of and has complied with the requirements of this Article.

## Article 5. Research Partnerships and Technology Transfer

1. The Awardee may not engage in research partnerships or technology transfers of Developed Technologies with Foreign Countries of Concern or Foreign Entities of Concern, unless the Department provides written approval.
2. The Awardee must promptly provide written updates to the Department of any proposed research partnerships or technology transfers of Developed Technologies between the Awardee and (a) any entities located in a Foreign Country of Concern or (b) any entities that are Foreign Entities of Concern. Each Foreign Entity should be identified.

## Article 6. Notice and Non-Compliance

Within five (5) days of becoming aware of substantial non-compliance with the approved Research Security Plan, the Awardee must notify the Department. In the event that the Department determines that there has been non-compliance with the requirements of the terms of this Attachment 4 (**Security**), or substantial non-compliance with the Research Security Plan, the Department may take any action available to the Department under Article X (**Non-Compliance with Agreement**), including modifying the Award to impose mitigation measures deemed appropriate by the Department.

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## ATTACHMENT 5. DOMESTIC CONTROL AND PRODUCTION

### Article 1. Domestic Control

Consistent with the requirements of 15 U.S.C. § 4656(g), the Awardee shall ensure that:

1. For the Period of Performance and for at least ten (10) years after the Period of Performance, the Awardee or one of its controlled affiliates that is a Domestic Entity maintains ownership of Federally-Funded IP, including the ability to fully enforce (subject to any licenses not otherwise prohibited under this Agreement) any applicable IP rights.
2. For the Period of Performance and for at least ten (10) years after the Period of Performance, the Awardee or one of its controlled affiliates that is a Domestic Entity shall maintain its rights to Project Background IP owned or licensed by it for so long as it is necessary for the execution of the Project.
3. For the Period of Performance and for at least ten (10) years after the Period of Performance, ownership of Federally-Funded IP is not sold, transferred, licensed, or assigned to a Foreign Adversary; provided, however, that so long as the Awardee has complied with Article 3 below, the foregoing restrictions shall not apply to (a) any patent(s) or published patent application(s) (i) declared and/or determined to be essential to a technical standard and (ii) under an obligation that the owner of the patent or published patent application license such rights pursuant to the terms of a standards development organization's IP rights policy; or (b) any license(s) of patent(s) or published patent applications(s), including cross-licenses, resulting from settling an actual case or controversy, including patent infringement or validity disputes, whether part of a formal proceeding or not.
4. For the Period of Performance and for at least ten (10) years after the Period of Performance, the Awardee shall notify the Department of any intent to sell, transfer, license, or assign ownership of Federally-Funded IP at least sixty (60) days prior to such proposed transaction or transactions; provided, however, this provision does not apply to licenses granted or implied in connection with the sale of products or services utilizing Federally-Funded IP not otherwise prohibited under this Agreement in the ordinary course of its business, consistent with past practice.

### Article 2. Domestic Production

Consistent with the requirements of 15 U.S.C. § 4656(g), the Awardee shall ensure that:

1. For the Period of Performance and for ten (10) years following the Period of Performance, any Subject Inventions must be predominantly produced or licensed for production in the United States; provided, that in individual cases, the foregoing requirements may be waived by the Department for any Subject Invention upon a showing by the Awardee that reasonable but unsuccessful efforts have been made to predominantly produce or license for the production in the United States or that, under the circumstances, domestic manufacture of such Subject Invention is not commercially feasible.

### Article 3. Foreign Adversary Protections

For the Period of Performance and for five (5) years following the Period of Performance:

1. The Awardee may not materially expand business operations or establish new business operations in a Foreign Country of Concern, unless approved by the Department in writing.

2. The Awardee may not knowingly acquire, in whole or in part, take any ownership interest in, invest in or engage in equity joint ventures or substantially similar arrangements, whether in corporate, partnership or other legal form with, a Foreign Entity of Concern, unless approved by the Department in writing.
3. The Awardee and the Issuer must take reasonable steps to not knowingly solicit or receive, directly or indirectly, any investment from any Foreign Entity of Concern, including in connection with debt and equity financing activities, such as by requiring (a) underwriters and placement agents to discuss potential investor allocations with the Awardee and the Issuer, as applicable, and (b) in a transaction not involving an underwriter, placement agent or other capital markets intermediary, to require investors to represent and warrant that such investors are not a Foreign Entity of Concern and that in connection with the applicable investment transaction, no Foreign Entity of Concern will obtain any of the following with respect to the Awardee and the Issuer: (i) access to any "material nonpublic technical information" (as defined in Section 721 of the Defense Production Act of 1950, as amended, including all implementing regulations thereof (the "**DPA**")) of the Awardee or Issuer; (ii) Awardee or Issuer board membership, board observer rights, or similar governance rights; (iii) any involvement, other than through such investor's voting of shares (if any), in the substantive decision making of the Awardee regarding (y) the use, development, acquisition, safekeeping, or release of "sensitive personal data" (as defined in the DPA) of U.S. citizens maintained or collected by the Awardee, or (z) the management, operation, manufacture, or supply of "covered investment critical infrastructure" (as defined in the DPA); or (iv) "control" of the Awardee or Issuer (as defined in the DPA). For the avoidance of doubt, purchases of debt or equity securities by a Foreign Entity of Concern on secondary markets without the knowledge or need for approval of the Awardee or the Issuer do not constitute an investment for the purposes of this Article 3.3. In the event that the Awardee or the Issuer becomes aware that a Foreign Entity of Concern has directly or indirectly acquired an investment in the Awardee or the Issuer, the Awardee shall notify the Department within ten (10) days and upon the Department's request, cooperate in good faith with the Department to develop and implement reasonable mitigation measures (it being understood that reasonable mitigation measures will not include any action that would impair the DTC eligibility of the Issuer's securities).
4. The Awardee may not: (a) engage in any new research partnership or technology transfers with any Foreign Entity of Concern, or (b) in any material respect expand any existing research partnerships or technology transfers with any Foreign Entity of Concern, unless, in each case, approved by the Department in writing.
5. The Awardee may not provide, or enter into any commercial agreements to provide, any services or products to a Foreign Entity of Concern, unless approved by the Department in writing.
6. Within ten (10) days of becoming aware that Foreign Entities of Concern have or will obtain "beneficial ownership" (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of more than ten percent (10%) of the outstanding voting interests of the Awardee or the Issuer in the aggregate or otherwise directly or indirectly Control the Awardee or the Issuer, the Awardee or the Issuer must notify the Department in writing and upon the Department's request cooperate in good faith with the Department to develop and implement reasonable mitigation measures (it being understood that reasonable mitigation measures will not include any actions that would impair the DTC eligibility of the Issuer's securities).
7. The Awardee shall not knowingly use any FEOC Equipment in any of the Research and Development Activities undertaken under this Award; it being understood that the Department may waive the foregoing restrictions for specified equipment or categories of specified equipment, subject to imposing security mitigation measures where appropriate, when (a) such FEOC Equipment is not produced by an entity other than a Foreign Entity of Concern in

sufficient and reasonably available quantities or of a satisfactory quality or technical capability to adequately support the Research and Development Activities undertaken under this Award, or (b) the use of such FEOC Equipment complies with the requirements set forth in the EAR, and the Department determines the waiver is in the economic and national security interest of the United States.

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**ATTACHMENT 6. DAVIS-BACON ACT REQUIREMENTS**

**Article 1. DEFINITIONS**

"**Davis-Bacon Act**" means: Subchapter IV of Chapter 31 of Part A of Subtitle II of Title 40 of the United States Code, including and as implemented by the regulations set forth in Parts 1, 3 and 5 of Title 29 of the Code of Federal Regulations.

"**Davis-Bacon Act Covered Contract**" means: any contract, agreement or other arrangement to which the Awardee (for the avoidance of doubt, including any subcontracting arrangements that the Awardee is not directly a party to) is party that is subject to Davis-Bacon Act Requirements.

"**Davis-Bacon Act Requirements**" means: the requirement that all laborers and mechanics employed by contractors and subcontractors in the performance of construction work financed in whole or in part by the Award will be paid wages at rates not less than those prevailing on projects of a character similar in the relevant locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, and all regulations related thereto, including those set forth in 29 C.F.R. § 5.5(a) (1) to (10), and all notice, reporting and other obligations related thereto as required by the Department, including the appropriate wage determination(s) of the Secretary of Labor in each Davis-Bacon Act Covered Contract, in each case, including any retroactive compliance required under the Davis-Bacon Act unless such retroactivity is waived or otherwise modified by the Secretary of Labor in accordance with the Davis-Bacon Act.

"**DBA Compliance Matter**" means: any deviation from compliance with the applicable Davis-Bacon Act Requirements.

"**DBA Compliance Matter Contractor**" means: with respect to any DBA Compliance Matter, the DBA Contract Party that is party to the Davis-Bacon Act Covered Contract giving rise to such DBA Compliance Matter.

"**DBA Contract Party**" means: any contractor, subcontractor (including any lower tier subcontractor) or other entity (other than the Awardee but including, if applicable, any affiliate) that is party to a Davis-Bacon Act Covered Contract.

"**DOL**" means: the United States Department of Labor, an agency of the United States of America.

**Article 2. REPRESENTATIONS AND WARRANTIES**

1. The Awardee and, to the Awardee's knowledge, all DBA Contract Parties are in compliance with all Davis-Bacon Act Requirements, except for any non-compliance in connection with any DBA Compliance Matter, in respect of which the Awardee and all relevant DBA Contract Parties have taken all necessary steps to comply with and are in compliance with Article 3 of this Attachment 6 (**Davis-Bacon Act Requirements**).
2. If, and to the extent, construction, alteration or repair (within the meaning of 29 C.F.R. § 5.5(a)) began prior to the Award Date, the Awardee has, as of the Award Date, retroactively adjusted, and caused each DBA Contract Party to retroactively adjust, the wages of each affected laborer and mechanic employed in the construction, alteration or repair of the Project prior to the date hereof, and paid or caused to be paid to each such laborer or mechanic such additional wages, if any, as were necessary for such laborers and mechanics to have been paid at rates not less than those prevailing on similar work in the relevant locality during the period such work was

performed, as determined by the Secretary of Labor in accordance with the relevant Davis-Bacon Act wage determinations.

**Article 3. COMPLIANCE REQUIREMENTS**

1. The Awardee shall comply (and shall ensure that each DBA Contract Party complies) with the Davis-Bacon Act Requirements.
2. The Awardee shall use commercially reasonable efforts to cause any DBA Compliance Matter Contractor to resolve any DBA Compliance Matter, unless such DBA Compliance Matter Contractor has appealed, and is diligently prosecuting such appeal in good faith, DOL's determination that the applicable DBA Compliance Matter has occurred.
3. Within fifteen (15) Business Days after the end of each month prior to the resolution of any DBA Compliance Matter, the Awardee shall either: (A) notify the Department of the specific issues of any DBA Compliance Matter that has not been resolved to the satisfaction of DOL and describe the commercially reasonable efforts that it has taken to cause the DBA Compliance Matter Contractor to comply with the Davis-Bacon Act Requirements that are the subject of such dispute; or (B) notify the Department that the DBA Compliance Matter Contractor has appealed, and is diligently prosecuting such appeal in good faith, DOL's determination that the applicable DBA Compliance Matter has occurred.
4. The Awardee shall promptly notify the Department in writing when it receives any complaint related to non-compliance with the Davis-Bacon Act and which the Awardee cannot resolve on its own, and will forward to the Department: (A) the complaint or a written summary of the non-compliant incident; (B) a summary of the Awardee's investigation into such complaint or such incident; and (C) the relevant certified payroll records.
5. Certified payroll records maintained by the Awardee shall be preserved for three (3) years after completion of work. The Awardee shall maintain such certified payroll records at a site designated by the Awardee and shall make such records available to the Department and DOL when necessary, and upon request, for purposes of an investigation or audit of compliance with prevailing wage requirements. Certified payroll records maintained by the Awardee shall be considered Federal government records for the purposes of the Freedom of Information Act, 5 U.S.C. § 552. The Awardee shall provide such records to the Department within five (5) days of receipt of any request for such records from the Department.
6. The Awardee shall cause DBA Contract Parties to maintain and submit certified payroll records in the form and manner as specified by the Department, which may be updated from time to time. The Department may allow a reasonable amount of time to transition to the manner specified or otherwise integrate the DBA Contract Parties' existing systems and/or processes to the Department's approved procedures and/or systems.

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**ATTACHMENT 7. PROJECT PLANS; REPORTING REQUIREMENTS**

**A. Submission Requirements**

The Awardee shall submit or provide all submissions required pursuant to this Attachment 7 (**Project Plans; Reporting Requirements**) via a secure collaboration platform authorized by the Department or hosted by the Awardee with approval from the Department. A link to the information uploaded in the collaboration platform shall be emailed to the Department contact identified in the Other Transaction Agreement Action Sheet. All other information shall be emailed directly to the Department contact identified in the Other Transaction Agreement Action Sheet and shall contain the following information in the email subject line: (1) Awardee Name; (2) FAIN; and (3) Action being requested or topic. Non-public information provided by the Awardee shall be clearly marked as Awardee Proprietary or Business Sensitive Information or may include other similar markings designating the proprietary, confidential, or sensitive nature of the information. With respect to any information so marked, the Department shall treat the same as confidential, shall not disclose such information to persons outside the U.S. Government without permission of the Awardee (unless required by law), and shall use reasonable efforts to protect such information from unauthorized use and disclosure.

**B. Review and Acceptance of Submissions**

The Department retains sole discretion to accept or reject any submission required pursuant to this Attachment 7 (**Project Plans; Reporting Requirements**). If a submission is rejected, the Department will inform the Awardee of the rejection, the reasons for the rejection, the timeline for resubmittal, which shall be a minimum of thirty (30) days, and proposed corrective actions.

**C. Project Plan Requirements**

The Awardee shall submit each Project Plan specified in the table below, in form and substance satisfactory to the Department, by the relevant Required Submission Date.

| **Project Plans** | **Required Submission Date** |
|---|---|
| Approved Budget Plan | Prior to Award Date |
| CVDP Plan | Prior to Award Date |
| Data Management Plan | Prior to Award Date |
| IP Management Plan | Prior to Award Date |
| Research Security Plan | Prior to Award Date |
| Technical Plan | Prior to Award Date |
| Technology Control Plan | Prior to Award Date |

**D. Project Plan Descriptions**

**1. Approved Budget Plan**

The Approved Budget Plan shall reflect the total budgeted project costs for the Project, broken down between Federal funds and the co-investment or matching funds. The Approved Budget Plan shall be broken down by cost category (e.g., salaries, supplies, equipment, travel, etc.) and summarized by performance year(s).

**2. CVDP Plan**

At a minimum, the CVDP Plan shall include measurable CVDP targets that demonstrate the viability of the Awardee's business model and of the domestic production requirement under Article 2 of Attachment 5 (**Domestic Control and Production**). When relevant, the CVDP milestones should complement technical milestones in the Technical Plan. For each Milestone, the CVDP Plan shall describe in a tabular and chronological format: (a) a milestone identification number (e.g., C1, C2, etc.); (b) the dependent organization(s) or individual(s); (c) the month and year work is anticipated to start and end; (d) a description of the specific task/accomplishment (e.g., education and workforce needs assessment, training, course, partnership formed, worker recruitment and retention information, etc.); and (e) quantifiable success metrics.

**3. Data Management Plan**

At a minimum, the Data Management Plan shall include a summary of Activities that are expected to generate Data, the types of Data expected to be generated, a plan for storage and maintenance of the Data, and a plan for whether and how Data generated under this Agreement will be reviewed and made available to the public.

**4. IP Management Plan**

At a minimum, the IP Management Plan shall detail the practice and protocols to be used under this Agreement to ensure domestic control of IP funded by the Department while achieving program controls. The IP Management Plan shall discuss the intended management and ownership of IP, including identification of IP that may be developed under the Agreement, how it will support the CVDP Plan, existing or planned protocols to ensure domestic control of IP funded under this Agreement, and any additional licensing provisions to protect IP rights.

**5. Research Security Plan**

At a minimum, the Research Security Plan shall detail the requirements described in Article 3 of Attachment 4 (Security).

**6. Technical Plan**

The Technical Plan shall detail all phases of work for the Project. At a minimum, the Technical Plan shall describe SMART milestones suitable for validation by the Awardee, Department staff, independent expert technology evaluators, or a combination of these entities, as appropriate. For each Milestone, the Technical Plan shall describe in a tabular and chronological format: (a) a milestone identification number (e.g., E1, E2, etc.); (b) the responsible organization(s) or individual(s); (c) the month and year work is anticipated to start and end; (d) a description of the specific task/accomplishment; and (e) quantifiable success metrics.

**7. Technology Control Plan**

At a minimum, the Technology Control Plan shall detail the practice and protocols to be used under this Agreement to safeguard Technology from unauthorized export, transfer or disclosure.

**E. Updates to Project Plans**

The Awardee shall promptly notify the Department of any material update to any Project Plan (including any event that may have a significant impact upon the Project such as a delay or other adverse condition that may materially affect the ability of the Awardee to achieve a milestone by the relevant Milestone Date relating thereto).

**F. Reporting and Certification Requirements**

| Reports and Certifications | Required Submission Date |
|---|---|
| Semiannual Business Financial Reports | Every second quarter, beginning at the conclusion of Q4 2026 |
| Annual Technical Milestone Status Reports | Annually, beginning 1 year after Award Date |
| Patent Reports and Subject Invention Listings | In accordance with Article 2 of Attachment 3 (**Intellectual Property**) |
| Security Updates | In accordance with Attachment 4 (**Security**), with annual recertification |
| Research Security Plan Certifications | Annually, beginning 1 year after Award Date |
| Annual Third-Party IT Security Assessment | In accordance with Article 2 of Attachment 4 (**Security**), with annual research security plan certification |
| Final Report | 120 days from the end of the Period of Performance |

* After the first anniversary of the Award Date, any report or update marked above with a "*" may be deferred at the discretion of the Department and instead required on an annual basis. The due date for any such report shall be the date that is 30 days following the completion of the Awardee's internal accounting team's review of the applicable quarter's unaudited financials (in the case of quarterly reports) or audit of the applicable annual period's financials (in the case of annual reports); provided, upon the Department's reasonable request, with respect to an applicable quarter's unaudited financials, the Awardee shall have its independent auditor "review" such unaudited financials. Such reports shall be consistent with the quarterly reports provided by the Awardee to the Department in the data room prior to the Award Date, with the exception of additional reporting requirements specific to the Award.

**G. Reporting and Certification Descriptions**

**1. Semiannual Business Financial Report**

The Semiannual Business Financial Report shall include (i) the financial statements included in the Issuer's Form 10-Q for the applicable fiscal quarter filed with the Securities Exchange Commission and (ii) shall note cumulative rebudgeting for the year and attach a revised Approved Budget Plan (if applicable). Audited financial statements shall be provided not less than annually, and be in the form included in the Issuer's Form 10-K for the applicable fiscal year filed with the Securities Exchange Commission. The Awardee shall notify the CRDO of any material corporate transactions disclosed to investors that could reasonably affect the Project in any material respect.

**2. Annual Technical Milestone Reports**

At a minimum, the Annual Technical Milestone Status Report shall include applicable technical presentation materials, detailed schedule updates and progress made toward technical milestones, updates on identified risks, risk mitigation, and timelines to risk resolution.

**3. Patent Report**

In accordance with Article 2 of Attachment 3 (**Intellectual Property**), the Awardee shall disclose each Subject Invention to the Department within ninety (90) days after the inventor discloses it in writing to Awardee personnel responsible for patent matters. The Awardee must notify the Department of any patent issuing or other Intellectual Property arising from work performed under this Agreement. The Awardee shall submit to the Department annual listings of Subject Inventions.

**H. Conflict of Interest**

To support ongoing conflict-of-interest and ethics compliance review, the Awardee must promptly inform the Department of any new or expanded relationship with Cantor Fitzgerald, L.P., BGC Group, or Newmark Group, Inc. during the Period of Performance. This notification requirement is solely for ethics, compliance, and conflict-of-interest review purposes and does not constitute an endorsement, recommendation, or preference regarding any entity.

**I. Meetings**

The Parties shall meet periodically or at the request of either Party to discuss and address issues relating to the implementation of this Agreement. Such meetings shall be conducted during normal business hours in person or by teleconference or videoconference.

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**ATTACHMENT 8. FORM OF SECURITIES ISSUANCE AGREEMENT**

[*To be provided under separate cover.*]

**SECURITIES ISSUANCE AGREEMENT**

THIS SECURITIES ISSUANCE AGREEMENT (this "Agreement"), is made as of September 8, 2026, by and among Quantinuum Inc., a Delaware corporation (the "Company"), Quantinuum Holdings, LLC, a Delaware limited liability company and a subsidiary of the Company ("Quantinuum Holdings"), Quantinuum LLC, a Delaware limited liability company and an indirect subsidiary of the Company (the "Awardee"), and the United States Department of Commerce (the "Department").

**WHEREAS**, the Department and the Awardee are parties to that certain Other Transaction Agreement, dated September 4, 2026 (the "Award Agreement"), setting forth, among other things, certain terms and conditions pursuant to which the Department agreed to issue to the Awardee an award (the "Award") administered pursuant to the CHIPS Act (as defined below); and

**WHEREAS**, in order to induce the Department to enter into the Award Agreement, the Awardee has agreed, subject to the terms and conditions set forth herein, to transfer to the Department such number of Shares (as defined below) set forth in Item 1 of Exhibit A under the heading "Shares."

**NOW**, **THEREFORE**, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, the parties agree as follows:

1. Issuance.

1.1 Issuance of Shares.

(a) Subject to the terms and conditions of this Agreement, the Company agrees to issue, the Awardee agrees to transfer to the Department, and the Department agrees to accept such transfer, at the Closing (as defined below) that number of shares of the Class A common stock, $0.0001 par value per share, of the Company ("Common Stock") set forth in Item 1 of Exhibit A under the heading "Shares." The shares of Common Stock issued and transferred to the Department pursuant to this Agreement shall be referred to in this Agreement as the "Shares."

1.2 Closing; Delivery.

(a) The Closing. The issuance of Shares contemplated by Section 1.1 shall take place remotely via the exchange of documents and signatures, on the date of this Agreement at such time as is mutually agreed upon, orally or in writing, by the Company and the Department (the consummation of such issuance being designated as the "Closing").

(b) Company Closing Obligations. At the Closing, the Company shall:

(i) (A) issue, contribute and convey the Shares to Quantinuum Holdings in exchange for common units of Quantinuum Holdings of equivalent value, (B) Quantinuum Holdings shall contribute and convey the Shares to the Awardee as a contribution of capital, and (C) the Awardee shall transfer to the Department (or its nominee) the Shares, free and clear of all Liens (as defined below) (other than restrictions on transfer under the Transaction Agreements (as defined below), applicable federal and state securities laws and liens or encumbrances created by or imposed by the Department), and deliver to the Department, as promptly as practicable, evidence reasonably satisfactory to the Department of the issuance of

such Shares in the name of the Department (or its nominee) in book-entry form on the books of the Company's transfer agent;

(ii) deliver to the Department a duly executed legal opinion from counsel for the Company, dated as of the date hereof, addressed to the Department and in substantially the form attached hereto as Exhibit D;

(iii) deliver to the Department a certificate from the Secretary of the Company addressed to the Department, certifying (A) the certificate of incorporation and bylaws of the Company as in effect at the Closing; (B) a good standing certificate of the Company, as of a recent date prior to the Closing; (C) the incumbency of the officers authorized to act on behalf of the Company in connection with the Transaction Agreements; and (D) resolutions of the Board of Directors (as defined below) approving the issuance of the Shares, the Transaction Agreements and the transactions contemplated under the Transaction Agreements; and

(iv) reimburse the Department, by wire transfer of immediately available funds, of the reasonable and documented out-of-pocket expenses incurred by the Department at or prior to Closing in accordance with Section 4.8.

1.3 Defined Terms Used in this Agreement. In addition to the terms defined above, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

(a) "Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with, such other Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with") when used with respect to any Person, means the possession, directly or indirectly, of the power to cause the direction of management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(b) "Award Period" means the period from the date of this Agreement until the earliest of (i) the Awardee having used the full amount of the Award on Eligible Project Costs, (ii) the end of the Period of Performance (as defined in the Award Agreement, as the same may be extended or otherwise modified in accordance with the terms of the Award Agreement), and (iii) the early termination of the Award Agreement in accordance with its terms.

(c) "Board of Directors" means the Company's Board of Directors.

(d) "Business Day" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close; *provided* that banking institutions shall be deemed to be generally open for business in the event of a "shelter in place" or similar closure of physical branch locations at the direction of any Governmental Authority if such banks' electronic funds transfer system (including wire transfers) are open for use by customers on such day. Unless otherwise specified herein, if any date on which action is required or any deadline set forth herein falls on a day that is not a Business Day, such date of deadline will be extended to the next succeeding Business Day.

(e) "CHIPS Act" means the Creating Helpful Incentives to Produce Semiconductors for America of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116-283), as amended by the CHIPS Act of 2022 (Division A of Pub. L. 117-167).

(f) "Competitor" means any current or prospective competitor of the Company that is reasonably identified in writing on the Company's competitor list delivered to and approved by the Department; *provided* that if the Company delivers an updated competitor list to the Department and it fails to object within 30 days, then the update to the competitor list will be deemed approved by the Department.

(g) "DGCL" means the Delaware General Corporation Law.

(h) "Eligible Project Costs" has the meaning set forth in the Award Agreement.

(i) "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

(j) "Governance Documents" means, with respect to any Person, all organizational documents and other documents relating to the governance, management or control of such Person (including any certificate of formation, certificate of incorporation, certificate of partnership, bylaws, charters, operating agreements, partnership agreements, side letters, limited liability company agreements, shareholder agreements, and all other governance documents).

(k) "Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

(l) "Governmental Entity" means the Department or any successor or permitted assign thereof that is (i) a U.S. governmental entity or instrumentality or department or agency thereof, or (ii) an entity in which the U.S. government has a majority and controlling ownership interest.

(m) "Holder" means the Department and any other holder of Registrable Securities to whom the registration rights conferred by this Agreement have been transferred in compliance with Section 3.8(g).

(n) "Lien" means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, transfer restriction, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

(o) "Material Adverse Effect" has the meaning set forth in the Award Agreement.

(p) "Person" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(q) "Registrable Securities" means the Shares and any equity securities issued or issuable with respect to the Shares as a result of the conversion, exercise or exchange of the Shares, or share dividend or share split or in connection with a combination of shares, recapitalization, reclassification, merger, amalgamation, arrangement, consolidation or other reorganization; *provided*, that once issued, such securities will cease to be Registrable Securities

when (A) they are sold or disposed of pursuant to an effective registration statement under the Securities Act or in a transaction in which all of the applicable conditions of Rule 144 are met, (B) they are eligible to be sold pursuant to Rule 144 without volume or manner-of-sale restrictions and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144(c)(1), and the restrictive legend on the certificate or book-entry notation representing such securities has been removed (or, in the case of uncertificated securities, the Company has instructed its transfer agent in writing to remove any stop-transfer or similar notation), (C) they shall have ceased to be outstanding, or (D) they have been sold in a private transaction in which the transferor's rights under this Agreement are not assigned to the transferee of the securities. No Registrable Securities may be registered under more than one registration statement at any one time.

(r) "Registration Expenses" means all expenses incurred by the Company in effecting any registration pursuant to Section 3.8 (whether or not any registration or prospectus becomes effective or final) or in otherwise complying with its obligations under Section 3.8, including all registration, filing and listing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses, expenses incurred in connection with any "road show," the reasonable fees and disbursements of one counsel to the Holders participating in such registration (which counsel shall be selected by the Holders of a majority of the Registrable Securities included in such registration), and expenses of the Company's independent accountants in connection with any regular or special reviews or audits incident to or required by any such registration, but shall not include Selling Expenses.

(s) "Rule 144" means Rule 144 under the Securities Act or any successor rule thereto.

(t) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(u) "Selling Expenses" means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of the Department's counsel included in Registration Expenses).

(v) "Shelf Registration Statement" means a registration statement on an appropriate form under Rule 415 under the Securities Act, or an amendment to, or a prospectus supplement filed under, any shelf registration statement that has previously been filed.

(w) "Special Registration" means the registration of (i) equity securities or options or other rights in respect thereof solely registered on Form S-4 or Form S-8 (or successor form) or (ii) shares of equity securities or options or other rights in respect thereof to be offered to directors, members of management, employees, consultants, customers, lenders or vendors of the Company or its Subsidiaries or in connection with dividend reinvestment plans.

(x) "Subsidiary" means, with respect to any Person, a corporation, partnership, trust, joint venture, limited liability company, association or other business entity of which a majority of the equity interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned, or the management of which is controlled, directly or indirectly through one or more intermediaries, by such Person.

(y) "Transaction Agreements" means this Agreement and the Award Agreement.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to the Department that, except as set forth on the Disclosure Schedule attached as Exhibit B to this Agreement (the "Disclosure Schedule"), which exceptions shall be deemed to be part of the representations and warranties made hereunder, the following representations are true and complete as of the date of the Closing, except as otherwise indicated. The Disclosure Schedule shall be arranged in sections corresponding to the numbered and lettered sections contained in this Section 2, and the disclosures in any section of the Disclosure Schedule shall qualify other sections in this Section 2 only to the extent it is readily apparent from a reading of the disclosure that such disclosure is applicable to such other sections.

For purposes of these representations and warranties (other than those in Sections 2.1(a), 2.2, 2.3, 2.4, 2.5 and 2.6), the term the "Company" shall include the Subsidiaries of the Company, unless otherwise noted herein.

2.1 Organization, Good Standing, Corporate Power and Qualification. The Company (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has made available to the Department true, accurate and complete copies of each of the Governance Documents of the Company; (b) is duly qualified to do business in each jurisdiction where the failure to so qualify could reasonably be expected to have a Material Adverse Effect; and (c) has all requisite power and authority to (i) own or hold under lease or license and operate the property and assets it purports to own or hold under lease or license, except to the extent that the failure to have such power and authority would not reasonably be expected to be material to the Company; and (ii) carry on its business as now being conducted, except to the extent that the failure to have such power and authority would not reasonably be expected to be material to the Company, and as proposed to be conducted in respect of the Project (as defined in the Award Agreement).

2.2 Capitalization.

(a) The authorized capital of the Company consists, immediately prior to the Closing, of:

(i) 2,000,000,000 shares of Common Stock, 38,992,943 shares of which are issued and outstanding;

(ii) 2,000,000,000 shares of Class B common stock, $0.0001 par value per share, of the Company ("Class B Common Stock"), 224,4362,312 shares of which are issued and outstanding; and

(iii) 20,000,000 shares of undesignated preferred stock, $0.0001 par value per share, of the Company (the "Preferred Stock"), no shares of which are issued and outstanding.

(b) The rights, privileges and preferences of the Common Stock, Class B Common Stock and Preferred Stock are as stated in the Company's certificate of incorporation and as provided by the DGCL.

(c) All of the outstanding shares of capital stock have been duly authorized, are fully paid and non-assessable and were issued in compliance with all applicable federal and state securities laws. No such shares of capital stock are subject to any preemptive rights (nor were they issued in violation of any preemptive rights).

(d) The Company has reserved 44,556,275 shares of Common Stock for issuance to officers, directors, employees and consultants of the Company or a Subsidiary thereof pursuant to the Quantinuum Inc. 2026 Incentive Award Plan or the Quantinuum 2023 Equity Incentive Plan, which were duly adopted by the Board of Directors and approved by the Company stockholders (the "Stock Plans"). Of such reserved shares of Common Stock, as of immediately prior to the Closing, (i) 538,694 shares have been issued pursuant to restricted stock awards or purchase agreements or the exercise of options and are currently outstanding (and included as outstanding in Section 2.2(a)(i) above), (ii) options to purchase 122,791 shares have been granted and are currently outstanding, (iii) 5,425,792 shares have been reserved for issuance pursuant to outstanding restricted stock unit awards, and (iv) 34,809,098 shares of Common Stock remain available for issuance to officers, directors, employees and consultants pursuant to the Stock Plans, all of which remain uncommitted and unallocated. The Company has furnished to the Department complete and accurate copies of the Stock Plans and forms of agreements used thereunder.

(e) As of immediately prior to the Closing, Section 2.2(e) of the Disclosure Schedule sets forth all outstanding options, warrants, convertible securities, rights (including conversion or preemptive rights, rights of first refusal or similar rights) or agreements, orally or in writing, to purchase or acquire from the Company any shares of Common Stock, Class B Common Stock or Preferred Stock, or any securities convertible into or exercisable or exchangeable for shares of Common Stock, Class B Common Stock or Preferred Stock.

(f) The Company has obtained valid waivers of any rights by other parties to purchase, or participate in the issuance of, any of the Shares covered by this Agreement.

2.3 Subsidiaries. Section 2.3 of the Disclosure Schedule sets forth each Subsidiary of the Company and the percentage of the equity interests thereof owned, directly or indirectly, by the Company. Other than as set forth on Section 2.3 of the Disclosure Schedule, the Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association or other business entity. Other than as set forth on Section 2.3 of the Disclosure Schedule, the Company is not a participant in any joint venture, partnership or similar arrangement.

2.4 Authorization; No Conflict. All corporate action required to be taken by the Board of Directors and the Company's stockholders in order to authorize the Company to enter into the Transaction Agreements and issue the Shares has been taken. All action on the part of the officers of the Company necessary for the execution and delivery of the Transaction Agreements, the performance of all obligations of the Company under the Transaction Agreements to be performed as of the Closing, and the issuance and delivery of the Shares has been taken. Neither the Company's execution and delivery of the Transaction Agreements, nor its consummation of the transactions contemplated by the Transaction Agreements, nor its compliance with the terms of this Agreement or any other Transaction Agreement (i) contravenes its Governance Documents; (ii) contravenes any applicable laws in any material respect; (iii) contravenes or results in any breach or constitutes any default under any material judgment entered by or with any Governmental Authority; (iv) contravenes or result in any breach or constitute any default under any material agreement or instrument to which it is a party, except to the extent that such contravention, breach or default would not reasonably be expected to be material to the Company; or (v) requires the consent or approval of any Person other than any consents or approvals that have been obtained and are in full force and effect.

2.5 Legality; Validity; Enforceability. Each Transaction Agreement to which the Company is (or will be when executed) a party constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership,

moratorium or other applicable laws affecting creditors' rights generally and by general principles of equity.

2.6 Valid Issuance of Shares. The Shares, when issued, sold and delivered in accordance with the terms set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of all Liens (other than restrictions on transfer under the Transaction Agreements, applicable federal and state securities laws and liens or encumbrances created by or imposed by the Department). Subject to the filings described in Section 2.7 below, the Shares will be issued in compliance with all applicable federal and state securities laws. The Shares have been duly reserved for issuance out of the Company's existing authorized capital stock, and will be issued in accordance with the terms of the Company's certificate of incorporation.

2.7 Governmental Consents and Filings. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement, except for (a) the filing of any Current Report on Form 8-K required to be filed with the SEC and the inclusion of disclosures required by the Exchange Act in the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, (b) such filings or approvals as are required pursuant to applicable state securities or blue sky laws, (c) such filings as required by Section 3.8, and (d) the filing of a listing of additional shares notification form with the Exchange (as defined below), each of which has been made or will be made in a timely manner.

2.8 Reports.

(a) Since May 8, 2026, the Company has timely filed all reports, registrations, documents, filings, statements and submissions, together with any amendments thereto, that it was required to file with any Governmental Authority (the foregoing, collectively, the "Company Reports") and has paid all fees and assessments due and payable in connection therewith, except, in each case, as would not, individually or in the aggregate, reasonably be expected to be material to the Company. As of their respective dates of filing, the Company Reports complied in all material respects with all statutes and applicable rules and regulations of the applicable Governmental Authority. In the case of each such Company Report filed with or furnished to the Securities and Exchange Commission (the "SEC"), such Company Report (i) did not, as of its date or if amended prior to the date hereof, as of the date of such amendment, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and (ii) complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act. With respect to all other Company Reports, the Company Reports were complete and accurate in all material respects as of their respective dates. No executive officer of the Company or any Subsidiary of the Company has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act of 2002.

(b) The Company (i) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) to ensure that material information relating to the Company, including its Subsidiaries, is made known to the chief executive officer and the chief financial officer of the Company by others within those entities, and (ii) has disclosed, based on its most recent evaluation prior to the date hereof, to the Company's outside auditors and the audit committee of the Board of Directors (x) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (y) any

fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

(c) The financial statements of the Company and its consolidated Subsidiaries included or incorporated by reference in the Company Reports filed with the SEC since May 8, 2026, present fairly in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates indicated therein and the consolidated results of their operations for the periods specified therein. Such financial statements (i) were prepared in conformity with generally accepted accounting principles applied on a consistent basis (except as may be noted therein); (ii) have been prepared from, and are in accordance with, the books and records of the Company and its Subsidiaries; and (iii) complied as to form, as of their respective dates of filing with the SEC, in all material respects with the applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto.

2.9 Offering of Securities. Neither the Company nor any Person acting on its behalf has taken any action (including any offering of any securities of the Company under circumstances which would require the integration of such offering with the offering of any of the Shares under the Securities Act), which might subject the issuance of any of the Shares to the Department pursuant to this Agreement to the registration requirements of the Securities Act.

2.10 Anti-Takeover Provisions and Rights Plan. The Company and the Board of Directors have taken all necessary action, if any, to ensure that the transactions contemplated by the Transaction Agreements, including the issuance of the Shares, are exempt from any anti-takeover or similar provisions of the Company's Governance Documents. The Company has taken all actions necessary, if any, to render any stockholders' rights plan of the Company inapplicable to this Agreement and the consummation of the transactions contemplated hereby and thereby. The Company and the Board of Directors warrant that neither the Company nor the Board of Directors shall, at any time following the date hereof, take any action, adopt any resolution, amend or modify the Company's Governance Documents, adopt or implement any stockholders' rights plan, or take or permit any other action that would cause the issuance of the Shares or any of the transactions contemplated by this Agreement or the other Transaction Agreement to become subject to, or fail to be exempt from, any anti-takeover or similar provisions, including any "moratorium", "control share", "fair price", "interested stockholder" or other anti-takeover laws or regulations of any jurisdiction, or any stockholders' rights plan, in each case that was not applicable to such issuance or transactions as of the date hereof.

2.11 Brokers and Finders. No broker, finder or investment bank is entitled to any financial advisory, brokerage, finder's or other fee or commission in connection with this Agreement, the Shares or the transactions contemplated hereby based upon arrangements made by or on behalf of the Company for which the Department could have any liability.

2.12 Exchange Listing. The Common Stock is registered pursuant to Section 12(b) of the Exchange Act and listed on the Nasdaq Global Market (the "Exchange"), and the Company has taken no action designed to, or which is reasonably likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or delisting the Common Stock from the Exchange, nor has the Company received any written notification that the SEC or the Exchange is contemplating terminating such registration or listing. The Company is in compliance with applicable continued listing requirements of the Exchange in all material respects.

2.13 Disclosure. The Company has made available to the Department all the information in the Company's possession or reasonably available to the Company that the Department has requested for deciding whether to acquire the Shares. No representation or warranty of the Company contained in this Agreement, as qualified by the Disclosure Schedule,

and no certificate furnished or to be furnished to the Department at the Closing contains any untrue statement of a material fact or, to the Company's knowledge, omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. It is understood that this representation is qualified by the fact that the Company has not delivered to the Department, and has not been requested to deliver, a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

3. Additional Agreements.

3.1 Investment Purposes. The Department acknowledges that the Shares have not been registered under the Securities Act or under any state securities laws. The Department (a) is acquiring the Shares pursuant to an exemption from registration under the Securities Act solely for investment without a view to sell and with no present intention to distribute them to any Person in violation of the Securities Act or any applicable U.S. state securities laws; (b) will not sell or otherwise dispose of any of the Shares, except in compliance with the registration requirements or exemption provisions of the Securities Act and any applicable U.S. state securities laws; and (c) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks of the Shares and of making an informed investment decision.

3.2 Legends. The Department agrees that all certificates or other instruments representing the Shares will bear a legend substantially to the following effect (the "No Registration Legend"):

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS."

In the event that any Shares (a) become registered under the Securities Act or (b) are eligible to be transferred without restriction in accordance with Rule 144 or another exemption from registration under the Securities Act (other than Rule 144A), the Company, upon request of the Department, shall issue or cause to be recorded new certificates or book-entry notations representing such Shares, which shall not contain the No Registration Legend; *provided,* that the Department surrenders to the Company any previously issued certificates or other instruments representing such Shares.

3.3 Certain Transactions. The Company will not merge or consolidate with, or sell, transfer or lease all or substantially all of its property or assets to, any other party unless the successor, transferee or lessee party (or its ultimate parent entity), as the case may be (if not the Company), expressly assumes the due and punctual performance and observance of each and every covenant, agreement and condition of this Agreement to be performed and observed by the Company.

3.4 Transfers. Subject to compliance with applicable securities laws and the remainder of this Section 3.4, the Department shall be permitted to transfer, sell, assign or otherwise dispose of ("Transfer") all or a portion of the Shares at any time, and the Company shall take all

commercially reasonable steps as may be reasonably requested by the Department to facilitate the Transfer of the Shares; *provided* that (a) the aggregate number of Shares the Department may Transfer without the prior written consent of the Company shall be limited to that number of Shares equal to (i) the total number of Shares issued to the Department pursuant to this Agreement (as adjusted to reflect any stock split, reverse stock split, stock dividend, combination, reclassification, recapitalization or other similar event affecting the Shares after the Closing), *multiplied by* (ii) a percentage equal to (A) as of the date of such Transfer, the aggregate amount of Award funds that the Awardee has withdrawn from ASAP (as defined in the Award Agreement) *minus* the aggregate amount of Award funds that the Awardee has returned to ASAP in accordance with the Award Agreement *divided by* (B) the maximum total amount of the Award set forth in the Award Agreement; and (b) the Department shall not Transfer the Shares (i) during the period commencing upon the Department's delivery of written notice to the Awardee of the Department's termination of the Award Agreement for convenience pursuant to Article XI.A thereof and ending 150 days following the end of the Award Period, or, if the Company provides written notice of exercise delivered to the Department in accordance with Section 3.9 hereof, upon the expiration of the Repurchase Closing Period (as defined below), or (ii) in a privately negotiated transaction to (A) any Competitor or (B) any transferee whose ownership of the Shares would (or could reasonably be expected to) cause the Company or the Awardee to violate any provision under the Award Agreement. As a condition precedent to any Transfer of any Shares by the Department in a privately negotiated transaction, any transferee receiving such Shares must agree to be bound by the terms of the Transaction Agreements by executing and delivering a joinder to the Transaction Agreements.

3.5 Voting Restrictions for U.S. Governmental Entities. To the extent any Shares issued to the Department hereunder carry any voting rights (collectively, "Voting Shares"), the Department agrees that, for so long as a U.S. governmental entity or instrumentality or department or agency thereof, or an entity in which the U.S. government has a majority and controlling ownership interest (collectively, "U.S. Governmental Entities"), owns any such Voting Shares, such U.S. Governmental Entity shall not be entitled to vote any such Voting Shares at any annual or special meeting of stockholders of the Company or execute or deliver any written consent in its capacity as a holder of such Voting Shares to the greatest extent possible consistent with applicable laws, except with respect to any matter on which such U.S. Governmental Entity is entitled to vote pursuant to applicable law (including by way of illustration Section 242(b)(2) of the DGCL) that would or would have the effect of increasing or decreasing the aggregate number of authorized shares of such class applicable to such Voting Shares, increasing or decreasing the par value of the shares of such class applicable to such Voting Shares, or altering or changing the powers, preferences, or special rights of the shares of such class applicable to such Voting Shares so as to affect them adversely. For the avoidance of doubt, any transferee of such Voting Shares that is not a U.S. Governmental Entity shall have the full right to vote, or act by written consent with respect to, such equity interests. This Section 3.5 shall terminate and be of no further force and effect at such time that no U.S. Governmental Entity owns any such Voting Shares.

3.6 Exchange Listing Notification. As promptly as practicable following the Closing (and in any event within the time period required by the applicable rules of the Exchange), the Company shall submit to the Exchange the applicable listing of additional shares notification or other required notice in connection with the issuance of the Shares.

3.7 Information. With a view to making available to the Department the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its commercially reasonable efforts to: (a) make and keep adequate current public information available, as those terms are understood and defined in Rule 144(c) or any similar or analogous rule promulgated under the Securities Act, at all times after the date hereof until such time as there are no Registrable

Securities remaining; (b)(i) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Securities Act and the Exchange Act until such time as there are no Registrable Securities remaining, and (ii) if at any time the Company is not required to file such reports, make available, upon the request of the Department, such information necessary to permit sales pursuant to Rule 144A (including the information required by Rule 144A(d)(4) under the Securities Act); (c) furnish to the Department or holder of Registrable Securities forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of the Exchange Act and Rule 144(c)(1); a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as the Department or such holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities to the public without registration (*provided*, *however*, that the availability of the foregoing reports on the EDGAR filing system of the SEC will be deemed to satisfy the foregoing delivery requirements); and (d) take such further action as the Department or such holder may reasonably request, all to the extent required from time to time to enable the Department or such holder to sell Registrable Securities without registration under the Securities Act. If the Registrable Securities are eligible to be sold without restriction under, and without the Company being in compliance with the current public information requirements of, Rule 144 under the Securities Act, then at the Department's written request, the Company will use its reasonable best efforts to cause its transfer agent to remove the legend set forth in Section 3.2. In connection therewith, if required by the Company's transfer agent, the Company will as promptly as practicable cause an opinion of counsel to be delivered to its transfer agent, together with any other authorizations, certificates and directions reasonably required by the transfer agent that authorize and direct the transfer agent to issue such Registrable Securities without any such legend; notwithstanding the foregoing, Company will not be required to deliver, or cause the delivery of, any such opinion, authorization, certificate or direction if it reasonably believes that removal of the legend could result in or facilitate transfers of securities in violation of applicable law.

3.8 Registration Rights.

(a) Registration. Subject to the terms and conditions of this Section 3.8, the Company shall use commercially reasonable efforts to file by the date that is three months after the date of this Agreement (the "Filing Date") a Shelf Registration Statement with the SEC covering the resale of the Registrable Securities on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, then such registration shall be on Form S-1 or another appropriate form and shall provide for the registration of such Registrable Securities for resale by the Holders in accordance with any reasonable method of distribution elected by the Holders) (the "Registration Statement"), and, to the extent the Registration Statement has not theretofore been declared effective or is not automatically effective upon such filing, the Company shall use commercially reasonable efforts to cause the Registration Statement to be declared or become effective and to keep the Registration Statement continuously effective and in compliance with the Securities Act and usable for resale of such Registrable Securities for a period from the date of its initial effectiveness until such time as there are no Registrable Securities remaining (including by refiling such Registration Statement (or a new Shelf Registration Statement) if the initial Registration Statement expires); *provided*, *however*, that the Company's obligation to file a Shelf Registration Statement pursuant to this Section 3.8 shall be deemed satisfied if, as of the Filing Date, there exists a Shelf Registration Statement (including an Automatic Shelf Registration Statement (as defined in Rule 405 under the Securities Act)) previously filed by the Company that covers the resale of the Registrable Securities, and the Company files a prospectus supplement to such existing Shelf Registration Statement to register the resale of the Registrable Securities thereunder no later than the Filing Date (and references herein to the "Registration Statement" shall include any such existing Shelf Registration Statement, as supplemented). If the Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) at the time of filing the Registration Statement with

the SEC, the Registration Statement shall be designated as an Automatic Shelf Registration Statement. The Company shall use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but no later than the earlier of (i) the 45th calendar day (or 90th calendar day if the SEC notifies the Company that it will "review" the Registration Statement) following the Filing Date and (ii) the fifth Business Day after the date the Company is notified (orally or in writing, whichever is earlier) by the SEC that the Registration Statement will not be "reviewed" or will not be subject to further review. If any Holder intends to distribute any Registrable Securities by means of an underwritten offering it shall promptly advise the Company and the Company shall take all reasonable steps to facilitate such distribution, including the actions required pursuant to Section 3.8(d); *provided*, that the Company shall not be required to facilitate more than one completed underwritten offering within any 12-month period and the Company shall not be required to facilitate an underwritten offering unless the total number of shares of Common Stock expected to be sold in such offering exceeds at least 20% of the total number of Shares issued under this Agreement. The lead managing underwriters in any such distribution shall be selected by the Holders of a majority of the Registrable Securities to be distributed and shall be reasonably acceptable to the Company. The Company shall not be required to effect a registration (including a resale of Registrable Securities from an effective Registration Statement): (A) prior to the Filing Date; (B) with respect to securities that are not Registrable Securities; or (C) if the Company has notified the Holders that in the good faith judgment of the Board of Directors, it would be materially detrimental to the Company or its securityholders for such registration to be effected at such time, in which event the Company shall have the right to defer such registration or offering for a period of not more than 45 days after receipt of the request of the applicable Holder; *provided*, that such right to delay a registration or offering shall be exercised by the Company (x) only if the Company has generally exercised (or is concurrently exercising) similar black-out rights against holders of any similar securities that have registration rights and (y) not more than three times in any 12-month period and not more than 90 days in the aggregate in any 12-month period. The Company shall notify the Holders of the date of any anticipated termination of any such deferral period prior to such date.

(b) Piggyback Registration Rights. If during any period when an effective Shelf Registration Statement is not available, the Company proposes to register any of its equity securities, other than a registration pursuant to Section 3.8(a), a Special Registration or a registration relating to an at-the-market offering program, and the registration form to be filed may be used for the registration or qualification for distribution of Registrable Securities, the Company will give written notice to the Holders as promptly as practicable of its intention to effect such a registration (but in no event less than 15 days prior to the anticipated filing date) and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 10 Business Days after the date of the Company's notice (a "Piggyback Registration"). Any Holder that has made such a written request may withdraw its Registrable Securities from such Piggyback Registration by giving written notice to the Company and the lead managing underwriter, if any, on or before the fifth Business Day prior to the planned effective date of such Piggyback Registration. The Company may terminate or withdraw any registration under this Section 3.8(b) prior to the effectiveness of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. If, in connection with a Piggyback Registration that involves an underwritten offering, the lead managing underwriter advises the Company in writing that, in its or their opinion, the inclusion of all the securities sought to be included in such underwritten offering would adversely affect the probability of success, the proposed offering price, the timing or the distribution method thereof, then the Company shall include in such underwritten offering (and in the registration statement applicable to such Piggyback Registration) only such securities as the Company is so advised by such lead managing underwriter can be sold without such an effect, in the following order of priority: (1) if the Piggyback Registration relates to an offering for the Company's own account, then (A) first, such number of shares of equity securities to be sold by

the Company as the Company, in its reasonable judgment, shall have determined, (B) second, a pro rata number of shares consisting of (x) Registrable Securities of the Holders and (y) shares held by any other Persons having rights of registration on parity with the Holders with respect to such offering (in each case, based on the number of shares of equity securities properly requested to be included in such offering), and (C) third, shares of equity securities sought to be registered by holders not otherwise encompassed by clause (B) of this Section 3.8(b); or (2) if the Piggyback Registration relates to an offering other than for the Company's own account, then (A) first, the Registrable Securities of the Holders and shares of equity securities sought to be registered by Persons having rights of registration on parity with the Holders (pro rata on the basis of shares properly requested), (B) second, shares of equity securities to be sold by the Company, and (C) third, any remaining shares; *provided*, *however*, that if the Company has, prior to the date hereof, entered into an agreement with respect to its securities that is inconsistent with the order of priority contemplated hereby, then it shall apply the order of priority in such conflicting agreement to the extent that this Agreement would otherwise result in a breach under such agreement.

(c) Expenses of Registration. All Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to this Section 3.8 shall be borne by the Company. All Selling Expenses incurred in connection with any registrations pursuant to this Section 3.8 shall be borne by the Holders of the securities so registered pro rata on the basis of the aggregate offering or sale price of the securities so registered.

(d) Obligations of the Company. The Company shall use commercially reasonable efforts, for so long as there are Registrable Securities outstanding, to take such actions as are under its control to not become an ineligible issuer (as defined in Rule 405 under the Securities Act) and to remain a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) or a seasoned eligible listed issuer (if the SEC proposed rules become effective) if it has such status on the date hereof or becomes eligible for such status in the future; *provided*, *however*, that the Company shall not be required to maintain any certain level of public float. In addition, whenever required to effect the registration of any Registrable Securities or facilitate the distribution of Registrable Securities pursuant to an effective Shelf Registration Statement, the Company shall, as promptly as reasonably practicable:

(i) Prepare and file with the SEC a prospectus supplement with respect to a proposed offering of Registrable Securities pursuant to an effective registration statement, subject to Section 3.8(e), keep such registration statement effective and keep such prospectus supplement current until the securities described therein are no longer Registrable Securities. The plan of distribution included in such registration statement, or applicable prospectus supplement, shall include, among other things, an underwritten offering, ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers, block trades, privately negotiated transactions, the writing or settlement of options or other derivative transactions and any other method permitted pursuant to applicable law, and any combination thereof.

(ii) Prepare and file with the SEC such amendments and supplements to the applicable registration statement and the prospectus or prospectus supplement used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement.

(iii) Furnish to the Holders and any underwriters such number of copies of the applicable registration statement and each such amendment and supplement thereto (including in each case all exhibits) and of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may

reasonably request in order to facilitate the disposition of Registrable Securities owned or to be distributed by them.

(iv) Use commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as shall be reasonably requested by the Holders or any managing underwriter, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and to take any other action which may be reasonably necessary to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such Holder; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business, to subject itself to taxation or to file a general consent to service of process in any such states or jurisdictions.

(v) Notify each Holder of Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the applicable prospectus, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing.

(vi) Give written notice to the Holders: (A) when any registration statement filed pursuant to this Section 3.8 or any amendment thereto has been filed with the SEC and when such registration statement or any post-effective amendment thereto has become effective; (B) of any request by the SEC for amendments or supplements to any registration statement or the prospectus included therein or for additional information; (C) of the issuance by the SEC of any stop order suspending the effectiveness of any registration statement or the initiation of any proceedings for that purpose; (D) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Common Stock for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and (E) of the happening of any event that requires the Company to make changes in any effective registration statement or the prospectus related to the registration statement in order to make the statements therein not misleading (which notice shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made).

(vii) Use commercially reasonable efforts to prevent the issuance of, or obtain the withdrawal of, any stop order suspending the effectiveness of any registration statement at the earliest practicable time.

(viii) Upon the occurrence of any event contemplated by Section 3.8(d)(v), 3.8(d)(vi)(E) or 3.8(e), promptly prepare a post-effective amendment to such registration statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to the Holders and any underwriters, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading. If the Company notifies the Holders in accordance with Section 3.8(d)(vi)(E) to suspend the use of the prospectus until the requisite changes have been made, then the Holders and any underwriters shall suspend use of such prospectus and use their reasonable best efforts to return to the Company all copies of such prospectus (at the Company's expense) other than permanent file copies then in such Holders' or underwriters' possession. The total number of days that any such suspension may be in effect in any 12-month period shall not exceed 90 days. The Company shall notify the Holders of the date of any anticipated termination of any such suspension period prior to such date.

(ix) Use commercially reasonable efforts to procure the cooperation of the Company's transfer agent in settling any offering or sale of Registrable Securities, including

with respect to the transfer of physical stock certificates into book-entry form in accordance with any procedures reasonably requested by the Holders or any managing underwriter.

(x) If an underwritten offering is requested pursuant to Section 3.8(a), enter into an underwriting agreement in customary form, scope and substance and take all such other actions reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith or by any managing underwriter, if any, to expedite or facilitate the underwritten disposition of such Registrable Securities, and in connection therewith in any underwritten offering (including making members of management and executives of the Company available to participate in "road shows" and similar marketing activities), (i) make such representations and warranties to the selling Holders and the managing underwriters, if any, with respect to the business of the Company and its Subsidiaries, the Registration Statement and prospectus in customary form, substance and scope, and, if true, confirm the same if and when requested, (ii) use commercially reasonable efforts to furnish the managing underwriters with opinions and "10b-5" letters of counsel to the Company, addressed to the managing underwriters, if any, covering the matters customarily covered in such opinions and letters in underwritten offerings, (iii) use commercially reasonable efforts to obtain "cold comfort" letters from the independent certified public accountants of the Company who have certified the financial statements included in such Registration Statement, addressed to each of the managing underwriters, if any, in customary form and covering matters of the type customarily covered in "cold comfort" letters, (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures customary in underwritten offerings, and (v) deliver such documents and certificates as may be reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith, their counsel and the managing underwriters, if any, to evidence the continued validity of the representations and warranties made pursuant to clause (i) above and to evidence compliance with any customary conditions contained in the underwriting agreement.

(xi) Make available for inspection by a representative of the Holders, the managing underwriters, if any, and any attorneys or accountants retained by such Holders or managing underwriters, at the offices where normally kept, during reasonable business hours, financial and other records, pertinent corporate documents and properties of the Company, and cause the officers, directors and employees of the Company to supply all information reasonably requested by any such representative, managing underwriters, attorney or accountant in connection with such Registration Statement.

(xii) Use commercially reasonable efforts to cause all such Registrable Securities to be listed on each national securities exchange on which similar securities issued by the Company are then listed.

(xiii) If requested by the Holders of a majority of the Registrable Securities being registered or sold in connection therewith, or the managing underwriters, if any, promptly include in a prospectus supplement or amendment such information as such Holders or managing underwriters may reasonably request in order to permit the intended method of distribution of such securities, and make all required filings of such prospectus supplement or such amendment as soon as practicable after the Company has received such request.

(xiv) Timely provide to its security holders earnings statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(xv) Suspension of Sales. Upon receipt of written notice from the Company that a registration statement, prospectus or prospectus supplement contains or may contain an untrue statement of a material fact or omits or may omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that

circumstances exist that make inadvisable use of such registration statement, prospectus or prospectus supplement, each Holder of Registrable Securities shall forthwith discontinue disposition of Registrable Securities until such Holder has received copies of a supplemented or amended prospectus or prospectus supplement, or until such Holder is advised in writing by the Company that the use of the prospectus and, if applicable, prospectus supplement may be resumed, and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus and, if applicable, prospectus supplement covering such Registrable Securities current at the time of receipt of such notice. The total number of days that any such suspension may be in effect in any 12-month period shall not exceed 90 days. The Company shall notify the Holders prior to the anticipated termination of any such suspension period of the date of such anticipated termination.

(e) Indemnification.

(i) Indemnification by the Company. The Company agrees to indemnify each Holder and, if a Holder is a Person other than an individual, such Holder's officers, directors, employees, agents, representatives and Affiliates, and each Person, if any, that controls a Holder within the meaning of the Securities Act (each, a "Holder Indemnitee"), against any and all losses, claims, damages, actions, liabilities, costs and expenses (including reasonable fees, expenses and disbursements of attorneys and other professionals incurred in connection with investigating, defending, settling, compromising or paying any such losses, claims, damages, actions, liabilities, costs and expenses), joint or several, arising out of or based upon any untrue statement or alleged untrue statement of material fact contained in any registration statement filed pursuant to this Section 3.8, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto or any documents incorporated therein by reference or contained in any free writing prospectus (as defined in Rule 405 under the Securities Act) prepared by the Company or authorized by it in writing for use by such Holder (or any amendment or supplement thereto), or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, that the Company shall not be liable to such Holder Indemnitee in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon (A) an untrue statement or omission made in reliance upon and in conformity with information regarding such Holder Indemnitee or its plan of distribution or ownership interests which was furnished in writing to the Company by such Holder Indemnitee or on such Holder Indemnitee's behalf expressly for use in connection with such registration statement, including any such preliminary or final prospectus or any such amendments or supplements thereto, or (B) offers or sales effected by or on behalf of such Holder Indemnitee "by means of" (as defined in Rule 159A under the Securities Act) a "free writing prospectus" (as defined in Rule 405 under the Securities Act) that was not authorized in writing by the Company.

(ii) Indemnification by Holder. Each Holder that is not a Governmental Entity (a "Non-Governmental Entity Holder") agrees to indemnify each other Holder, the Company, and its officers, directors, employees, agents, representatives and Affiliates, and each Person, if any, that controls the Company within the meaning of the Securities Act to the same extent as the foregoing indemnity from the Company to such Holder, but only with respect to information furnished in writing to the Company by such Holder or on such Holder's behalf expressly for use in connection with any registration statement filed pursuant to this Section 3.8 or prospectus relating thereto or any amendments or supplements thereto. The liability of any Non-Governmental Entity Holder under this Section 3.8(e)(ii) shall be limited to the aggregate cash and property received by such Holder pursuant to the sale of Registrable Securities covered by such registration statement or prospectus.

(iii) Conduct of Indemnification Proceedings. If any action or proceeding shall be brought or asserted against any Person entitled to indemnification under Section 3.8(e)(i) or Section 3.8(e)(ii) (an "Indemnified Party") in respect of which indemnity may be sought from any Person who has agreed to provide such indemnification under Section 3.8(e)(i) or Section 3.8(e)(ii) (an "Indemnifying Party"), the Indemnified Party shall give prompt written notice to the Indemnifying Party and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all reasonable expenses of such defense. Such Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (A) the Indemnifying Party has agreed to pay such fees and expenses, (B) the Indemnifying Party fails promptly to assume the defense of such action or proceeding or fails to employ counsel reasonably satisfactory to such Indemnified Party, or (C) the named parties to any such action or proceeding (including any impleaded parties) include both such Indemnified Party and Indemnifying Party (or an Affiliate of the Indemnifying Party), and such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to the Indemnified Party that are different from or additional to those available to the Indemnifying Party, or there is a conflict of interest on the part of counsel employed by the Indemnifying Party to represent such Indemnified Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of such Indemnified Party). Notwithstanding the foregoing, the Indemnifying Party shall not, in connection with any such action or proceeding or separate but substantially similar related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable at any time for the fees and expenses of more than one separate firm of attorneys (together in each case with appropriate local counsel). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent (which consent will not be unreasonably withheld), but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the Indemnifying Party shall indemnify and hold harmless such Indemnified Party from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. The Indemnifying Party shall not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release, in form and substance reasonably satisfactory to the Indemnified Party, from all liability (including any obligation or restriction) in respect of such action or proceeding for which such Indemnified Party would be entitled to indemnification hereunder.

(iv) Contribution. If the indemnification provided for in Section 3.8(e)(i) or Section 3.8(e)(ii) is unavailable to an Indemnified Party with respect to any losses, claims, damages, actions, liabilities, costs or expenses referred to therein or is insufficient to hold the Indemnified Party harmless as contemplated therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, actions, liabilities, costs or expenses in such proportion as is appropriate to reflect the relative fault of the Indemnified Party, on the one hand, and the Indemnifying Party, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, actions, liabilities, costs or expenses as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party, on the one hand, and of the Indemnified Party, on the other hand, shall be determined by reference to, among other factors, whether the untrue statement of a material fact or omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; the Company and each Holder agree that it would not be just and equitable if contribution pursuant to this Section 3.8(e)(iv)

were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 3.8(e)(iv). Notwithstanding the provisions of this Section 3.8(e)(iv), no Holder shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities of such Holder were offered to the public (less any underwriting discounts or commissions) exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(f) No Inconsistent Agreements. The Company shall not, on or after the date hereof, enter into any agreement with respect to its securities that may impair the rights granted to the Holders under this Section 3.8 or that otherwise conflicts with the provisions hereof in any manner that may impair the rights granted to the Holders under this Section 3.8. Any transaction entered into by the Company that would reasonably be expected to require the inclusion in a Registration Statement or any Company Report filed with the SEC of any separate financial statements pursuant to Rule 3-05 of Regulation S-X or pro forma financial statements pursuant to Article 11 of Regulation S-X shall include provisions requiring the Company's counterparty to provide any information necessary to allow the Company to comply with its obligations under this Section 3.8.

(g) Assignment of Registration Rights. The rights of the Department to registration of Registrable Securities as a Holder pursuant to Section 3.8(a) or Section 3.8(b) (and the related provisions of this Section 3.8) may be assigned by the Department to a transferee or assignee of Registrable Securities in connection with a Transfer of Registrable Securities representing at least 15% of the total number of Registrable Securities then outstanding; *provided*, that the transferor shall, within 10 days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the number and type of Registrable Securities that are being assigned. Any such assignee shall be deemed a "Holder" hereunder.

(h) Clear Market. With respect to any underwritten offering of Registrable Securities by any Holder pursuant to this Section 3.8, the Company agrees not to effect (other than pursuant to such registration or pursuant to a Special Registration) any public sale or distribution, or to file any Shelf Registration Statement (other than such registration or a Special Registration) covering any of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the period not to exceed 30 days following the effective date of such offering, except to the extent required pursuant to any registration rights granted under any other agreement that the Company has entered into prior to the date hereof with respect to its securities (not taking into account any amendments thereto following the date hereof) and provided, that the foregoing shall not apply to sales under any at-the-market offering program in effect prior to the launch of such underwritten offering. The Company also agrees to cause such of its directors and senior executive officers to execute and deliver customary lock-up agreements in such form and for such time period up to 30 days as may be requested by the managing underwriter.

(i) Termination of Registration Rights. A Holder's registration rights as to any securities held by such Holder shall not be available unless such securities are Registrable Securities.

(j) Certain Offerings by Holders. In the case of any securities held by a Holder that cease to be Registrable Securities solely by reason of clause (B) in the definition of "Registrable Securities" (i.e., they are eligible to be sold pursuant to Rule 144 without limitations), the provisions of Section 3.8(a) (with respect to underwritten offerings), clauses (iv)

and (ix) through (xiii) of Section 3.8(d), Section 3.7, Section 3.8(f) and Section 3.8(h) shall continue to apply until such securities otherwise cease to be Registrable Securities. In any such case, an "underwritten" offering or other disposition shall include any distribution of such securities on behalf of such Holder by one or more broker-dealers, an "underwriting agreement" shall include any purchase agreement entered into by such broker-dealers, and any "registration statement" or "prospectus" shall include any offering document approved by the Company and used in connection with such distribution.

3.9 Repurchase upon Award Agreement Termination for Convenience. Subject to the terms and conditions of this Agreement, if at any time prior to the end of the Award Period the Department terminates the Award Agreement for convenience pursuant to Article XI.A thereof, the Company shall have the right (exercisable by written notice to the Department delivered no earlier than 120 days, and no later than 150 days, following the end of the Award Period) to repurchase from the Department, at an aggregate purchase price of $1.00, that number of Shares held by the Department equal to (a) the total number of Shares issued to the Department pursuant to this Agreement (as adjusted to reflect any stock split, reverse stock split, stock dividend, combination, reclassification, recapitalization or other similar event affecting the Shares after the Closing), *multiplied by* (b) a percentage equal to (i) as of such exercise, the sum of the total amount of the Award that (x) the Awardee has not received, *plus* (y) the Awardee has returned to the Department prior to being applied to Eligible Project Costs, in each case in accordance with the Award Agreement, *divided by* (ii) the maximum total amount of the Award set forth in the Award Agreement. In the event the Company elects to exercise its repurchase right under this Section 3.9, the closing of such repurchase shall occur as soon as reasonably practicable, but in any event no later than 30 days after the Company's written notice of exercise delivered to the Department in accordance with this Section 3.9 (such period, the "Repurchase Closing Period"). At such closing, the Department shall surrender any Shares repurchased hereunder, duly endorsed, to the Company against receipt of such aggregate purchase price.

3.10 Form 8-K. No later than four Business Days after the date of the Closing, the Company shall file a Current Report on Form 8-K describing all material terms of the transactions contemplated by the Transaction Agreements (the "Form 8-K Filing"). From and after the filing of the Form 8-K Filing, the Company shall have disclosed all material, non-public information (if any) provided to the Department by the Company in connection with the transactions contemplated by this Agreement.

4. Miscellaneous.

4.1 Survival of Warranties. Unless otherwise set forth in this Agreement, the representations and warranties of the Company contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of the Department or the Company.

4.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement. Neither this Agreement, nor any right, remedy, obligation nor liability arising hereunder or by reason hereof shall be assignable by any party hereto without the prior written consent of the other party, and any attempt to assign any right, remedy, obligation or liability hereunder without such consent shall be void, except an assignment, in the case of a merger, consolidation, statutory share exchange or similar transaction that requires approval of the Company's stockholders (a "Business Combination"), where the Company is not

the surviving entity, or a sale of substantially all the Company's assets, to the entity which is the survivor of such Business Combination or the purchaser in such sale.

4.3 Governing Law. This Agreement will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State. Each of the Company and Department agrees (a) to submit to the non-exclusive general jurisdiction and venue of (i) the courts of the United States in or for the District of Columbia, (ii) the courts of the United States in and for the State of Delaware, (iii) any other federal court of competent jurisdiction in any other jurisdiction where the Company or any of its property may be found, and (iv) appellate courts from any of the foregoing, in each case for any civil action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby or thereby, and (b) that notice may be served upon the Company and the Department in accordance with Section 4.7; *provided*, that nothing herein shall affect the right of the Department to effect service of process in any other manner permitted by law.

4.4 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION AGREEMENT, THE SHARES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

4.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

4.6 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, exhibits and schedules shall, unless otherwise provided, refer to sections and paragraphs of this Agreement and exhibits and schedules attached to this Agreement, all of which exhibits and schedules are incorporated in this Agreement by reference.

4.7 Notices.

(a) General. All notices and other communications given or made pursuant to this Agreement shall be in writing and sent by electronic mail and shall be deemed effectively given when sent, if sent during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next Business Day. All communications shall be sent to the respective parties at their address as set forth on Exhibit A, or to such address or e-mail

address as subsequently modified by written notice to the other parties hereto given in accordance with this Section 4.7.

(b) Consent to Electronic Notice. The Department consents to the delivery of any stockholder notice pursuant to the DGCL, as amended or superseded from time to time, by electronic mail pursuant to Section 232 of the DGCL (or any successor thereto) at the e-mail address set forth below the Department's name on Exhibit A as updated from time to time by notice to the Company. To the extent that any notice given by means of electronic mail is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected e-mail address has been provided, and such attempted electronic notice shall be ineffective and deemed to not have been given. Each party agrees to promptly notify the other parties of any change in its e-mail address, and that failure to do so shall not affect the foregoing.

4.8 Fees and Expenses. The Company shall pay all reasonable and documented out-of-pocket fees and expenses incurred by outside counsel to the Department in connection with the preparation, negotiation, execution, delivery and administration of the Transaction Agreements, any other agreements or documents executed in connection therewith, or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated).

4.9 Costs of Enforcement. All reasonable and documented out-of-pocket expenses incurred by the Department (including the reasonable fees, charges and disbursements of any counsel for the Department) in connection with the enforcement of its rights under the Transaction Agreements, any other agreements or documents executed in connection therewith, or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated thereby shall be consummated), including all such out-of-pocket expenses incurred during any workout, restructuring, negotiations or enforcement in respect of the Transaction Agreements and other agreements or documents executed in connection therewith, shall be borne by the Company.

4.10 Specific Performance. The parties acknowledge that there would be no adequate remedy at law if the Company fails to perform any of its obligations hereunder (including Section 3.8) and that the Department and the Holders from time to time may be irreparably harmed by any such failure, and accordingly agree that the Department and such Holders, in addition to any other remedy to which they may be entitled at law or in equity, to the fullest extent permitted and enforceable under applicable law, shall be entitled to compel specific performance of the obligations of the Company under Section 3.8 in accordance with the terms and conditions of Section 3.8.

4.11 Amendments and Waivers. Except as otherwise specifically set forth in this Agreement, any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and the Department. Any amendment or waiver effected in accordance with this Section 4.11 shall be binding upon the Department and each transferee of the Shares.

4.12 Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

4.13 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any

waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

4.14 Entire Agreement. This Agreement (including the Exhibits hereto) and the other Transaction Agreements constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly cancelled.

4.15 No Commitment for Additional Financing. The Company acknowledges and agrees that the Department has not made any representation, undertaking, commitment or agreement to provide or assist the Company in obtaining any financing, investment or other assistance, other than as set forth in the Award Agreement and subject to the conditions set forth therein. In addition, the Company acknowledges and agrees that (a) no statements, whether written or oral, made by the Department or its representatives on or after the date of this Agreement shall create an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment, (b) the Company shall not rely on any such statement by the Department or its representatives, and (c) an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment may only be created by a written agreement, signed by the Department and the Company, setting forth the terms and conditions of such financing or investment and stating that the parties intend for such writing to be a binding obligation or agreement. The Department shall have the right, in its sole and absolute discretion, to refuse or decline to participate in any other financing of or investment in the Company, and shall have no obligation to assist or cooperate with the Company in obtaining any financing, investment or other assistance.

4.16 Waiver of Conflicts. Each party to this Agreement acknowledges that Latham & Watkins LLP and Kirkland & Ellis LLP, each as counsel for the Company, may have in the past performed, and may continue to or in the future perform, legal services for the Department in matters that are similar, but not substantially related, to the transactions described in this Agreement, including the representation of the Department in venture capital financings and other matters. Accordingly, each party to this Agreement hereby acknowledges that (a) they have had an opportunity to ask for information relevant to this disclosure, and (b) Latham & Watkins LLP and Kirkland & Ellis LLP represent only the Company with respect to the Transaction Agreements and the transactions contemplated thereby. The Company gives its informed consent to Latham & Watkins LLP's and Kirkland & Ellis LLP's existing or future representation of the Department in matters not substantially related to the Transaction Agreements, and the Department gives its informed consent to Latham & Watkins LLP's and Kirkland & Ellis LLP's representation of the Company in connection with the Transaction Agreements and the transactions contemplated thereby.

4.17 Construction. Unless otherwise indicated to the contrary herein by the context or use thereof: (a) the words, "herein", "hereto", "hereof" and words of similar import refer to this Agreement as a whole, including the Schedules, and not to any particular section, subsection, paragraph, subparagraph or clause set forth in this Agreement; (b) words importing the singular shall also include the plural, and vice versa; (c) the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation"; (d) references to "$" shall be references to United States dollars; (e) the word "or" is disjunctive but not necessarily exclusive; (f) the words "writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form; (g) the word "day" means

calendar day unless Business Day is expressly specified; (h) the word "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase shall not mean simply "if"; (i) all references to Sections or Schedules are to Sections and Schedules of this Agreement; and (j) all references to any law will be to such law as amended, supplemented or otherwise modified from time to time. If any action under this Agreement is required to be done or taken on a day that is not a Business Day, then such action shall be required to be done or taken not on such day but on the first succeeding Business Day thereafter. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Documents, materials and information are deemed to have been "made available" or "furnished" to the Department, if such documents, materials or information were, at least one Business Day prior to the date hereof, (i) available for review by such Person, its Affiliates and its representatives through the electronic data room in connection with the transactions contemplated under the Transaction Agreements, or (ii) otherwise provided in writing (including by electronic mail) by or on behalf of the Company to such Person or any of its Affiliates or representatives (it being understood that information conveyed solely orally, including by telephone or in-person presentation, shall not be deemed "made available" or "furnished").

4.18 Interpretation. This Agreement and the other Transaction Agreement are the result of negotiations between sophisticated parties and have been reviewed by each party and their respective counsel. Accordingly, each Transaction Agreement shall be deemed to be the product of all parties thereto, and no ambiguity shall be construed in favor of or against any party. For the avoidance of doubt, this Agreement, the other Transaction Agreement, and the issuance of the securities contemplated in connection therewith are not intended to and do not exert control over the Company such that the Company is acting as an agency of the United States. It is acknowledged and agreed that the terms of this Agreement and the other Transaction Agreement shall be so interpreted and applied.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Securities Issuance Agreement as of the date first written above.

COMPANY: QUANTINUUM INC.

By: /s/ Dr. Rajeeb Hazra
Name: Dr. Rajeeb Hazra
Title: President and Chief Executive Officer

QUANTINUUM HOLDINGS: QUANTINUUM HOLDINGS, LLC

By: /s/ Dr. Rajeeb Hazra
Name: Dr. Rajeeb Hazra
Title: President

AWARDEE: QUANTINUUM LLC

By: /s/ Dr. Rajeeb Hazra
Name: Dr. Rajeeb Hazra
Title: President

DEPARTMENT: UNITED STATES DEPARTMENT OF COMMERCE

By: /s/ Bill Frauenhofer
Name: Bill Frauenhofer
Title: Executive Director
Semiconductor Innovation and Investment

**EXHIBIT A**

Item 1

Shares:

Stock: Class A Common Stock, $0.0001 par value per share

Number of shares: 2,369,528

Item 2

Company notice information:

303 S. Technology Ct.
Broomfield, CO 80021
Attention: Nitesh Sharan, Chief Financial Officer
Robin Shulman, Chief Legal Officer and Corporate Secretary
Email: Nitesh.Sharan@Quantinuum.com
Robin.Schulman@quantinuum.com

with a simultaneous copy for any notice (which shall not constitute notice) to:

Kirkland & Ellis LLP
333 West Wolf Point Plaza
Chicago, IL 60654
Attention: Ted M. Frankel, P.C.
Marshall P. Shaffer, P.C.
Matthew R. Pacey, P.C.
Email: ted.frankel@kirkland.com
marshall.shaffer@kirkland.com
matt.pacey@kirkland.com

Item 3

Department notice information:

Attention: CRDO Director
Email: research@chips.gov

with a copy to:
United States Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230
Attention: CRDO Director

**Exhibit 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rajeeb Hazra, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Quantinuum 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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.

/s/ Dr. Rajeeb Hazra

Dr. Rajeeb Hazra

Chief Executive Officer

*(Principal Executive Officer)*

Date: November 9, 2026

**Exhibit 31.2**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Nitesh Sharan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Quantinuum 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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.

/s/ Nitesh Sharan

Nitesh Sharan

Chief Financial Officer

*(Principal Financial Officer)*

Date: November 9, 2026

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Quantinuum Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Dr. Rajeeb Hazra

Dr. Rajeeb Hazra

Chief Executive Officer

Date: November 9, 2026

*(Principal Executive Officer)*

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Quantinuum Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nitesh Sharan

Nitesh Sharan

Chief Financial Officer

Date: November 9, 2026

*(Principal Financial Officer)*