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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

v.

D-WAVE QUANTUM INC., ALAN
BARATZ, and JOHN M. MARKOVICH,

Defendants.

Case No.

**FIRST AMENDED CLASS ACTION
COMPLAINT FOR VIOLATIONS OF
THE FEDERAL SECURITIES LAWS**

DEMAND FOR JURY TRIAL

Plaintiff ("Plaintiff"), individually and on behalf of all others similarly situated, by and through Plaintiff's undersigned counsel, for Plaintiff's First Amended Class Action Complaint against Defendants, alleges the following upon personal knowledge as to Plaintiff and Plaintiff's own acts, and upon information and belief as to all other matters, based upon, among other things, the investigation conducted by and through Plaintiff's counsel, which included, *inter alia*, a review of: D-Wave Quantum Inc.'s ("D-Wave" or the "Company") filings with the U.S. Securities and Exchange Commission ("SEC"), including its Forms 10-K, 10-Q, and 8-K and the Forms 4 filed by the Company's officers; transcripts of the Company's earnings conference calls; the Company's press releases; analyst reports and media coverage concerning the Company; and publicly available trading data. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

1 assured investors that D-Wave was "well down the path of negotiating system deals with
2 multiple customers" and that he had "a very high degree of confidence that we'll see 2 or 3
3 sales this year" and "a very high degree of confidence that we will actually deliver 2 of them
4 this year."

5 5. Defendants' statements were materially false and misleading because, as set
6 forth in detail below: (i) D-Wave's Bookings had declined, not grown, in 2025; (ii) the
7 purported "Record Quarterly Bookings" consisted predominantly of two contracts announced
8 before the Class Period, not new or expanding commercial adoption; (iii) upon information
9 and belief, D-Wave was not then on track to convert its purported system-sales pipeline into
10 new Bookings; and (iv) upon information and belief, the timing of system deliveries, and the
11 associated revenue, was slipping to the end of 2026 and into 2027.

12 6. The truth began to emerge before the market opened on August 6, 2026, when
13 D-Wave reported that its Bookings for the second quarter of 2026 had collapsed to just \$2.1
14 million, down from \$33.4 million in the prior quarter, and that its quarterly revenue of
15 approximately \$3.08 million was flat year over year and well below the analyst consensus
16 estimate of \$4.03 million. D-Wave also reported a net loss of \$0.13 per share, versus a
17 consensus estimate of a \$0.09 loss. On the earnings call that morning, Defendant Markovich
18 disclosed that both annealing systems D-Wave expected to ship in 2026 were "likely to ship
19 during the fourth quarter," "resulting in some carryover revenue related to the installation and
20 calibration of these systems into 2027." Defendant Baratz, who on May 12, 2026 had professed
21 "a very high degree of confidence that we'll see 2 or 3 sales this year," now stated only that D-
22 Wave "continue[s] to expect to book two to three systems deals annually going forward."

23 7. On this news, D-Wave's stock price fell \$1.98 per share, or 9.26%, from a close
24 of \$21.39 per share on August 5, 2026 to close at \$19.41 per share on August 6, 2026, on
25 volume of approximately 23.7 million shares.

26 8. Then, after the market closed on August 25, 2026, D-Wave issued a press
27 release announcing that Defendant Markovich "is retiring and thus resigning from his position
28 as Chief Financial Officer effective September 2, 2026." The Company's Form 8-K disclosed

1 that Markovich had notified the Company of his decision on August 19, 2026 — less than two
2 weeks after the second-quarter disclosures, and approximately two months after he sold over
3 628,000 shares of D-Wave stock for proceeds of approximately \$16.8 million. On this news,
4 D-Wave's stock price fell \$1.84 per share, or 9.51%, to close at \$17.51 per share on August
5 26, 2026, on volume of approximately 26.5 million shares.

6 9. During the Class Period, while D-Wave's stock price was inflated by
7 Defendants' misstatements, Defendants Baratz and Markovich together sold approximately 1.3
8 million shares of D-Wave stock for proceeds of approximately \$34.8 million, at weighted-
9 average prices ranging from \$24.01 to \$31.00 per share.

10 10. As a result of Defendants' wrongful acts and omissions, and the precipitous
11 decline in the market value of the Company's securities, Plaintiff and other Class members
12 have suffered significant losses and damages.

13 **JURISDICTION AND VENUE**

14 11. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a)
15 of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder
16 by the SEC (17 C.F.R. § 240.10b-5).

17 12. This Court has jurisdiction over the subject matter of this action pursuant to 28
18 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

19 13. Venue is proper in this District pursuant to Section 27 of the Exchange Act (15
20 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). D-Wave maintains its principal executive offices in
21 this District, and many of the acts and omissions charged herein, including the preparation and
22 dissemination of materially false and misleading information, occurred in substantial part in
23 this District.

24 14. In connection with the acts, transactions, and conduct alleged herein,
25 Defendants, directly and indirectly, used the means and instrumentalities of interstate
26 commerce, including the United States mail, interstate telephone communications, and the
27 facilities of a national securities exchange.
28

1 **Divisional Assignment**

2 15. Pursuant to Civil Local Rules 3-2(c) and 3-5(b), this action is a securities class
3 action, a case category assigned on a district-wide basis under the Court's Assignment Plan,
4 General Order No. 44 § D(3). To the extent a divisional assignment is required, assignment to
5 the San Jose Division is appropriate because D-Wave's principal executive offices are located
6 in Palo Alto, Santa Clara County, California.

7 **PARTIES**

8 16. Plaintiff as set forth in the accompanying certification
9 incorporated by reference herein (Exhibit A), purchased D-Wave securities at artificially
10 inflated prices during the Class Period and was damaged upon the revelation of the corrective
11 disclosures alleged herein.

12 17. Defendant D-Wave is a Delaware corporation with its principal executive
13 offices at 2650 East Bayshore Road, Palo Alto, California. From August 8, 2022 through the
14 close of trading on July 24, 2026, D-Wave's common stock traded on the New York Stock
15 Exchange ("NYSE"). Effective at market open on July 27, 2026, D-Wave transferred its listing
16 to the Nasdaq Stock Market ("Nasdaq"), where its common stock continues to trade. At all
17 relevant times, D-Wave's common stock traded under the ticker symbol "QBTS."

18 18. Defendant Alan Baratz ("Baratz") was, at all relevant times, D-Wave's CEO
19 and President. Baratz signed certifications pursuant to Rule 13a-14(a) and 18 U.S.C. § 1350
20 (Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 ("SOX")) accompanying D-Wave's
21 Annual Report on Form 10-K for fiscal year 2025, filed with the SEC on February 26, 2026
22 (the "2025 10-K"), and D-Wave's Quarterly Reports on Form 10-Q for the quarters ended
23 March 31, 2026 (the "1Q26 10-Q") and June 30, 2026 (the "2Q26 10-Q"). Baratz was quoted
24 in each of D-Wave's earnings press releases during the Class Period and spoke on the
25 Company's earnings calls held on February 26, May 12, and August 6, 2026. Baratz also signed
26 the Form 8-K announcing Defendant Markovich's resignation.

27 19. Defendant John M. Markovich ("Markovich") was, at all relevant times, D-
28 Wave's CFO and its principal financial and accounting officer. Markovich signed SOX

1 certifications accompanying the 2025 10-K, the 1Q26 10-Q, and the 2Q26 10-Q. Markovich
2 spoke on D-Wave's earnings calls held on February 26, May 12, and August 6, 2026.
3 Markovich resigned as CFO effective September 2, 2026.

4 20. Defendants Baratz and Markovich are collectively referred to herein as the
5 "Individual Defendants."

6 21. The Individual Defendants, because of their positions with the Company,
7 possessed the power and authority to control the contents of D-Wave's SEC filings, press
8 releases, and presentations to securities analysts, money and portfolio managers, and
9 institutional investors. Each Individual Defendant was provided with copies of the Company's
10 reports and press releases alleged herein to be misleading prior to, or shortly after, their
11 issuance and had the ability and opportunity to prevent their issuance or cause them to be
12 corrected. Because of their positions and access to material non-public information, the
13 Individual Defendants knew that the adverse facts specified herein had not been disclosed to,
14 and were being concealed from, the public, and that the positive representations being made
15 were then materially false and misleading.

16 22. D-Wave and the Individual Defendants are collectively referred to herein as
17 "Defendants."

18 **SUBSTANTIVE ALLEGATIONS**

19 **Background**

20 23. D-Wave is a quantum computing company that sells access to its annealing
21 quantum computers through the cloud (QCaaS), provides professional services, and sells on-
22 premises quantum computing systems. For fiscal year 2025, D-Wave reported total revenue of
23 \$24.6 million, of which approximately \$16.2 million came from system sales, \$5.5 million
24 from QCaaS, and \$2.7 million from professional services. A single customer ("Customer A")
25 accounted for 67% of D-Wave's 2025 revenue.

26 24. Because individual system sales are large relative to D-Wave's total revenue,
27 the timing of new system Bookings, and of the delivery and installation of systems already
28 sold, is critical to the Company's revenue. D-Wave states that it recognizes revenue from

1 quantum computing system sales over time during the installation period. The 2025 10-K
2 reported that, as of December 31, 2025, D-Wave's remaining performance obligations were
3 "\$13.4 million, of which approximately 14% is expected to be recognized to revenue in the
4 next 12 months."

5 25. On January 20, 2026, D-Wave completed its acquisition of Quantum Circuits,
6 Inc., a gate-model quantum computing company, for 10,430,444 D-Wave common shares and
7 \$250.0 million in cash, subject to adjustment.

8 26. On January 27, 2026 — before the start of the Class Period — D-Wave
9 announced two contracts: a \$20 million agreement under which FAU would purchase an
10 Advantage2 annealing quantum computer, and a \$10 million, two-year enterprise QCaaS
11 agreement with a Fortune 100 company.

12 **Defendants' Duty to Disclose Known Trends and Uncertainties**

13 27. Item 303 of SEC Regulation S-K, 17 C.F.R. § 229.303(b)(2)(ii), required D-
14 Wave to describe in its periodic reports "any known trends or uncertainties that have had or
15 that are reasonably likely to have a material favorable or unfavorable impact on net sales or
16 revenues or income from continuing operations." Having chosen to speak about the Company's
17 Bookings, system-sales pipeline, and commercial momentum, Defendants were obligated to
18 speak fully and truthfully and not to omit facts — including the known trends and uncertainties
19 alleged herein — necessary to make their affirmative statements not misleading. Defendants'
20 omission of those known trends and uncertainties rendered their affirmative statements
21 misleading half-truths. *See Macquarie Infrastructure Corp. v. Moab Partners, L.P.*, 601 U.S.
22 257, 263–66 (2024).

23 **Materially False and Misleading Statements Issued During the Class Period**

24 **February 26, 2026: Fourth Quarter and Full-Year 2025 Results**

25 28. The Class Period begins on February 26, 2026, when D-Wave issued a press
26 release, filed with the SEC as Exhibit 99.1 to a Form 8-K, announcing its fourth-quarter and
27 full-year 2025 results. The press release quoted Defendant Baratz as stating:

28 *"Our 2025 results mark one of the most successful and transformative years
in D-Wave's history, with meaningful growth across every key business*

metric — revenue, Bookings, technical milestones, and scientific breakthroughs," said Dr. Alan Baratz, CEO of D-Wave. "We are entering 2026 with exceptional momentum: generating over \$30 million in Bookings in January alone, expanding our market leadership through the acquisition of gate-model quantum computing company Quantum Circuits, Inc., and securing an eight-figure enterprise QCaaS agreement that underscores growing customer confidence in our technology's power to transform enterprise operations. 2026 is shaping up to be a defining year for D-Wave."

29. The statements in ¶ 28 were materially false and misleading when made because:

(a) Defendant Baratz's representation that D-Wave's 2025 results reflected "meaningful growth across every key business metric," expressly including "Bookings," was a statement of then-existing historical fact that was false. D-Wave's Bookings for fiscal year 2025 were \$18.7 million, a decrease of \$5.2 million, or 22%, from \$23.9 million in fiscal year 2024, and its fourth-quarter 2025 Bookings were \$13.4 million, a decrease of 27% from the fourth quarter of 2024. That the press release elsewhere attributed the decline to a large system sale booked in the prior year does not make Defendant Baratz's headline claim of "meaningful growth" in Bookings true; it confirms that Defendants knew Bookings had declined;

(b) Defendant Baratz's representation that D-Wave was "entering 2026 with exceptional momentum" because it had generated "over \$30 million in Bookings in January alone" was misleading. Those January Bookings consisted predominantly of two contracts — the \$20 million FAU system sale and the \$10 million Fortune 100 QCaaS agreement, together totaling \$30 million — that were announced on January 27, 2026, before the Class Period. By presenting those two contracts as evidence of "exceptional momentum," Defendants conveyed that D-Wave's commercial demand was accelerating, while omitting that, upon information and belief, Defendants had no comparable new system deals near closing, as D-Wave's second-quarter 2026 Bookings of only \$2.1 million later confirmed; and

(c) Defendants failed to disclose that, upon information and belief, D-Wave was not on track to convert its claimed pipeline into additional system Bookings in the

1 following quarters, a known trend that was reasonably likely to have a material
2 unfavorable impact on D-Wave's revenue and which Item 303 required Defendants to
3 disclose.

4 30. Also on February 26, 2026, D-Wave held an earnings conference call for
5 analysts and investors, on which Defendants Baratz and Markovich spoke. In response to a
6 question from David Williams of Benchmark regarding the Company's pipeline, Defendant
7 Baratz recalled that at the beginning of the prior year he had told investors to "expect maybe
8 one a year for the foreseeable future" in system sales, and then stated that D-Wave's "pipeline
9 for system sales right now is very robust" and that "we're beyond one a year at this point in
10 time."

11 31. The statements in ¶ 30 were materially false and misleading when made
12 because:

13 (a) Defendant Baratz's statement that D-Wave's system-sales pipeline was "very
14 robust" "right now" and that the Company was "beyond one a year" in system sales was
15 a statement of present fact that, upon information and belief, lacked a reasonable basis:
16 apart from the FAU contract announced before the Class Period, D-Wave's reported
17 Bookings for the first and second quarters of 2026 reflect no new system sale — its
18 second-quarter 2026 Bookings totaled only \$2.1 million, roughly one-tenth of the value
19 of the single FAU system sale; and

20 (b) Defendants failed to disclose that, upon information and belief, the delivery and
21 revenue recognition of the systems already sold would slip to the fourth quarter of 2026
22 and into 2027, a known trend reasonably likely to have a material unfavorable impact
23 on D-Wave's revenue.

24 32. Also on February 26, 2026, D-Wave filed the 2025 10-K. Attached to the 2025
25 10-K were SOX certifications signed by Defendants Baratz and Markovich, each certifying
26 that "[b]ased on my knowledge, this report does not contain any untrue statement of a material
27 fact or omit to state a material fact necessary to make the statements made, in light of the
28

1 circumstances under which such statements were made, not misleading with respect to the
2 period covered by this report".

3 33. The SOX certifications in ¶ 32 were materially false and misleading because
4 the 2025 10-K failed to disclose the known trends and uncertainties alleged herein concerning
5 D-Wave's Bookings and system-sales pipeline, as required by Item 303, rendering the 2025
6 10-K's discussion of D-Wave's business and prospects materially misleading.

7 34. The 2025 10-K's risk factors also presented as merely hypothetical risks that,
8 upon information and belief, had already materialized. The 2025 10-K warned that "[t]he
9 immature market for quantum computing may lead to us misread market demand and the
10 timeframes it will take to close customer contracts and grow revenue." The 2025 10-K further
11 stated that "[w]e derive much of our revenue from our cloud-based quantum computing
12 platform and professional services, which we expect to continue for the foreseeable future."

13 35. The statements in ¶ 34 were materially false and misleading because: (a) upon
14 information and belief, by February 26, 2026, D-Wave had no new system deals near closing
15 beyond the FAU contract, such that the risk of misreading market demand and the time needed
16 to close customer contracts was not hypothetical but had already materialized; and (b) in fiscal
17 year 2025, approximately \$16.2 million of D-Wave's \$24.6 million in revenue — roughly 66%
18 — came from system sales rather than from its cloud platform and professional services, and
19 a single customer accounted for 67% of D-Wave's revenue, such that the statement that D-
20 Wave derives "much of [its] revenue from [its] cloud-based quantum computing platform and
21 professional services" misdescribed D-Wave's actual dependence on large, infrequent system
22 sales. Both risk-factor statements were carried forward from D-Wave's Annual Report on Form
23 10-K for fiscal year 2024, notwithstanding that shift in D-Wave's revenue.

24 **May 12, 2026: First Quarter 2026 Results**

25 36. On May 12, 2026, D-Wave issued a press release, filed with the SEC as Exhibit
26 99.1 to a Form 8-K, announcing its financial results for the first quarter of 2026. The press
27 release's first subheadline announced "Record Quarterly Bookings of \$33.4 Million, Up Nearly
28 2,000% Year over Year," and the release quoted Defendant Baratz as stating:

1 *"D-Wave's first quarter performance highlights what sets this company*
2 *apart: strong execution, expanding commercial adoption, and differentiated*
3 *technology leadership across both annealing and gate model quantum*
4 *computing," said Dr. Alan Baratz, CEO of D-Wave. "As the only quantum*
5 *computing company pursuing both annealing and gate-model quantum*
6 *computing systems, we believe that D-Wave is uniquely positioned to*
7 *participate in the full addressable quantum computing market. Our*
8 *acquisition of Quantum Circuits is expected to meaningfully accelerate our*
9 *delivery of a scalable, error-corrected gate model system, while our record-*
10 *setting \$10 million quantum computing as a service agreement with a*
11 *Fortune 100 company reinforced growing demand for our annealing systems.*
12 *We believe that D-Wave's combination of commercial proof, technical*
13 *breadth, and a differentiated path to gate-model error correction and scaling*
14 *will be increasingly prominent as this market matures."*

15
16 37. During D-Wave's earnings call held the same day, an analyst from Needham
17 asked Defendant Baratz "what's driving your confidence in being able to secure 2 to 3 system
18 sales a year?" Defendant Baratz responded:

19 *Sure. So as both John and I indicated, our pipeline has significantly*
20 *increased over the course of the last year. And we are well down the path of*
21 *negotiating system deals with multiple customers, none of which has been*
22 *communicated to date. So with the Florida Atlantic University sale this year*
23 *and the progress that we're making on several other system deals, I have a*
24 *very high degree of confidence that we'll see 2 or 3 sales this year. And as I*
25 *said, a very high degree of confidence that we will actually deliver 2 of them*
26 *this year.*

27 38. The statements in ¶¶ 36–37 were materially false and misleading when made
28 because:

29 (a) The representations of "Record Quarterly Bookings," "strong execution," and
30 "expanding commercial adoption" were misleading. Although the press release
31 identified the FAU and Fortune 100 contracts as included in first-quarter Bookings,
32 both contracts had been announced on January 27, 2026, before the Class Period, and
33 did not reflect expanding commercial adoption during the quarter. Defendants omitted
34 that, upon information and belief, no comparable new contracts were then being
35 secured, as D-Wave's second-quarter 2026 Bookings of only \$2.1 million later
36 confirmed. The increase in D-Wave's remaining performance obligations from \$13.4
37 million at December 31, 2025 to \$42.4 million at March 31, 2026 — approximately
38 \$29 million — likewise corresponds to the \$30 million in contracts announced in
39 January 2026, and did not reflect new commercial adoption;

1 (b) Defendant Baratz's statements that D-Wave was "well down the path of
2 negotiating system deals with multiple customers" and was making "progress . . . on
3 several other system deals" were statements of present fact that, upon information and
4 belief, were false or lacked a reasonable basis: D-Wave's total Bookings for the second
5 quarter of 2026 were only \$2.1 million — roughly one-tenth of the value of the single
6 FAU system sale — reflecting no new system sale, and by August 6, 2026, Defendant
7 Baratz had retreated to stating only that D-Wave "continue[s] to expect to book two to
8 three systems deals annually going forward";

9 (c) Defendant Baratz's statement of "a very high degree of confidence that we will
10 actually deliver 2 of them this year" omitted that, upon information and belief,
11 Defendants then knew or recklessly disregarded that the delivery of D-Wave's systems
12 was slipping to the fourth quarter of 2026, such that revenue from those systems would
13 carry over into 2027; and

14 (d) Defendants failed to disclose the foregoing known trends and uncertainties,
15 which were reasonably likely to have a material unfavorable impact on D-Wave's
16 revenue, as required by Item 303.

17 39. Also on May 12, 2026, D-Wave filed the 1Q26 10-Q, accompanied by SOX
18 certifications signed by Defendants Baratz and Markovich in substantially the same form as
19 those described in ¶ 32. The 1Q26 10-Q stated that "[t]here have been no material changes
20 from the risk factors set forth in our Annual Report on Form 10-K."

21 40. The statements in ¶ 39 were materially false and misleading for the reasons set
22 forth in ¶¶ 29 and 38, and because the 1Q26 10-Q failed to disclose the known trends and
23 uncertainties alleged herein concerning D-Wave's Bookings, system-sales pipeline, and the
24 timing of system deliveries, as required by Item 303.

25 **THE TRUTH EMERGES**

26 **August 6, 2026: Second Quarter 2026 Results**

27 41. Before the market opened on August 6, 2026, D-Wave issued a press release
28 announcing its second-quarter 2026 results. The press release disclosed that "Bookings for the

1 second quarter of 2026 were \$2.1 million," compared to \$33.4 million in the first quarter, and
2 that "Revenue for the second quarter of 2026 was \$3.1 million". According to the 2Q26 10-Q,
3 second-quarter revenue was \$3,076,000, compared to \$3,095,000 in the second quarter of
4 2025, with system-sales revenue declining from approximately \$1.0 million to approximately
5 \$0.26 million. D-Wave also reported a net loss of \$48.0 million, or \$0.13 per share.

6 42. D-Wave's reported revenue fell well short of the analyst consensus estimate of
7 \$4.03 million, and its loss per share was wider than the consensus estimate of a \$0.09 loss, as
8 reported by Investing.com.

9 43. During the earnings call held that morning, Defendant Markovich stated that
10 "[b]ookings for the second quarter totaled \$2.1 million" and that, while D-Wave "still expect[s]
11 to ship two annealing quantum computer systems over the balance of this year," "both of which
12 are likely to ship during the fourth quarter," "resulting in some carryover revenue related to the
13 installation and calibration of these systems into 2027." On the same call, Defendant Baratz,
14 who on May 12, 2026 had expressed "a very high degree of confidence that we'll see 2 or 3
15 sales this year," stated only that D-Wave "continue[s] to expect to book two to three systems
16 deals annually going forward, including two system deliveries in 2026."

17 44. On this news, D-Wave's stock price fell \$1.98 per share, or 9.26%, from its
18 August 5, 2026 closing price of \$21.39 to close at \$19.41 per share on August 6, 2026, on
19 unusually heavy volume of approximately 23.7 million shares, compared to approximately
20 17.1 million shares the prior trading day.

21 **August 25, 2026: CFO Departure**

22 45. After the market closed on August 25, 2026, D-Wave filed a Form 8-K and
23 issued a press release, filed as Exhibit 99.1 thereto, announcing that Defendant Markovich "is
24 retiring and thus resigning from his position as Chief Financial Officer effective September 2,
25 2026." The Form 8-K disclosed that Markovich had notified the Company of his intention on
26 August 19, 2026, thirteen days after the second-quarter disclosures. The Company named its
27 Senior Vice President of Finance as acting CFO; no permanent successor was identified.
28

1 46. On this news, D-Wave's stock price fell \$1.84 per share, or 9.51%, to close at
2 \$17.51 per share on August 26, 2026, on heavy volume of approximately 26.5 million shares.

3 **UNDISCLOSED ADVERSE FACTS**

4 47. The market for D-Wave's securities was open, well-developed, and efficient at
5 all relevant times. As a result of the materially false and misleading statements and omissions
6 alleged herein, D-Wave's securities traded at artificially inflated prices during the Class Period.
7 Plaintiff and other Class members purchased or otherwise acquired D-Wave securities relying
8 upon the integrity of the market price of those securities and market information relating to D-
9 Wave, and have been damaged thereby.

10 48. During the Class Period, Defendants materially misled the investing public,
11 thereby inflating the price of D-Wave's securities, by publicly issuing false and misleading
12 statements and omitting to disclose material facts necessary to make their statements not false
13 and misleading, including that: (a) D-Wave's Bookings had declined in 2025; (b) D-Wave's
14 purported record 2026 Bookings did not reflect new or expanding commercial adoption,
15 because they consisted predominantly of two contracts signed before the Class Period and,
16 upon information and belief, no comparable new contracts were being secured; (c) upon
17 information and belief, D-Wave was not on track to convert its system-sales pipeline into new
18 Bookings; (d) upon information and belief, the delivery of D-Wave's systems, and the
19 associated revenue, was slipping to the fourth quarter of 2026 and into 2027; and (e) as a result,
20 Defendants' positive statements about D-Wave's business, operations, and prospects lacked a
21 reasonable basis.

22 **LOSS CAUSATION**

23 49. During the Class Period, Defendants engaged in a scheme to deceive the market
24 and a course of conduct that artificially inflated the price of D-Wave's securities and operated
25 as a fraud or deceit on Class Period purchasers. When Defendants' prior misrepresentations
26 and omissions were disclosed and became apparent to the market, the price of D-Wave's
27 securities fell as the prior artificial inflation dissipated. *See Dura Pharms., Inc. v. Broudo*, 544
28 U.S. 336, 342–43, 346 (2005); *Lloyd v. CVB Fin. Corp.*, 811 F.3d 1200, 1210 (9th Cir. 2016).

1 50. The August 6, 2026 disclosures revealed, at least in part, the truth concealed by
2 Defendants' statements: that D-Wave's Bookings momentum was not sustainable, that its
3 claimed system-sales pipeline had not converted into new Bookings, and that system deliveries
4 and the associated revenue were slipping into the fourth quarter of 2026 and 2027. The August
5 25, 2026 announcement of Defendant Markovich's abrupt departure, coming days after those
6 disclosures and following his substantial Class Period stock sales, further revealed the relevant
7 truth and the risks concealed by Defendants' misstatements, and caused additional artificial
8 inflation to dissipate.

9 51. The declines in D-Wave's stock price were caused by the disclosure of
10 company-specific information, not by market, industry, or sector factors. The following table
11 compares the one-day change in D-Wave's closing stock price on each disclosure date with the
12 broader market, with D-Wave's publicly traded quantum computing peers, and with an
13 exchange-traded fund tracking the quantum computing industry:

Security	Aug. 6, 2026	Aug. 26, 2026
D-Wave (Q BTS)	-9.26%	-9.51%
S&P 500 Index	-0.18%	-0.02%
Nasdaq Composite Index	-0.06%	-0.08%
IonQ, Inc. (IONQ)	-0.53%	-4.80%
Rigetti Computing, Inc. (RGTI)	-1.49%	-5.90%
Quantum Computing Inc. (QUBT)	-1.18%	-1.30%
Defiance Quantum ETF (QTUM)	-0.50%	-0.01%

20 52. As the table shows, D-Wave's stock declined far more than the broader market
21 and its industry peers on each disclosure date. The economic loss, *i.e.*, damages, suffered by
22 Plaintiff and the other Class members was a direct result of Defendants' fraudulent scheme to
23 artificially inflate the price of D-Wave's securities and the subsequent significant decline in the
24 value of those securities when Defendants' prior misrepresentations and other fraudulent
25 conduct were revealed.
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end of a quarter in which D-Wave booked a total of only \$2.1 million — a decline of approximately 94% from the prior quarter's \$33.4 million. The proximity and magnitude of this reversal support a strong inference that Defendants knew, or recklessly disregarded, that their statements lacked a reasonable basis when made.

The Individual Defendants' Suspicious Insider Sales

57. While in possession of material adverse non-public information, the Individual Defendants sold substantial amounts of D-Wave stock at artificially inflated prices during the Class Period, as reflected in their Forms 4 filed with the SEC. Excluding transactions identified as tax-withholding or "sell to cover" transactions, the Individual Defendants' open-market sales during the Class Period were as follows:

Defendant	Date	Shares Sold	Wtd. Avg. Price	Proceeds
Markovich	05/22/2026	328,752	\$27.7037	\$9,107,646.78
Markovich	06/02/2026	2,908	\$31.00	\$90,148.00
Markovich	06/08/2026	50,979	\$26.24	\$1,337,688.96
Markovich	06/09/2026	70	\$26.54	\$1,857.80
Markovich	06/12/2026	46,043	\$24.01	\$1,105,492.43
Markovich	06/15/2026	100,000	\$25.75	\$2,575,000.00
Markovich	06/15/2026	100,000	\$25.68	\$2,568,000.00
Baratz	06/08/2026	687,627	\$26.13	\$17,967,693.51
Markovich total		628,752		\$16,785,833.97
Baratz total		687,627		\$17,967,693.51
TOTAL		1,316,379		\$34,753,527.48

58. These sales were suspicious in their timing and circumstances. Each Individual Defendant exercised stock options with exercise prices below \$1.00 per share — exhausting every remaining option under each of the two grants exercised — and sold the underlying shares the same day (Markovich on May 22, 2026 and Baratz on June 8, 2026), and Markovich made additional open-market sales over the following weeks. All of the sales occurred within a span of approximately three and a half weeks, at weighted-average prices between \$24.01 and \$31.00 per share, after Defendants' May 12, 2026 assurances and before the August 6, 2026 disclosures, following which D-Wave's stock fell to \$17.51 per share. None of the options

1 exercised was near expiration: the options Markovich exercised were not scheduled to expire
2 until 2031 and 2034, and those Baratz exercised were not scheduled to expire until 2030 and
3 2034. Insider sales are probative of scienter where they are made "at times calculated to
4 maximize the personal benefit from undisclosed inside information." *In re Silicon Graphics*
5 *Inc. Sec. Litig.*, 183 F.3d 970, 986 (9th Cir. 1999) (quoting *In re Apple Computer Sec. Litig.*,
6 886 F.2d 1109, 1117 (9th Cir. 1989)).

7 59. None of Defendant Markovich's Class Period sales was made pursuant to a Rule
8 10b5-1 trading plan. None of his Class Period Forms 4 indicates that the sales were made under
9 such a plan, and no plan covered them: Markovich's prior plan, adopted August 21, 2025,
10 covered up to 500,000 shares, all of which his Forms 4 report as sold pursuant to that plan by
11 December 22, 2025, and the plan was scheduled to expire on May 20, 2026 — two days before
12 his May 22, 2026 sale. According to the 2Q26 10-Q, Markovich adopted a new Rule 10b5-1
13 trading plan on June 16, 2026 — the day after his last Class Period sale.

14 60. Defendant Baratz's June 8, 2026 Form 4 likewise does not indicate that the sale
15 was made pursuant to a Rule 10b5-1 trading plan, stating only that "[t]he sales reported in this
16 Form 4 were effected for financial and tax planning purposes." According to the 1Q26 10-Q,
17 Baratz adopted a Rule 10b5-1 trading plan on March 2, 2026 — *during* the Class Period, after
18 he had made the February 26, 2026 statements alleged herein. To the extent Baratz's sales were
19 made pursuant to that plan, the plan provides no defense: under 17 C.F.R. § 240.10b5-
20 1(c)(1)(ii)(B)(1), the plan's mandatory cooling-off period expired on or about May 31, 2026,
21 and Baratz's sale occurred approximately one week later. Baratz's prior Rule 10b5-1 plan,
22 adopted August 11, 2025, covered up to 1,600,000 shares, all of which his Forms 4 report as
23 sold pursuant to that plan by December 22, 2025. The timing of the new plan's adoption —
24 four days after the February 26, 2026 statements alleged herein, while the adverse facts alleged
25 herein remained undisclosed — and Baratz's sale shortly after the plan's cooling-off period
26 expired support a strong inference that the plan was adopted to take advantage of D-Wave's
27 artificially inflated stock price. "When executives enter into a trading plan during the Class
28 Period and the Complaint sufficiently alleges that the purpose of the plan was to take advantage

1 of an inflated stock price, the plan provides no defense to scienter allegations." *Emps.' Ret. Sys.*
2 *of Gov't of the V.I. v. Blanford*, 794 F.3d 297, 309 (2d Cir. 2015).

3 **The Timing of Defendant Markovich's Departure**

4 61. Defendant Markovich notified D-Wave of his decision to resign on August 19,
5 2026, less than two weeks after the August 6, 2026 disclosures and approximately two months
6 after he sold approximately \$16.8 million of D-Wave stock at prices up to \$31.00 per share.
7 Markovich resigned with no permanent successor in place, and the Company named an acting
8 CFO. The timing of Markovich's departure, viewed together with his insider sales and his role
9 in making the statements alleged herein, further supports a strong inference of scienter.

10 62. Additional evidence of Defendants' scienter, including internal Bookings
11 reports, pipeline and forecast data, system-delivery schedules, and communications concerning
12 the matters alleged herein, is peculiarly within Defendants' possession and control and is
13 expected to be obtained through discovery.

14 **NO SAFE HARBOR**

15 63. The statutory safe harbor provided for forward-looking statements under certain
16 circumstances, 15 U.S.C. § 78u-5, does not apply to any of the allegedly false statements
17 pleaded herein. Many of the statements pleaded herein were not identified as forward-looking
18 when made, and concerned historical or then-present facts and conditions, including D-Wave's
19 reported Bookings, the state of its system-sales pipeline, and the status of its negotiations with
20 customers. *See In re Quality Sys., Inc. Sec. Litig.*, 865 F.3d 1130, 1141–42, 1146–48 (9th Cir.
21 2017). To the extent any statement was forward-looking, it was not accompanied by
22 meaningful cautionary language. D-Wave's cautionary statements were generic warnings
23 applicable to any early-stage technology company and did not warn of the specific, then-
24 existing facts alleged herein. D-Wave's general statement that quantum computing system
25 revenue "is expected to remain irregular and intermittent" did not warn that, upon information
26 and belief, no new system deals were near closing, or that the delivery of the systems D-Wave
27 expected to ship in 2026 would slip to the fourth quarter and push revenue into 2027.
28 Cautionary language that describes as merely possible risks that have already materialized is

1 not meaningful. In the alternative, Defendants are liable for any forward-looking statements
2 pleaded herein because, at the time each was made, the speaker had actual knowledge that the
3 statement was false or misleading, and/or the statement was authorized or approved by an
4 executive officer of D-Wave who knew that the statement was false when made.

5 **CLASS ACTION ALLEGATIONS**

6 64. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
7 Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons and entities that
8 purchased or otherwise acquired D-Wave securities during the Class Period and were damaged
9 thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of
10 the Company at all relevant times, members of their immediate families and their legal
11 representatives, heirs, successors, or assigns, and any entity in which Defendants have or had
12 a controlling interest.

13 65. The members of the Class are so numerous that joinder of all members is
14 impracticable. Throughout the Class Period, D-Wave's common stock was actively traded on
15 the NYSE (through July 24, 2026) and on Nasdaq (from July 27, 2026). As of August 5, 2026,
16 D-Wave had 369,263,837 common shares outstanding, in addition to 3,176,096 exchangeable
17 shares. During the Class Period, D-Wave's common stock traded an average of approximately
18 27.3 million shares per day. While the exact number of Class members is unknown to Plaintiff
19 at this time and can be ascertained only through appropriate discovery, Plaintiff believes that
20 there are hundreds or thousands of members in the proposed Class. Record owners and other
21 Class members may be identified from records maintained by D-Wave or its transfer agent and
22 may be notified of the pendency of this action by mail, using a form of notice similar to that
23 customarily used in securities class actions.

24 66. Plaintiff's claims are typical of the claims of the members of the Class, as all
25 members of the Class are similarly affected by Defendants' wrongful conduct in violation of
26 federal law that is complained of herein.

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1 67. Plaintiff will fairly and adequately protect the interests of the Class and has
2 retained counsel competent and experienced in class and securities litigation. Plaintiff has no
3 interests antagonistic to or in conflict with those of the Class.

4 68. Common questions of law and fact exist as to all members of the Class and
5 predominate over any questions solely affecting individual members of the Class. Among the
6 questions of law and fact common to the Class are:

- 7 (a) whether the federal securities laws were violated by Defendants' acts as alleged
8 herein;
- 9 (b) whether statements made by Defendants to the investing public during the Class
10 Period misrepresented or omitted material facts about D-Wave's Bookings, system-
11 sales pipeline, business, operations, and prospects;
- 12 (c) whether the Individual Defendants caused D-Wave to issue false and
13 misleading statements during the Class Period;
- 14 (d) whether Defendants acted knowingly or recklessly in issuing false and
15 misleading statements;
- 16 (e) whether the prices of D-Wave securities during the Class Period were
17 artificially inflated because of Defendants' conduct complained of herein; and
- 18 (f) whether the members of the Class have sustained damages and, if so, the proper
19 measure of damages.

20 69. A class action is superior to all other available methods for the fair and efficient
21 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as
22 the damages suffered by individual Class members may be relatively small, the expense and
23 burden of individual litigation make it impossible for members of the Class to individually
24 redress the wrongs done to them. There will be no difficulty in the management of this action
25 as a class action.

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PRESUMPTION OF RELIANCE

70. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine, *Basic Inc. v. Levinson*, 485 U.S. 224, 241–42, 247 (1988), in that:

- (a) Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- (b) the omissions and misrepresentations were material;
- (c) D-Wave securities are traded in an efficient market;
- (d) D-Wave's shares were liquid and traded with heavy volume during the Class Period, averaging approximately 27.3 million shares per day;
- (e) D-Wave's common stock traded on the NYSE and, from July 27, 2026, on Nasdaq, and was covered by multiple securities analysts;
- (f) the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of D-Wave's securities; and
- (g) Plaintiff and members of the Class purchased, acquired, and/or sold D-Wave securities between the time Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

71. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

72. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128, 153–54 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

1 **COUNT I**

2 **(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated**

3 **Thereunder Against All Defendants)**

4 73. Plaintiff repeats and re-alleges each and every allegation contained above as if
5 fully set forth herein.

6 74. This Count is asserted against all Defendants and is based upon Section 10(b)
7 of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC,
8 17 C.F.R. § 240.10b-5.

9 75. During the Class Period, Defendants engaged in a plan, scheme, conspiracy,
10 and course of conduct, pursuant to which they knowingly or recklessly engaged in acts,
11 transactions, practices, and courses of business that operated as a fraud and deceit upon
12 Plaintiff and the other members of the Class; made various untrue statements of material facts
13 and omitted to state material facts necessary in order to make the statements made, in light of
14 the circumstances under which they were made, not misleading; and employed devices,
15 schemes, and artifices to defraud in connection with the purchase and sale of securities. Such
16 scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public,
17 including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and
18 maintain the market price of D-Wave securities; and (iii) cause Plaintiff and other members of
19 the Class to purchase or otherwise acquire D-Wave securities at artificially inflated prices.

20 76. Pursuant to the above plan, scheme, conspiracy, and course of conduct, each of
21 the Defendants participated directly or indirectly in the preparation and/or issuance of the
22 annual and quarterly reports, SEC filings, press releases, earnings call statements, and other
23 statements and documents described above, which were designed to influence the market for
24 D-Wave securities. Such reports, filings, releases, and statements were materially false and
25 misleading in that they failed to disclose material adverse information and misrepresented the
26 truth about D-Wave's Bookings, system-sales pipeline, business, operations, and prospects.

27 77. By virtue of their positions at D-Wave, Defendants had actual knowledge of the
28 materially false and misleading statements and material omissions alleged herein and intended

1 thereby to deceive Plaintiff and the other members of the Class, or, in the alternative,
2 Defendants acted with deliberately reckless disregard for the truth in that they failed or refused
3 to ascertain and disclose such facts as would reveal the materially false and misleading nature
4 of the statements made, although such facts were readily available to Defendants.

5 78. Information showing that Defendants acted knowingly or with reckless
6 disregard for the truth is peculiarly within Defendants' knowledge and control. As the senior
7 officers of D-Wave, the Individual Defendants had knowledge of the details of D-Wave's
8 internal affairs, including its Bookings, pipeline, and system-delivery schedules.

9 79. As a result of the dissemination of the aforementioned false and misleading
10 reports, releases, and public statements, the market price of D-Wave securities was artificially
11 inflated throughout the Class Period. In ignorance of the adverse facts concerning D-Wave's
12 business that were concealed by Defendants, Plaintiff and the other members of the Class
13 purchased or otherwise acquired D-Wave securities at artificially inflated prices and relied
14 upon the price of the securities, the integrity of the market for the securities, and/or upon
15 statements disseminated by Defendants, and were damaged thereby.

16 80. Had Plaintiff and the other members of the Class known the truth, they would
17 not have purchased or otherwise acquired D-Wave securities, or would not have done so at the
18 inflated prices paid. At the time of their purchases and/or acquisitions, the true value of D-
19 Wave securities was substantially lower than the prices paid by Plaintiff and the other members
20 of the Class. The market price of D-Wave securities declined sharply upon public disclosure
21 of the facts alleged herein, to the injury of Plaintiff and Class members.

22 81. By reason of the conduct alleged herein, Defendants knowingly or recklessly,
23 directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5
24 promulgated thereunder.

25 82. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and
26 the other members of the Class suffered damages in connection with their respective purchases
27 and acquisitions of D-Wave securities during the Class Period, upon the disclosure of the truth
28 concerning D-Wave's Bookings, system-sales pipeline, and business prospects.

COUNT II

(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)

83. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

84. During the Class Period, the Individual Defendants participated in the operation and management of D-Wave, and conducted and participated, directly and indirectly, in the conduct of D-Wave's business affairs. Because of their senior positions, they knew the adverse non-public information concerning D-Wave's Bookings, system-sales pipeline, and the timing of system deliveries alleged herein.

85. As officers of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to D-Wave's business, operations, and prospects, and to correct promptly any public statements issued by D-Wave that had become materially false or misleading.

86. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases, earnings call statements, and public filings that D-Wave disseminated in the marketplace during the Class Period. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause D-Wave to engage in the wrongful acts complained of herein. The Individual Defendants therefore were "controlling persons" of D-Wave within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged, which artificially inflated the market price of D-Wave securities.

87. Each of the Individual Defendants, therefore, acted as a controlling person of D-Wave. By reason of their senior management positions, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, D-Wave to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of D-Wave and possessed the power to control

1 the specific activities that comprise the primary violations about which Plaintiff and the other
2 members of the Class complain.

3 88. By reason of the above conduct, the Individual Defendants are liable pursuant
4 to Section 20(a) of the Exchange Act for the violations committed by D-Wave.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Plaintiff demands judgment against Defendants as follows:

7 A. Determining that the instant action may be maintained as a class action under
8 Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class
9 representative;

10 B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by
11 reason of the acts and transactions alleged herein;

12 C. Awarding Plaintiff and the other members of the Class pre-judgment and post-
13 judgment interest, as well as their reasonable attorneys' fees, expert fees, and other
14 costs; and

15 D. Awarding such other and further relief as this Court may deem just and proper.

16 **DEMAND FOR TRIAL BY JURY**

17 Plaintiff hereby demands a trial by jury on all issues so triable.
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Dated: October 16, 2026

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