RISK ASSESSMENT REPORT

Sample Target, FY2022 Form 10-K

Reference: ANV-SAMPLE

REPORT DATE	PREPARED FOR	OVERALL RISK
13 October 2026	Prospective Acquirer	CRITICAL
		74.3 / 100

CONFIDENTIAL - Machine generated risk screening of submitted documents - not a substitute for legal, financial, or operational due diligence.

1. Executive Summary

POTENTIAL BLOCKING CONDITION - Financial, Legal, HR / Labour Compliance, Anti-Bribery, Sanctions & AML, IP & Licensing, Regulatory / Merger Control. Screening evidence indicates a condition that could prevent or delay closing. This is a document screen: the current status of that condition is not established by the supplied documents and requires verification before it is relied on. See the Verified Risk Register for what each finding rests on and what would settle it.

Material findings requiring attention:

- ASC 842 (AccountingStandardsUpdate201602Member) adopted effective January 1, 2022 with a CumulativeEffectPeriodOfAdoptionAdjustment recorded to Retained Earnings and Parent equity as of January 1, 2022, using a 4-year (P4Y0M0D) lease term - indicating a balance sheet restatement-equivalent adjustment that affects comparability of 2022 vs. 2021 financials.
- Class B common stock held by Founders (the Company, CIK: {REDACTED}) is subject to conversion triggers including death or incapacitation of the last Founder (DeathOrIncapacitationOfLastFounderMember) and ownership threshold breaches - minimum and maximum ownership thresholds not quantified in the section reviewed, creating governance uncertainty and potential for forced conversion of super-voting shares.
- Convertible loan from affiliated entity {Related Entity A} ({XBRL}:{Related Entity A}, srt:AffiliatedEntityMember) as of June 30, 2020, converted into Series D-1 Convertible Preferred Stock during June 2020 - exact loan balance and interest rate not specified in the section reviewed; arm's-length justification not disclosed.

2. Verified Risk Register

Potential severity is how bad a finding would be if established; established materiality is whether the source actually establishes it. They are deliberately separate.

All statuses below are as of the supplied document's own date. Whether a condition, proceeding or approval remains in the same state today is not established by this screen.

Disposition summary: 324 x High-Priority Verification | 158 x Screening Signal

482 register rows represent 495 findings - 13 near-identical restatements of a proposition already listed were collapsed into the row it restates. Each row carries its own occurrence count; no finding was dropped.

No score, phrase or disposition below decides the transaction on its own. A confirmed blocking condition requires affirmative evidence in the source and human review; everything here is screening output for a reviewer, not a decision.

Per-finding evidence for all 482 rows is in Appendix A - Verified Risk Register (detail).

3. Scoring Methodology

- Overall score: honest weighted average (Financial 18% + Legal 13% + HR / Labour Compliance 12% + Cybersecurity 7% + Anti-Bribery, Sanctions & AML 8% + Operational 4% + Tax 3% + Supply Chain & Geopolitical 4% + Related Party 3% + ESG & Environmental 3% + Reputational 1% + IP & Licensing 6% + AI & Tech Governance 7% + Data Privacy 1% + Regulatory / Merger Control 10%) - never pinned to a threshold. It is a prioritisation aid, not a verdict; the Verified Risk Register is what the evidence supports
- Potential blocking condition: raised when any blocking category (Financial, Legal, HR / Labour Compliance, Anti-Bribery, Sanctions & AML, IP & Licensing, AI & Tech Governance, Regulatory / Merger Control) scores >= 70. A confirmed blocking condition requires affirmative evidence that a blocking event actually occurred, which this screen does not attempt to establish
- Potential blocking condition RAISED: Financial, Legal, HR / Labour Compliance, Anti-Bribery, Sanctions & AML, IP & Licensing, Regulatory / Merger Control scored >= 70. A score cannot establish that a condition is currently in force - only that the documents describe one capable of preventing closing. The overall score (74.3) is the honest weighted risk and is NOT inflated to the threshold.
- Note: Construction/occupancy risks appear in both Operational and Financial - this is intentional (different risk lenses on the same underlying exposure).

4. Risk Category Breakdown

Category	Score	Severity	Most Severe Finding
Financial	95	CRITICAL	ASC 842 (AccountingStandardsUpdate201602Member) adopted effective January 1, 2022 with a CumulativeEffectPeriodOfAdoptionAdjustmen...
Legal	92	CRITICAL	Class B common stock held by Founders (the Company, CIK: {REDACTED}) is subject to conversion triggers including death or incapaci...
Related Party	88	CRITICAL	Convertible loan from affiliated entity {Related Entity A} ({XBRL}:{Related Entity A}, srt:AffiliatedEntityMember) as of June 30, ...
Operational	85	CRITICAL	May 2023 Restructuring event ({XBRL}:May2023RestructuringMember, SubsequentEventMember) announced on 2023-05-16, affecting U.S. op...
Reputational	85	CRITICAL	the Company's prior independent registered public accounting firm resigned on November 17, 2022, a highly unusual event that raise...
HR / Labour Compliance	72	CRITICAL	Employees subject to the 60-day WARN relief program were included in the December 31, 2022 headcount of approximately 1,450 and Ju...
IP & Licensing	72	CRITICAL	Joint Development Agreement with {OEM Partner} ({XBRL}:{OEM Partner}, {XBRL}:JointDevelopmentAgreementMember) active from July 202...
Regulatory / Merger Control	72	CRITICAL	the Company's Driver Out operations in China were conducted on public roads approved by the Shanghai government in June 2023, and ...
Anti-Bribery, Sanctions & AML	70	CRITICAL	the Company explicitly identifies compliance with the Foreign Corrupt Practices Act (FCPA) and the U.K. Anti-Bribery Act as a risk...
Cybersecurity	62	HIGH	Unauthorized control or manipulation of systems in autonomous semi-trucks may cause them to operate improperly or not at all, or c...
Supply Chain & Geopolitical	58	HIGH	the Company (CIK: {REDACTED}) has subsidiary operations denominated in CNY (Chinese Renminbi) with Asia-Pacific segment revenue an...
AI & Tech Governance	50	MEDIUM	the Company's L4 autonomous driving technology for U.S. and APAC segments is being developed independently with separate software ...
Tax	45	MEDIUM	the Company (CIK: {REDACTED}) has tax jurisdictions including IRS (us-gaap:InternalRevenueServiceIRSMember) for fiscal years 2020,...
Data Privacy	45	MEDIUM	Concerns regarding data security and privacy are identified as challenges to L4 autonomous driving adoption; company acknowledges ...
ESG & Environmental	22	MEDIUM	the Company's operations in the U.S. and APAC are subject to 'various international, federal, state, and local laws and regulation...

5. Detailed Findings

Financial — Score: 95

- [ACTUAL EVENT] ASC 842 (AccountingStandardsUpdate201602Member) adopted effective January 1, 2022 with a CumulativeEffectPeriodOfAdoptionAdjustment recorded to Retained Earnings and Parent equity as of January 1, 2022, using a 4-year (P4Y0M0D) lease term - indicating a balance sheet restatement-equivalent adjustment that affects comparability of 2022 vs. 2021 financials.
- [UNVERIFIED] [DILIGENCE GAP] Paycheck Protection Program (PPP) loan obtained in April 2020 ({XBRL}:PaycheckProtectionProgramLoanMember, 2020-04-30) and forgiven/repaid in June 2021 (2021-06-30) - exact loan amount not specified in the section reviewed; buyer must verify forgiveness terms and any SBA audit exposure.
- [UNVERIFIED-NO-EVIDENCE] [ACTUAL EVENT] Convertible loan from affiliated entity {Related Entity A} ({XBRL}:{Related Entity A}, srt:AffiliatedEntityMember) recorded as of June 2020, with {Related Entity A} subsequently converting to Series D-1 Convertible Preferred Stock in June 2020 - related-party debt-to-equity conversion with arm's-length justification not confirmed in the section reviewed.
- [UNVERIFIED-INFERENCE] the Company was unable to file its Annual Report on Form 10-K for the year ended December 31, 2022, as well as Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, with the SEC on a timely basis, resulting in 'Yes No ' responses to timely filing check marks - a direct admission of delinquent SEC reporting.
- Gross loss margins for revenue operations in 2021 and 2022 exceeded 100% of revenue given their developmental nature, including having a safety driver and safety engineer in the cabin.
- [UNVERIFIED-NO-EVIDENCE] In the fourth quarter of 2022, the Company de-emphasized revenue-generating freight services; in 2023, the company does not plan to generate significant revenue, indicating near-zero near-term revenue visibility.

- [UNVERIFIED-NO-EVIDENCE] Company is an early-stage company with a history of losses and expects to incur significant expenses and continuing losses for the foreseeable future, with capital-intensive operations expected to sustain substantial operating expenses without generating sufficient revenue to cover expenditures.
- [UNVERIFIED-NO-EVIDENCE] Company expects to need to raise additional funds and states these funds may not be available on attractive terms when needed, or at all; failure to raise additional funds could negatively affect operations and prospects.
- [UNVERIFIED-NO-EVIDENCE] [DILIGENCE GAP] Material weaknesses in internal control over financial reporting have been identified and may be identified in the future - disclosed as an active risk factor with no remediation confirmed in the section reviewed.
- [UNVERIFIED-NO-EVIDENCE] Failure to timely and effectively implement controls and procedures required by Section 404(a) and Section 404(b) of the Sarbanes-Oxley Act could have a material adverse effect on the business.
- Company is an early commercial stage company that 'can be expected to continue to sustain substantial operating expenses without generating sufficient revenue to cover expenditures,' indicating ongoing cash burn without a clear path to profitability.
- Company has 'not yet produced and sold to third parties our purpose-built L4 autonomous semi-trucks,' meaning no product revenue from core offering, with commercialization timeline unproven.
- Any failure to develop technology 'within our projected costs and timelines could have a material adverse effect on our business, prospects, operating results, and financial condition,' with cost overruns explicitly flagged as a risk.
- Accumulated deficit of $1.6 billion as of December 31, 2022, with no material revenue recognized to date and expectation of significant continuing losses for the foreseeable future.
- [UNVERIFIED] Company has financed operations primarily through issuance of equity and convertible debt securities and states it will need to raise additional capital; warns that funds 'may not be available to us on attractive terms when we need them, or at all,' with explicit risk that inability to raise funds could 'materially adversely affect our financial condition, results of operations, business, and prospects.'
- [UNVERIFIED-INFERENCE] Material weaknesses identified in internal control over financial reporting as of December 31, 2022, including: (1) confidential information shared with {Related Entity B} prior to execution of NDA without Audit Committee or Government Security Committee notification; (2) related party transaction between Company and {Related Entity B} not properly reviewed, approved, or disclosed per Company policy; (3) unexpected removal of all independent directors and dissolution of Audit Committee in November 2022 by controlling shareholders, impairing oversight and monitoring of required internal controls - management has concluded material weaknesses exist as of December 31, 2022 and remediation is ongoing.
- [UNVERIFIED-NO-EVIDENCE] Risk of Nasdaq Global Select Market delisting explicitly disclosed if Company is unable to continue to meet reporting and internal control requirements.
- [DILIGENCE GAP] The document cross-references a previously identified material weakness in internal control over financial reporting (referenced as 'We have identified and may in the future identify material weaknesses in our internal control over financial reporting' under Item 1A, Risk Factors), which is cited multiple times in the section reviewed in connection with IP and other risk disclosures; remediation status is not confirmed in the section reviewed.
- Company discloses risk of failure to timely and effectively implement controls and procedures required by Sections 404(a) and 404(b) of the Sarbanes-Oxley Act, which could have a material adverse effect on business; company cross-references a separate risk factor titled 'We have identified, and may in the future identify, material weaknesses in our internal control over financial reporting,' confirming existence of identified material weaknesses.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Company states it does not expect to pay any cash dividends in the foreseeable future and intends to retain most or all available funds for business growth; return on Class A common stock investment depends entirely on price appreciation with no guarantee of value maintenance.
- [UNVERIFIED-NO-EVIDENCE] Future capital needs may require sale of additional equity or debt securities, resulting in substantial dilution to existing stockholders; new investors in subsequent transactions could gain rights, preferences, and privileges senior to holders of Class A common stock.
- [DILIGENCE GAP] As of December 31, 2022, equity compensation plans have 20,602,012 securities to be issued upon exercise of outstanding options, warrants and rights at a weighted average exercise price of $15.16, with 18,041,005 shares remaining available for future issuance (16,277,422 under the 2021 Equity Incentive Plan and 1,763,583 under the 2021 ESPP), representing significant potential dilution to existing stockholders.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Company has never declared or paid cash dividends and does not anticipate doing so in the foreseeable future; terms of certain outstanding debt instruments restrict the Company's ability to pay dividends or make distributions on common stock.
- [UNVERIFIED-NO-EVIDENCE] Company discloses that during periods of share price decline, it may be required to issue equity awards covering a larger number of shares than anticipated to retain key executives and employees, resulting in incremental downward pressure on share price and potential need for stockholder approval to expand equity incentive pool.
- [DILIGENCE GAP] Gross loss margin for the year ended December 31, 2022 was 111% (revenue $9,369K vs. cost of revenue $19,780K), deteriorating from 98% gross loss margin in 2021 and 187% in 2020 - revenue operations have never been profitable and gross losses exceed 100% of revenue in every year presented.
- Loss from operations was $(489,063)K for the year ended December 31, 2022, up 19% from $(411,351)K in 2021 and $(174,064)K in 2020, reflecting accelerating operating losses despite de-emphasis of revenue operations.

- [UNVERIFIED-INFERENCE] Net loss attributable to common stockholders was $(472,045)K for the year ended December 31, 2022, $(736,808)K in 2021, and $(198,829)K in 2020 - cumulative losses are substantial and growing.
- Adjusted EBITDA was $(348,653)K for the year ended December 31, 2022, deteriorating 25% from $(278,887)K in 2021 and $(153,285)K in 2020.
- [UNVERIFIED-INFERENCE] Full valuation allowance maintained for all net deferred tax assets, including federal and state net operating loss carryforwards and R&D credit carryforwards; company states it expects to maintain this allowance until it becomes 'more likely than not' that deferred tax assets will be realized - no timeline provided.
- Total R&D expenses were $351,599K in 2022 (up 22% from $287,167K in 2021), and total SG&A was $127,053K in 2022 (up 8% from $118,076K in 2021), against revenue of only $9,369K - operating expense base is approximately 51x revenue.
- Company ended 2022 with $615.4 million in cash and cash equivalents and $377.3 million in short-term investments, but is burning approximately $489 million per year from operations, implying a cash runway of approximately 2 years at current burn rates without revenue recovery.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Change in fair value of warrants liability was $(326,900)K loss in 2021, representing a non-cash charge driven by remeasurement of redeemable convertible preferred stock warrants prior to exercise - magnitude indicates significant dilutive instrument history.
- [ACTUAL EVENT] Auditor {Successor Auditor} issued an ADVERSE OPINION on the Company's internal control over financial reporting as of December 31, 2022, based on COSO Internal Control-Integrated Framework (2013), dated September 7, 2023.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Material Weakness #1: The Company did not maintain effective controls over the disclosure of related party transactions resulting from a lack of understanding among Company personnel regarding the Company's policy on the identification, approval, and disclosure of related party transactions.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Material Weakness #2: The Company's oversight and monitoring of required internal controls and procedures was impacted due to the unexpected removal of ALL independent directors of its Board in November 2022, including ALL members of its Audit Committee, by its controlling shareholders.
- [UNVERIFIED] [UNVERIFIED-INFERENCE] Loss from operations was $(174,064)K in 2020, $(411,351)K in 2021, and $(489,063)K in 2022, representing a 19% deterioration year-over-year from 2021 to 2022.
- Adjusted EBITDA was $(153,285)K in 2020, $(278,887)K in 2021, and $(348,653)K in 2022, with U.S. segment Adjusted EBITDA of $(259,109)K and APAC segment of $(89,544)K for year ended December 31, 2022.
- [UNVERIFIED-INFERENCE] Net cash used in operating activities was $(329,865)K for year ended December 31, 2022, up from $(259,033)K in 2021 and $(103,848)K in 2020, reflecting accelerating cash burn; financing activities provided only $1.4 million in 2022 versus $1.3 billion in 2021, indicating near-total cessation of external capital inflows.
- [UNVERIFIED-INFERENCE] Accumulated deficit of $1,609,705 thousand as of December 31, 2022, up from $1,137,851 thousand as of December 31, 2021, representing a $471,854 thousand increase in one fiscal year.
- [UNVERIFIED-INFERENCE] Net loss of $472,045 thousand for the year ended December 31, 2022; cumulative net losses of $177,870 thousand (2020), $732,673 thousand (2021), and $472,045 thousand (2022) - three consecutive years of material losses with no path to profitability disclosed.
- Gross loss of $10,411 thousand for year ended December 31, 2022 (revenue $9,369 thousand vs. cost of revenue $19,780 thousand), indicating cost of revenue exceeds revenue by more than 2x; gross loss has widened from $3,450 thousand (2020) to $6,108 thousand (2021) to $10,411 thousand (2022).
- Total operating expenses of $478,652 thousand for year ended December 31, 2022 against revenue of only $9,369 thousand - operating loss of $489,063 thousand.
- [UNVERIFIED-INFERENCE] Net cash used in operating activities of $329,865 thousand for year ended December 31, 2022, up from $259,033 thousand in 2021 and $103,848 thousand in 2020 - accelerating cash burn.
- [UNVERIFIED-INFERENCE] Net cash used in investing activities of $392,173 thousand for year ended December 31, 2022 (including $398,701 thousand in purchases of short-term investments), resulting in total net decrease in cash, cash equivalents and restricted cash of $721,627 thousand in 2022.
- [UNVERIFIED-INFERENCE] Cash and cash equivalents declined from $1,337,586 thousand (December 31, 2021) to $615,386 thousand (December 31, 2022) - a reduction of $722,200 thousand in one year; at the 2022 operating cash burn rate of $329,865 thousand per year, remaining cash runway is approximately 22 months without additional financing.
- [UNVERIFIED-INFERENCE] Total stockholders' equity declined from $1,326,978 thousand (December 31, 2021) to $954,481 thousand (December 31, 2022), a reduction of $372,497 thousand in one year.
- [ACTUAL EVENT] Impairment of long-lived assets of $1,987 thousand recorded in year ended December 31, 2022 (nil in 2020 and 2021).
- [UNVERIFIED-INFERENCE] Provision for income taxes of $0 for all three years ended December 31, 2020, 2021, and 2022, suggesting full valuation allowance on deferred tax assets with no tax benefit recognized despite cumulative losses exceeding $1.6 billion.
- [ACTUAL EVENT] For the year ended December 31, 2022, the Company recorded an impairment charge of $2.0 million to long-lived assets in connection with restructuring activities during the year.

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- [ACTUAL EVENT] Due to the Company's lack of earnings history, net deferred tax assets have been fully offset by a valuation allowance - full DTA valuation allowance recorded as of December 31, 2022 (exact quantum not stated in the section reviewed).
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Technological feasibility for the Company's L4 autonomous driving technology has not been established; accordingly, all software development costs are charged to R&D expense as incurred rather than capitalized, indicating no capitalizable product asset exists.
- [UNVERIFIED-INFERENCE] The Company wrote-off all existing long-lived assets used in the Company's research and development as of December 31, 2022, as they no longer meet the criteria for capitalization subsequent to the restructuring.
- [UNVERIFIED-INFERENCE] Depreciation and amortization expense for the year ended December 31, 2022 was $27.6 million, which included write-offs of $16.3 million as a result of restructuring activities during the fourth quarter of 2022, compared to $9.5 million for the year ended December 31, 2021 - a 191% increase driven by asset write-offs.
- [UNVERIFIED-INFERENCE] Property and equipment, gross declined from $60,469 thousand as of December 31, 2021 to $31,594 thousand as of December 31, 2022, a reduction of approximately $28.9 million (47.7%), reflecting significant asset disposals or write-offs associated with Q4 2022 restructuring.
- [UNVERIFIED-INFERENCE] Warrants liability remeasurement resulted in a loss upon remeasurement of $326.9 million immediately prior to exercise of warrants by {OEM Partner's Parent Company} and {OEM Partner} in February and March 2021 (warrants to purchase 4,331,644 shares of Series E-2 at $11.31 and 9,477,073 shares of Series E at $14.14, generating proceeds of $49.0 million and $134.0 million respectively).
- [UNVERIFIED-INFERENCE] As of December 31, 2022, investments in an unrealized loss position with no allowance for credit losses recognized had an aggregate fair value of $342.4 million, with gross unrealized losses of $2,397 thousand across U.S. treasury securities ($86K loss), U.S. government agency securities ($521K loss), commercial paper ($207K loss), and corporate debt securities ($1,583K loss).
- [UNVERIFIED-INFERENCE] Loss before provision for income taxes for year ended December 31, 2022 was $(472,045) thousand (U.S.: $(389,462)K; Foreign: $(82,583)K); cumulative losses across 2020-2022 total $(177,870)K, $(732,673)K, and $(472,045)K respectively.
- [UNVERIFIED-INFERENCE] Valuation allowance on deferred tax assets increased by $105.0 million in 2022 (and $100.0 million in 2021), reaching $289,901 thousand as of December 31, 2022, reflecting management's conclusion that the majority of deferred tax assets do not meet the 'more likely than not' realization threshold.
- [UNVERIFIED-INFERENCE] Net deferred tax asset/(liability) is $0 as of December 31, 2022 after full offset by valuation allowance of $289,901 thousand against gross deferred tax assets of $296,232 thousand.
- [UNVERIFIED-INFERENCE] Accumulated federal NOL carryforwards of $659.3 million and state NOL carryforwards of $249.3 million as of December 31, 2022; $40.3 million of California state NOLs are 'not more-likely-than-not to be sustained upon examination by the relevant taxing authority.'
- Foreign NOL carryforwards of $301.7 million begin to expire between 2023 and 2032, creating near-term expiration risk.
- [UNVERIFIED-INFERENCE] Unrecognized tax benefits (UTBs) of $9.815 million as of December 31, 2022, of which $8.5 million would impact the effective tax rate if recognized (prior to valuation allowance consideration).
- [UNVERIFIED-INFERENCE] Total stock-based compensation expense of $98,667 thousand for year ended December 31, 2022 ($75,260K R&D; $23,407K SG&A); $144.7 million of unrecognized stock-based compensation expense related to RSUs and SVAs as of December 31, 2022, to be recognized over weighted-average service period of 2.47 years.
- Aggregate intrinsic value of outstanding stock options collapsed from $188,722 thousand at December 31, 2021 to $798 thousand at December 31, 2022, reflecting severe decline in share price; 4,080,571 options cancelled/forfeited during 2022.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Net loss attributable to common stockholders was $(198,829) thousand in 2020, $(736,808) thousand in 2021, and $(472,045) thousand in 2022, reflecting persistent and material losses across all three fiscal years.
- [UNVERIFIED-NO-EVIDENCE] Total Segment Adjusted EBITDA was $(153,285) thousand in 2020, $(278,887) thousand in 2021, and $(348,653) thousand in 2022, with U.S. segment Adjusted EBITDA deteriorating to $(259,109) thousand and APAC to $(89,544) thousand in 2022 - both worsening year-over-year.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Loss from operations was $(174,064) thousand in 2020, $(411,351) thousand in 2021, and $(489,063) thousand in 2022, indicating accelerating operational cash burn.
- [UNVERIFIED-INFERENCE] Restructuring charges of $26,855 thousand were incurred in fiscal year 2022, consisting of $11,759 thousand in severance and termination benefits (of which $10,191 thousand remained accrued as of December 31, 2022), $18,147 thousand in long-lived asset impairment/write-off, and a $(3,051) thousand stock-based compensation reversal.
- [UNVERIFIED-INFERENCE] Material weaknesses in internal control over financial reporting disclosed as of December 31, 2022: (i) unexpected removal of all independent directors and dissolution of the Audit Committee by controlling shareholders in November 2022, impairing oversight of required internal controls; (ii) lack of understanding among Company personnel regarding identification, approval, and disclosure of related party transactions. CEO and CFO concluded disclosure controls and procedures were NOT effective as of December 31, 2022.

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- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] NOL and tax credit carryforwards subject to Section 382 IRC limitations due to multiple ownership changes; full valuation allowance maintained against federal, state, and other local NOL carryforwards not expected on a more-likely-than-not basis to be realized.
- [UNVERIFIED-INFERENCE] the CEO's outstanding stock options were canceled and exchanged for new RSU grants in December 2022, with each option having 'an exercise price in excess of the fair market value of the Company's Class A Common Stock as of the date of the cancellation and exchange,' confirming that all CEO options were deeply underwater as of December 2022.
- Performance-based RSUs granted to the CEO on November 10, 2022 require stock price hurdles of $10.00 (+270%), $15.00 (+456%), and $20.00 (+641%) over the grant date stock price, implying the grant date stock price was approximately $2.70, reflecting severe stock price deterioration.
- [UNVERIFIED-INFERENCE] the CEO's 2022 total compensation was $10,124,747, of which $197,115 was salary and $400,000 was a guaranteed bonus under a Letter Agreement dated December 14, 2022, with $451,382 in 'All Other Compensation' - the guaranteed bonus structure and large 'other compensation' component (including monthly housing allowance) represent non-performance-linked executive cost.
- The Company's recoupment policy required by Nasdaq listing standards must be adopted by December 1, 2023 but had not yet been adopted as of the filing date, creating a compliance gap under SEC Dodd-Frank Act final rules adopted in 2022.
- [UNVERIFIED-INFERENCE] Section 162(m) deductibility limit of $1.0 million applies to certain NEO compensation; the Compensation Committee explicitly reserves the right to pay non-deductible compensation, and the CEO's 2022 total compensation of $10,124,747 substantially exceeds this threshold, resulting in a material tax deduction forfeiture.
- [UNVERIFIED-INFERENCE] the CEO's Severance and CIC Agreement provides for a lump-sum cash payment of $15,000,000 payable within thirty days of termination without cause or resignation for good reason outside a Change in Control period (prior to the third anniversary of the December 14, 2022 Letter Agreement), creating a $15,000,000+ contingent liability.
- [UNVERIFIED-INFERENCE] Upon a Change in Control, the CEO is entitled to receive the greater of $15,000,000 or 0.60% of the total equity value of the Company as a single-trigger cash payment, irrespective of whether a qualifying termination occurs - total potential termination package including accelerated equity valued at $27,959,770 as of December 31, 2022.
- [UNVERIFIED-INFERENCE] the CEO's total potential termination package outside a Change in Control period is $18,284,270 (cash severance $15,450,000 + accelerated stock awards $2,808,500 + COBRA $25,770) as of December 31, 2022.
- [UNVERIFIED-NO-EVIDENCE] the CEO's Severance and CIC Agreement provides an indemnity for any excise tax imposed pursuant to Section 4999 of the Internal Revenue Code (golden parachute excise tax gross-up), creating an uncapped additional liability.
- [ACTUAL EVENT] Company forgave a partial-recourse promissory note issued by the CEO related to his exercise of an option to purchase 2,125,000 shares of Class A Common Stock in March 2020, generating $988,947 of income to the CEO recognized in December 2020 - related-party loan forgiveness.
- Class A Common Stock closing price was $1.64 on the last trading day before December 31, 2022, compared to the CEO's market-based RSU vesting thresholds of $10.00, $15.00, and $20.00 - stock price is 83.6%-91.8% below all vesting thresholds, making market-based RSU vesting highly unlikely absent significant appreciation by November 10, 2026.
- [UNVERIFIED-INFERENCE] the former CEO/CTO held options with exercise price of $47.79 (granted July 20, 2021) against a December 31, 2022 closing price of $1.64 - options were 96.6% out of the money; 150,000 vested options expired unexercised on June 9, 2023.
- The Company waived repayment of a $500,000 retention bonus previously granted to CFO the former CFO pursuant to a retention bonus letter dated April 11, 2022, in connection with his separation agreement dated June 15, 2022 - a $500,000 cash cost with no corresponding service rendered beyond approximately three months.
- The Company waived repayment of a $500,000 retention bonus previously granted to Chief Legal and Administrative Officer the former Chief Administrative and Legal Officer pursuant to a retention bonus letter dated April 11, 2022, in connection with his separation agreement dated August 31, 2022 - a $500,000 cash cost with no corresponding service rendered beyond approximately five months.
- [UNVERIFIED-INFERENCE] 2023 Senior Management Severance and Change in Control Plan adopted May 30, 2023 provides that upon a change-in-control termination, participant (currently the CFO) would receive: (i) $600,000 cash severance (1x base salary plus target annual bonus), (ii) $17,180 COBRA payment, and (iii) $240,200 in accelerated equity awards - total CIC-triggered cost of $857,380 for a single participant as of December 31, 2022 assumptions, creating a deal-cost liability.
- [REGULATORY ACTION] {Prior Auditor} was replaced as independent registered public accounting firm; the Audit Committee approved appointment of {Successor Auditor} on May 10, 2023 (8-K filed May 11, 2023); the change of auditor during an active internal investigation raises questions about the reliability and continuity of financial oversight.
- [UNVERIFIED-INFERENCE] Total audit fees paid to {Prior Auditor} increased from $1,023,000 in fiscal year 2021 to $1,317,000 in fiscal year 2022 (a 28.7% increase), with Tax Fees (including transfer pricing services) of $93,000 in 2021 and $119,000 in 2022, indicating ongoing transfer pricing complexity in a multi-currency (USD/CNY) operating environment.

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Legal

Score: 92

- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Class B common stock held by Founders (the Company, CIK: {REDACTED}) is subject to conversion triggers including death or incapacitation of the last Founder (DeathOrIncapacitationOfLastFounderMember) and ownership threshold breaches - minimum and maximum ownership thresholds not quantified in the section reviewed, creating governance uncertainty and potential for forced conversion of super-voting shares.
- [UNVERIFIED-INFERENCE] the Company's prior independent registered public accounting firm resigned on November 17, 2022, directly causing the inability to timely file the Annual Report on Form 10-K for fiscal year ended December 31, 2022 and Quarterly Reports for Q1 and Q2 2023.
- The filing discloses that the Company's failure to timely file periodic reports with the SEC may result in the delisting of its Class A common stock from the Nasdaq Global Select Market, as referenced under Item 1A risk factor 'Our failure to timely file periodic reports with the SEC may result in the delisting of our Class A common stock.'
- [UNVERIFIED-INFERENCE] The Vehicle Safety Act imposes 'potentially significant civil penalties' for violations, including failure to comply with safety defect reporting requirements under NHTSA oversight; no quantification of maximum penalty exposure is provided.
- [UNVERIFIED-INFERENCE] The TREAD Act imposes criminal liability for violating Early Warning reporting requirements 'if a defect subsequently causes death or bodily injury,' creating criminal exposure for the Company as a motor vehicle equipment manufacturer.
- In China, the Company's products are subject to the Regulations on the Administration of Defective Automobile Product Recall; 'any violation of the above laws and regulations may cause civil, administrative, and even criminal liabilities,' with rules 'scattered across other regulations' due to absence of a specific vehicle safety law in China.
- Autonomous driving laws and regulations 'are expected to continue to evolve in numerous jurisdictions in the U.S. and foreign countries and may create restrictions on autonomous driving features that we develop,' with regulations in other key markets potentially differing 'materially' from U.S. rules, which 'may further increase the legal complexity of self-driving vehicles and limit or prevent certain features.'
- [UNVERIFIED-NO-EVIDENCE] Company is subject to a National Security Agreement (NSA) with CFIUS; has incurred and expects to incur significant costs to comply with NSA requirements and may be subject to monetary penalties and/or appointment of a third-party monitor if it does not comply or if CFIUS determines to require a third-party monitor.
- [UNVERIFIED-NO-EVIDENCE] Restrictions under the NSA could limit business activities.
- Company is subject to claims, lawsuits, government actions, inquiries, or investigations that may adversely affect business, financial condition, and results of operations - described as ongoing ('are and may continue to be').
- [UNVERIFIED-NO-EVIDENCE] Company is subject to securities litigation described as ongoing and expensive, which could divert management attention.
- [UNVERIFIED-NO-EVIDENCE] [REGULATORY ACTION] In April 2022, the Federal Motor Carrier Safety Administration (FMCSA) initiated an investigation into an accident involving one of the Company's trucks; investigation was concluded without penalties, but resulted in negative publicity about safety of autonomous driving technology.
- [UNVERIFIED-NO-EVIDENCE] [REGULATORY ACTION] In April 2022, the Federal Motor Carrier Safety Administration (FMCSA) initiated an investigation into an accident involving one of the Company's trucks; the investigation was concluded without penalties, but the accident generated negative publicity about the safety of autonomous driving technology.
- [UNVERIFIED-INFERENCE] Company faces potential 'material legal claims for breach of contract, product liability, tort or breach of warranty' as a result of undetected defects, errors, or bugs in autonomous driving hardware and software.
- Company acknowledges exposure to 'product liability claims' arising from autonomous driving accidents, noting that 'any insurance that we carry may not be sufficient or it may not apply to all situations,' and that future coverage 'may be unavailable on acceptable terms or at all.'
- [UNVERIFIED-NO-EVIDENCE] [REGULATORY ACTION] Audit Committee investigation concluded that a related party transaction occurred between the Company and {Related Entity B} that was not properly reviewed, approved, or disclosed in accordance with Company policy; confidential information was shared with {Related Entity B} prior to execution of a non-disclosure agreement without Audit Committee or Government Security Committee notification.
- [UNVERIFIED] [UNVERIFIED-INFERENCE] Company states it 'does not know whether {Related Entity B} shared, or publicly disclosed, the information before entering into that agreement' and 'has not been able to determine the value, if any, of such information,' leaving unquantified IP/confidentiality exposure.
- [UNVERIFIED-INFERENCE] Unexpected removal of all independent directors and dissolution of Audit Committee in November 2022 by controlling shareholders, which impacted oversight and monitoring of required internal controls and procedures as of December 31, 2022.
- [REGULATORY ACTION] As disclosed in the Company's Current Report on Form 8-K filed on November 7, 2022, in connection with the Form 8-K filed on October 31, 2022, the Company proactively reached out to the SEC and received an initial request for information from the SEC; subsequently, the Company and certain current and former directors and officers received subpoenas from the SEC requesting production of Company documents - an active SEC investigation is ongoing.

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- [UNVERIFIED-INFERENCE] the Company entered into a National Security Agreement ('NSA') with CFIUS on February 18, 2022; CFIUS is conducting an ongoing inquiry concerning the Company's compliance with the NSA as it relates to information shared by the Company U.S. with the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners.
- [UNVERIFIED-NO-EVIDENCE] If CFIUS concludes that information shared with the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners was shared in violation of the NSA terms, or that the removal of the Company's security director from the Board in November 2022 violated the NSA, CFIUS may impose a civil penalty on the Company.
- [UNVERIFIED-NO-EVIDENCE] the Company acknowledges it is and may continue to be subject to claims, lawsuits, arbitration proceedings, regulatory or government actions, inquiries or investigations, and other legal and regulatory proceedings, including proceedings related to product safety, acquisitions, securities issuances, or business practices, with outcomes that cannot be predicted with certainty.
- [UNVERIFIED-NO-EVIDENCE] [REGULATORY ACTION] In April 2022, the Federal Motor Carrier Safety Administration (FMCSA) initiated an investigation into an accident involving one of the Company's trucks; the investigation was concluded without penalties but resulted in negative publicity about the safety of autonomous driving technology.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] the Company is subject to the National Traffic and Motor Vehicle Safety Act of 1966 (Vehicle Safety Act), which imposes potentially significant civil penalties for violations including failure to comply with safety defect reporting requirements, and the TREAD Act, which imposes criminal liability for violations if a defect subsequently causes death or bodily injury.
- [ACTUAL EVENT] On March 1, 2021, the CFIUS Staff Chairperson requested the Company file a written notice regarding the 2017 purchase of shares of Series B redeemable convertible preferred stock by {Related Entity A}, an affiliate of {Related Entity A's Parent} (the '{Related Entity A} Investment'); CFIUS formally accepted the jointly filed notice.
- [UNVERIFIED-INFERENCE] On February 18, 2022, CFIUS concluded its review of the 2017 Transaction (the 2017 acquisition of the U.S. business of the Company's predecessor U.S. business by the Company's Cayman predecessor entity) and determined there are no unresolved national security concerns; as part of the resolution, the Company entered into a National Security Agreement ('NSA') with CFIUS on February 18, 2022 - ongoing NSA compliance obligations remain.
- On November 10, 2022, four directors on the Company's Board, including all members of the Government Security Committee ('GSC'), were removed from the Board; CFIUS informed the Company that it must appoint a security director and reconstitute the GSC as a result.
- [UNVERIFIED-INFERENCE] On December 7, 2022, the Board appointed a director as an independent director to satisfy CFIUS's requirement to reconstitute the GSC; the full reconstitution status of the GSC is not confirmed as complete in this filing.
- Securities class action 'Securities Class Action I' filed August 31, 2022 in U.S. District Court for the Southern District of California, captioned Securities Class Action I v. the Company et al., {Case No. Redacted} (S.D. Cal.), against the Company and named current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the former Chief Administrative and Legal Officer) and IPO underwriters, on behalf of putative class of stockholders who acquired securities from April 15, 2021 through August 1, 2022, alleging violations of Sections 11 and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act for materially false or misleading statements regarding autonomous driving technology; seeks unspecified monetary damages plus attorneys' fees; company states it is unable to estimate potential loss or range of loss, which could be material.
- Securities class action 'Securities Class Action II' filed November 10, 2022 in U.S. District Court for the Southern District of New York, originally captioned Securities Class Action II v. the Company, et al., {Case No. Redacted} (S.D.N.Y.), transferred to S.D. Cal. and recaptioned {Case No. Redacted} (S.D. Cal.), against the Company and named current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the CFO, the former CFO, the former Chief Administrative and Legal Officer) and IPO underwriters, on behalf of putative class of stockholders who acquired securities from April 15, 2021 through October 31, 2022, alleging violations of Sections 11, 12(a), and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act for false or misleading statements regarding related party transaction with {Related Entity B} and sharing of confidential information and proprietary technology with {Related Entity B} without Board approval; seeks unspecified monetary damages plus attorneys' fees; company states it is unable to estimate potential loss or range of loss, which could be material.
- Securities Class Action I and Securities Class Action II consolidated pursuant to motion granted July 2023; plaintiffs have until October 2, 2023 to file consolidated and amended complaint, which may include additional or alternate allegations regarding liability or additional claims for relief.
- [DILIGENCE GAP] Securities class action filed October 7, 2022 in Superior Court of the County of {Headquarters City}, {State}, asserting claims against IPO underwriters under Sections 11 and 12 of the Securities Act; underwriters have requested the Company indemnify them for expenses and losses incurred in connection with this action; company states it cannot predict the impact that indemnification claims may have on its business or financial results.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] IPO underwriters named in Securities Class Action I have requested the Company indemnify them for any expenses and losses incurred in connection with that litigation; indemnification exposure is unquantified.
- [UNVERIFIED-NO-EVIDENCE] Company is party to shareholder derivative actions; unable to estimate potential loss or range of loss, which could be material; further details referenced in Item 3 of Part I of the Annual Report.

- Securities class action 'Securities Class Action I' filed August 31, 2022 in U.S. District Court for the Southern District of California, captioned Securities Class Action I v. the Company et al., {Case No. Redacted} (S.D. Cal.), against the Company and current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, and the former Chief Administrative and Legal Officer) and IPO underwriters, on behalf of putative class of stockholders who acquired securities from April 15, 2021 through August 1, 2022, alleging violations of Sections 11 and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act by making materially false or misleading statements regarding the Company's autonomous driving technology; seeks unspecified monetary damages plus costs and attorneys' fees; Company states potential loss 'could be material.'
- Securities class action 'Securities Class Action II' filed November 10, 2022, originally captioned Securities Class Action II v. the Company, et al., {Case No. Redacted} (S.D.N.Y.), now transferred and captioned {Case No. Redacted} (S.D. Cal.), against the Company and current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the CFO, the former CFO, and the former Chief Administrative and Legal Officer) and IPO underwriters, on behalf of putative class of stockholders who acquired securities from April 15, 2021 through October 31, 2022, alleging violations of Sections 11, 12(a), and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act regarding related party transaction with {Related Entity B}, Inc. and sharing of confidential information and proprietary technology with {Related Entity B} without board approval; seeks unspecified monetary damages plus costs and attorneys' fees; Company states potential loss 'could be material.'
- Securities Class Action I and Securities Class Action II consolidated by Court order on July 20, 2023; plaintiffs had until October 2, 2023 to file consolidated and amended complaint; consolidated complaint may include additional or alternate allegations regarding liability or additional claims for relief.
- [ACTUAL EVENT] Shareholder derivative action filed November 28, 2022 in Delaware Court of Chancery, captioned Shareholder Derivative Action I v. the former CEO/CTO et al., {Case No. Redacted} (Del. Ch.), against current/former directors and officers (the former CEO/CTO, the Executive Chairman, a former independent director, a former independent director, a former independent director, and a former independent director), alleging breach of fiduciary duties in connection with related party transaction with {Related Entity B} and restructuring of the Company's board of directors.
- Second shareholder derivative action filed December 15, 2022 in Delaware Court of Chancery, captioned Shareholder Derivative Action II et al., {Case No. Redacted} (Del. Ch.), against current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the CFO, the former Chief Administrative and Legal Officer, a former independent director, a former director, a former independent director, a former independent director, a former independent director, and a director), alleging breach of fiduciary duties, claims regarding safety of the Company's technology, and alleged inadequacy of the Company's internal controls.
- Third shareholder derivative action filed March 6, 2023 in Delaware Court of Chancery, captioned Shareholder Derivative Action III v. the former CEO/CTO et al., {Case No. Redacted} (Del. Ch.), against current/former directors and officers (the former CEO/CTO, a former independent director, the Executive Chairman, a former director, a former independent director, a director, the CEO, a director, a former security director, a former independent director, a former independent director, and a director), alleging similar claims; stockholder has since purported to voluntarily dismiss her action.
- [REGULATORY ACTION] Consolidated shareholder derivative complaint filed July 24, 2023 against the former CEO/CTO, the Executive Chairman, a former independent director, a former independent director, a former independent director, {Related Entity B}, and the Company as nominal defendant; Delaware Court of Chancery entered order on August 17, 2023 staying consolidated action through February 9, 2024 pending investigation by a special litigation committee (SLC) formed by the Company's Board; Company states potential loss 'could be material.'
- Exclusive forum provision in amended and restated certificate of incorporation designates Court of Chancery of the State of Delaware and federal courts within Delaware as exclusive forums for derivative actions, fiduciary duty claims, DGCL claims, and internal affairs doctrine claims; federal district courts designated as exclusive forum for Securities Act claims; document acknowledges 'uncertainty as to whether a court would enforce such a provision with respect to claims under the Securities Act' and risk of additional costs if provisions found inapplicable or unenforceable.
- [UNVERIFIED-INFERENCE] U.S. SG&A expenses for 2022 increased by $14.9 million (17%) compared to 2021, driven in part by 'increased legal and professional services costs, due to ongoing litigation and investigations' - active litigation and regulatory investigations are confirmed but not quantified in the section reviewed.
- [UNVERIFIED-INFERENCE] The Company is subject to ongoing litigation and investigations as of the year ended December 31, 2022, with associated costs material enough to be cited as a primary driver of a $14.9 million year-over-year SG&A increase - nature, agency, and quantum of investigations not disclosed in the section reviewed.
- [UNVERIFIED-INFERENCE] The unexpected removal of all independent directors and all Audit Committee members in November 2022 by controlling shareholders raises potential corporate governance and fiduciary duty legal exposure; the auditor explicitly cited this event as a material weakness driver in the PCAOB-standard adverse opinion dated September 7, 2023.
- Company was originally incorporated as the Company's Cayman predecessor entity in the Cayman Islands on October 25, 2016, and deregistered and domesticated as a Delaware corporation in February 2021 - cross-border reincorporation may carry residual legal and tax exposure from the Cayman Islands period that requires verification.
- [UNVERIFIED-INFERENCE] Commitments and contingencies referenced in Note 8 of the consolidated balance sheets as of December 31, 2021 and 2022 - specific nature and quantum of contingencies not disclosed in the section reviewed, representing an unquantified liability.

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- [UNVERIFIED] Securities class action 'Securities Class Action I v. the Company et al., {Case No. Redacted} (S.D. Cal.)' filed August 31, 2022 in the United States District Court for the Southern District of California against the Company and named current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the former Chief Administrative and Legal Officer) and IPO underwriters, on behalf of putative class of stockholders who acquired securities from April 15, 2021 through August 1, 2022, alleging violations of Sections 11 and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act; seeks unspecified monetary damages plus costs and attorneys' fees; Company states it is unable to estimate potential loss or range of loss, which 'could be material'.
- [UNVERIFIED] Second securities class action 'Securities Class Action II v. the Company, et al., {Case No. Redacted} (S.D. Cal.)' (originally {Case No. Redacted}, S.D.N.Y.) filed November 10, 2022 against the Company and named current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the CFO, the former CFO, the former Chief Administrative and Legal Officer) and IPO underwriters, on behalf of putative class of stockholders who acquired securities from April 15, 2021 through October 31, 2022, alleging violations of Sections 11, 12(a), and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act relating to related party transaction with {Related Entity B} and sharing of confidential information and proprietary technology with {Related Entity B} without Board approval; seeks unspecified monetary damages plus costs and attorneys' fees; Company states it is unable to estimate potential loss or range of loss, which 'could be material'.
- Securities Class Action I and Securities Class Action II consolidated by Court order on July 20, 2023; plaintiffs have until October 2, 2023 to file consolidated and amended complaint, which 'may include additional or alternate allegations regarding liability or alternate or additional claims for relief'.
- Shareholder derivative action 'Shareholder Derivative Action I v. the former CEO/CTO et al., {Case No. Redacted} (Del. Ch.)' filed November 28, 2022 in Delaware Court of Chancery against named current/former directors and officers (the former CEO/CTO, the Executive Chairman, a former independent director, a former independent director, a former independent director, a former independent director) alleging breach of fiduciary duties in connection with related party transaction with {Related Entity B} and restructuring of the Company's Board; Company unable to estimate potential loss or range of loss, which 'could be material'.
- Second shareholder derivative action 'Shareholder Derivative Action II et al., {Case No. Redacted} (Del. Ch.)' filed December 15, 2022 in Delaware Court of Chancery against named current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the CFO, the former Chief Administrative and Legal Officer, a former independent director, a former director, a former independent director, a former independent director, a former independent director, a director) alleging breach of fiduciary duties, claims regarding safety of the Company's technology, and alleged inadequacy of the Company's internal controls.
- Third shareholder derivative action 'Shareholder Derivative Action III v. the former CEO/CTO et al., {Case No. Redacted} (Del. Ch.)' filed March 6, 2023 in Delaware Court of Chancery against named current/former directors and officers (the former CEO/CTO, a former independent director, the Executive Chairman, a former director, a former independent director, a director, the CEO, a director, a former security director, a former independent director, a former independent director, a director); subsequently purportedly voluntarily dismissed.
- [REGULATORY ACTION] Consolidated shareholder derivative complaint filed July 24, 2023 against the former CEO/CTO, the Executive Chairman, a former independent director, a former independent director, a former independent director, and {Related Entity B} (with the Company as nominal defendant); Delaware Court of Chancery entered order on August 17, 2023 staying consolidated action through February 9, 2024 pending investigation by a special litigation committee (SLC) formed by the Company's Board of Directors.
- CFIUS inquiry into Company's compliance with National Security Agreement ('NSA') entered into with the U.S. government, relating to information shared by the Company U.S. with the Company's China-based businesses, {Related Entity B}, and {Related Entity B}'s partners; CFIUS may impose civil penalty if it concludes information was shared in violation of NSA terms or that removal of security director from Board in November 2022 violated NSA; Company states it is unable to estimate likelihood of negative outcome or potential loss or range of loss, which 'could be material'.
- [REGULATORY ACTION] SEC investigation disclosed November 7, 2022 via Form 8-K: Audit Committee internal investigation into related party transaction with {Related Entity B} triggered proactive SEC outreach; the Company and certain current and former directors and officers received subpoenas from the SEC requesting production of Company documents.
- [REGULATORY ACTION] Company states it 'is unable to estimate the likelihood of a negative outcome or the potential loss or range of loss associated with this matter' regarding the SEC investigation, and further states the potential loss 'could be material.'
- [UNVERIFIED-NO-EVIDENCE] [REGULATORY ACTION] SEC investigation arose from Audit Committee's internal investigation into related party transaction with {Related Entity B} - the underlying related-party transaction is the subject of active regulatory scrutiny with unquantified loss exposure.
- Nasdaq issued a notice in May 2023 that the Company (the Company) is not in compliance with Nasdaq Listing Rule 5250(c)(1) due to failure to timely file: (i) Form 10-Q for period ended September 30, 2022, (ii) Form 10-K for fiscal year ended December 31, 2022, (iii) Form 10-Q for period ended March 31, 2023. Nasdaq initially determined to deny continued listing; the Company appealed and received a conditional extension to September 30, 2023 (the 'Compliance Date') to file all Delayed Reports.
- [REGULATORY ACTION] Ongoing Audit Committee internal investigation (disclosed via Form 8-K filed October 31, 2022) into Company employees spending paid hours on matters for {Related Entity B} during 2021, with estimated value of less than $300,000, and into sharing of confidential information with {Related Entity B} and its partners during 2022 before relevant NDAs and cooperation agreements were executed. Internal review is described as 'still ongoing' as of the filing date.

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- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] All independent directors of the Board, including all Audit Committee members, were unexpectedly removed in November 2022 by controlling shareholders, dissolving the Audit Committee and impairing oversight and monitoring of required internal controls and procedures - a governance event with direct legal and fiduciary implications.
- [UNVERIFIED-NO-EVIDENCE] The Company is subject to an active National Security Agreement ('NSA') overseen by the Government Security Committee, indicating a prior CFIUS review resulted in binding mitigation obligations; non-compliance with NSA terms could expose the Company to enforcement action by the U.S. government, including potential divestiture orders.
- [UNVERIFIED-INFERENCE] the former Chief Administrative and Legal Officer's $500,000 Special Cash Bonus repayment was waived 'in consideration of the former Chief Administrative and Legal Officer's release of claims against the Company' upon his September 2022 separation, indicating potential employment-related legal claims by a former Chief Administrative and Legal Officer that were settled via bonus waiver.
- [UNVERIFIED-NO-EVIDENCE] the CEO is the only NEO for whom the Company provides a tax gross-up for excise taxes under Section 4999 of the Internal Revenue Code in connection with a change in control, creating a contingent liability of unquantified amount in any change-of-control scenario.
- [DILIGENCE GAP] The Company's 2022 bonus plan could not be scored under its original terms due to 'changes in the composition of our Board and Compensation Committee, and of our executive officers,' and discretionary bonuses were approved in January/February 2023 - the retroactive discretionary determination of bonuses outside the original plan terms may expose the Company to claims of breach of plan terms by NEOs who received no bonus (e.g., the former CEO/CTO, the former interim CEO).
- the Executive Chairman's voting control (58.4% of total voting power) is exercised through multiple BVI and Samoa-incorporated entities ({Chairman's Holding Entity B}, {Chairman's Holding Entity C}, {Chairman's Holding Entity D} - all BVI; {Chairman's Holding Entity} - Samoa), creating complex offshore ownership structures that may present legal and regulatory complications in a change-of-control transaction.
- [UNVERIFIED-INFERENCE] the former CEO/CTO (terminated CEO) retains 12,000,000 shares of Class B Common Stock held through {Chairman's Holding Entity}, a company incorporated in Samoa - a terminated executive retaining Class B super-voting shares (10 votes per share) through an offshore Samoa entity, representing 30.0% of total voting power, with no disclosed lock-up, transfer restriction, or conversion timeline in the section reviewed.
- [REGULATORY ACTION] An ongoing internal investigation by the Audit Committee was disclosed, involving unauthorized related-party transactions with {Related Entity B} during 2021 and 2022; the investigation is described as ongoing as of the filing date (September 7, 2023), with no confirmed closure or remediation.
- [UNVERIFIED-NO-EVIDENCE] The Company shared confidential information with {Related Entity B} and its partners prior to execution of any non-disclosure or cooperation agreements; the retroactive NDA entered after disclosure may not fully cure the breach, and potential claims from partners or suppliers whose information may have been involved remain unresolved.
- [UNVERIFIED-INFERENCE] The Joint Development Agreement ('JDA') with {OEM Partner} (a subsidiary of {OEM Partner's Parent Company}), entered July 2020 and under which the Company agreed to reimburse {OEM Partner} up to $10.0 million for R&D expenses, was jointly terminated on December 5, 2022; the final reimbursement amount paid or owed and any residual IP or liability from the termination are not disclosed in the section reviewed.

Related Party

Score: 88

- [UNVERIFIED] [UNVERIFIED-INFERENCE] Convertible loan from affiliated entity {Related Entity A} ({XBRL}:{Related Entity A}, srt:AffiliatedEntityMember) as of June 30, 2020, converted into Series D-1 Convertible Preferred Stock during June 2020 - exact loan balance and interest rate not specified in the section reviewed; arm's-length justification not disclosed.
- [UNVERIFIED] [ACTUAL EVENT] {OEM Partner's Affiliate} ({XBRL}:{OEM Partner's Affiliate}, srt:AffiliatedEntityMember) transaction recorded as of April 30, 2020 - nature, quantum, and arm's-length status of transaction not specified in the section reviewed.
- [UNVERIFIED-INFERENCE] Board of Directors Chairman (srt:BoardOfDirectorsChairmanMember) has a disclosed balance as of December 31, 2021, and is also linked to {Related Entity B} ({XBRL}:{Related Entity B}) - exact transaction amount and approval status not specified in the section reviewed.
- [ACTUAL EVENT] {Affiliate Entity} ({XBRL}:{Affiliate Entity}) related-party balance recorded as of December 31, 2021 - exact transaction amount and nature not specified in the section reviewed.
- [UNVERIFIED] [ACTUAL EVENT] {Related Entity A's Parent} ({XBRL}:{Related Entity A's Parent}) related-party transaction recorded during fiscal year 2021 (2021-01-01 to 2021-12-31) - exact transaction amount and nature not specified in the section reviewed.
- [REGULATORY ACTION] Audit Committee investigation concluded that a related party transaction occurred between the Company and {Related Entity B} that was not properly reviewed, approved, or disclosed in accordance with Company policy requiring Audit Committee review and approval of related party transactions or transactions involving actual or potential conflicts of interest.
- [UNVERIFIED-INFERENCE] Control failure attributed to 'lack of understanding among our personnel regarding the scope and application of the policy' governing related party transactions, indicating systemic governance deficiency rather than isolated incident.
- November 2022 securities class action alleges the Company made false or misleading statements regarding a related party transaction with {Related Entity B} and sharing of confidential information and proprietary technology with {Related Entity B} without approval from the Board; this undisclosed/unapproved related-party transaction is a named basis for securities fraud claims against named officers the former CEO/CTO, the Executive Chairman, the CEO, the CFO, the former CFO, and the former Chief Administrative and Legal Officer.

- November 2022 securities class action (Securities Class Action II, {Case No. Redacted}) alleges the Company shared confidential information and proprietary technology with {Related Entity B}, Inc. without approval from the Company's board of directors, constituting an undisclosed related party transaction.
- [ACTUAL EVENT] Shareholder derivative actions (Shareholder Derivative Action I v. the former CEO/CTO et al., {Case No. Redacted}; Shareholder Derivative Action II et al., {Case No. Redacted}; consolidated complaint filed July 24, 2023) allege current and former directors and officers breached fiduciary duties in connection with a related party transaction with {Related Entity B}, Inc., including {Related Entity B} named as a defendant in the consolidated derivative complaint.
- [UNVERIFIED-INFERENCE] CFIUS inquiry specifically concerns information shared by the Company U.S. with the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners, indicating cross-border related-party information flows potentially in violation of the National Security Agreement with the U.S. government.
- [UNVERIFIED-INFERENCE] Material Weakness identified by auditor {Successor Auditor}: The Company did not maintain effective controls over the disclosure of related party transactions resulting from a lack of understanding among Company personnel regarding the Company's policy on the identification, approval, and disclosure of related party transactions, as of December 31, 2022.
- [UNVERIFIED-INFERENCE] In fiscal year 2020, the Company received proceeds from the issuance of a related party convertible loan of $50.0 million and proceeds from related party loans of $5.0 million, partially offset by principal payments on related party loans of $7.9 million; adequacy of arm's-length terms and disclosure is called into question by the related-party transaction material weakness.
- [ACTUAL EVENT] Conversion of related party convertible loan into Series E-1 redeemable convertible preferred shares of $55,556 thousand recorded as a non-cash financing activity in fiscal year 2020 - related party identity and arm's-length basis not disclosed in the section reviewed.
- [DILIGENCE GAP] Change in fair value of related party convertible loan of $5,556 thousand recorded as a loss in the consolidated statement of operations for year ended December 31, 2020.
- [UNVERIFIED-INFERENCE] Proceeds from related party loan of $5,000 thousand received in fiscal year 2020; principal payments on related party loan of $7,900 thousand (2020) and $4,398 thousand (2021) - related party lender identity and loan terms not disclosed in the section reviewed.
- [UNVERIFIED-INFERENCE] Related party transaction with {Related Entity B}: Audit Committee internal investigation found that confidential information and proprietary technology was shared with {Related Entity B} without Board approval, disclosed via Form 8-K on November 7, 2022; this transaction is the subject of two consolidated securities class action lawsuits and multiple shareholder derivative actions.
- Related Party Convertible Loan: In June 2020, the Company entered into a $50.0 million convertible loan agreement with {Related Entity A}, a preferred shareholder in the Company, accruing interest at 10.0% per annum, originally maturing June 2021; converted in December 2020 into 3,928,937 Series E-1 redeemable convertible preferred shares at a conversion price of $12.73 (at a 10% discount to the applicable purchase price in the Series E financing).
- [UNVERIFIED-INFERENCE] {OEM Partner's Affiliate} Loan: In April 2020, the Company received a $5.0 million non-interest-bearing loan from {OEM Partner's Affiliate} (an affiliate of {OEM Partner's Parent Company}, also a strategic partner and preferred stockholder) to cover costs related to a development program; loan was repayable upon acquisition by {OEM Partner's Affiliate} or a {OEM Partner's Affiliate} Affiliate of shares or other financial instruments in the Company, creating a structural conflict between the debt repayment trigger and the Company's equity financing activities.
- [REGULATORY ACTION] Audit Committee conducted an internal investigation into a related party transaction with {Related Entity B}, the initial findings of which were disclosed in a Form 8-K filed November 7, 2022; this investigation directly triggered the SEC subpoena process.
- [REGULATORY ACTION] The related party transaction with {Related Entity B} is unquantified in the section reviewed; the Company cannot estimate the potential loss or range of loss, which 'could be material,' arising from the SEC investigation into this transaction.
- [UNVERIFIED-INFERENCE] the Executive Chairman, co-founder and Executive Chairman of the Company, is also founder, director, and CEO of {Related Entity B} and holds an equity interest in the Company of greater than 10%. During 2021, the Company employees spent paid hours working on {Related Entity B} matters with an estimated value of less than $300,000 without Audit Committee approval.
- [UNVERIFIED-INFERENCE] During 2022, the Company shared confidential information with {Related Entity B} and its partners in connection with evaluating {Related Entity B} as a potential OEM partner before entering into relevant NDAs and cooperation agreements - a material breach of Company policy. The related party transaction and OEM evaluation were not presented to or approved by the Audit Committee as required by Company policies.
- [UNVERIFIED-INFERENCE] Material weakness in internal controls specifically identified as resulting from 'a lack of understanding among Company personnel regarding the Company's policy on the identification, approval, and disclosure of related party transactions,' directly linked to the undisclosed {Related Entity B}-related transactions.
- [UNVERIFIED-INFERENCE] During fiscal year 2021, the Company paid off related-party loans including: (i) approximately $0.6 million short-term, unsecured, interest-free loan due to its executive chairman; (ii) approximately $3.7 million due to {Affiliate Entity}, an affiliated company of {Related Entity A's Parent} (ultimate parent of one of the Company's investors); and received a $3.7 million refund of a guarantee deposit paid to {Related Entity A's Parent} in connection with loans borrowed from {Affiliate Entity}.
- [UNVERIFIED-INFERENCE] On November 9, 2022, stockholders {Chairman's Holding Entity} and {Chairman's Holding Entity} (the 'Principal Parties') granted Executive Chairman the Executive Chairman an irrevocable proxy giving him sole discretion to vote all equity securities beneficially owned by the Principal Parties, including with respect to election of directors, effective until the earlier of the two-year anniversary (November 9, 2024) or mutual written agreement to terminate.

- [UNVERIFIED-INFERENCE] The Principal Parties also entered into a Voting Agreement with the Executive Chairman on November 9, 2022, pursuant to which they will vote all their equity securities as directed by the Executive Chairman at any stockholder meeting or written consent; the Voting Agreement terminates only upon mutual agreement among the Executive Chairman and the Principal Parties.
- [ACTUAL EVENT] Per a joint Schedule 13D filed November 15, 2022 by the Executive Chairman, {Chairman's Holding Entity C}, {Chairman's Holding Entity E}, {Chairman's Holding Entity D}, and {Chairman's Holding Entity B}, no monetary consideration was given or received by any party in exchange for executing the Proxy or the Voting Agreement - raising questions about the commercial rationale and arm's-length nature of the arrangement.
- [ACTUAL EVENT] Company forgave principal and accrued interest on a partial-recourse promissory note issued by the CEO (CEO) to the Company in connection with his exercise of an option to purchase 2,125,000 shares of Class A Common Stock in March 2020, resulting in $988,947 of income to the CEO recognized in December 2020 - related-party loan forgiveness to a named executive officer.
- [UNVERIFIED-INFERENCE] Company paid $535,371 in 2022 for 'legal, trust, and tax planning related service fees' on behalf of the former CEO/CTO (CEO and CTO) - personal expense payments to a named executive officer without disclosed arm's-length justification.
- [UNVERIFIED-INFERENCE] the CEO's Letter Agreement dated December 14, 2022 provides a monthly housing allowance of $9,000 ($108,000 annualized) and a guaranteed minimum annual bonus of at least $400,000 for fiscal year ending December 31, 2022, in addition to base salary of $450,000 - compensation arrangements with a returning CEO negotiated at the end of the fiscal year being reported.
- [UNVERIFIED-INFERENCE] the Executive Chairman (Executive Chairman) holds 24,000,000 shares of Class B Common Stock (100% of Class B) and 19,734,628 shares of Class A Common Stock (9.6%), representing 58.4% of total voting power, through entities including {Chairman's Holding Entity B} (BVI), {Chairman's Holding Entity C} (BVI), {Chairman's Holding Entity D} (BVI), and by virtue of a Voting Agreement and Proxy over 13,367,314 Class A shares held by {Chairman's Holding Entity} and 12,000,000 Class B shares held by {Chairman's Holding Entity} (Samoa) - concentrated control by a single insider through multiple offshore entities.
- [UNVERIFIED-INFERENCE] the former CEO/CTO (former CEO, terminated October 30, 2022) retains 13,442,314 shares of Class A Common Stock (6.6%) and 12,000,000 shares of Class B Common Stock (50% of Class B, held through {Chairman's Holding Entity}, incorporated in Samoa) representing 30.0% of total voting power post-termination - a terminated executive retains significant voting control.
- [UNVERIFIED-INFERENCE] the Executive Chairman's beneficial ownership includes 13,367,314 shares of Class A Common Stock held by {Chairman's Holding Entity} and 12,000,000 shares of Class B Common Stock held by {Chairman's Holding Entity} (Samoa) over which he holds shared voting power via a Proxy and Voting Agreement - the terms and duration of this Voting Agreement are not disclosed in the section reviewed.
- [ACTUAL EVENT] {Related Entity A} (12.0% of Class A, 5.5% of total voting power), a Cayman Islands entity ultimately controlled by a former director (former Board member who served January 1, 2022 to June 9, 2022), holds 24,676,708 shares of Class A Common Stock per Schedule 13G filed February 14, 2022 - related-party shareholding by a recently departed director through an offshore entity.
- [UNVERIFIED-INFERENCE] Related party transaction policy threshold set at $120,000 requiring Audit Committee approval; consulting agreement with departed CEO the CEO at $450,000 annualized payment represents a related-party transaction that should have been subject to this policy - no disclosure of Audit Committee approval in the section reviewed.
- [DILIGENCE GAP] During 2021, Company employees spent paid hours working on matters for {Related Entity B} ('{Related Entity B}'), with an estimated value of less than $300,000, discovered through an ongoing internal Audit Committee investigation; this related party transaction was not presented to or approved by the Audit Committee as required by Company policies.
- [UNVERIFIED-INFERENCE] During 2022, in connection with the Company's evaluation of {Related Entity B} as a potential OEM partner, the Company shared confidential information with {Related Entity B} and its partners before entering into relevant non-disclosure and other cooperation agreements; a retroactive NDA was entered into only after the information was disclosed.
- [UNVERIFIED-INFERENCE] the Executive Chairman, one of the co-founders and current Executive Chairperson of the Company, is a founder, director, and chief executive officer of {Related Entity B} and holds an equity interest in the Company of greater than 10%, creating a direct conflict of interest in the {Related Entity B}-related transactions.
- [UNVERIFIED-INFERENCE] The internal review regarding the information shared with {Related Entity B} is described as 'ongoing' as of the filing date, meaning the full scope of the related-party breach and any resulting liability remains unquantified and unresolved.

Operational

Score: 85

- [UNVERIFIED] May 2023 Restructuring event ({XBRL}:May2023RestructuringMember, SubsequentEventMember) announced on 2023-05-16, affecting U.S. operations (country:US), with minimum and maximum restructuring cost range disclosed but exact dollar amounts not quantified in the section reviewed - indicating a material post-balance-sheet workforce reduction at the Company (CIK: {REDACTED}).
- [ACTUAL EVENT] Restructuring charges recorded during fiscal year ended December 31, 2022 across three categories: SeveranceAndOtherTerminationBenefitsMember, LongLivedAssetCostsMember, and StockBasedCompensationMember - exact quantum not specified in the section reviewed, indicating material impairment and headcount reduction activity during the reporting period.
- the Company operates as a single reportable segment ({XBRL}:segment count = 1) with revenue split between U.S. and Asia-Pacific (including CNY-denominated subsidiary operations), indicating geographic concentration risk and cross-border operational complexity as of December 31, 2022.

- [UNVERIFIED-INFERENCE] the Company currently operates only approximately 70 L4 autonomous semi-trucks (35 in the U.S. and 35 in APAC), all in 'Driver In' mode with a safety driver and safety engineer in the cabin, indicating the technology is not yet commercially deployed at scale.
- the Company de-emphasized revenue-generating freight services in Q4 2022 and does not plan to generate significant revenue in 2023, representing a deliberate retreat from commercialization and creating an operational revenue gap of indeterminate duration.
- The company's two reportable geographic segments (U.S. and APAC) operate with independent engineering teams, software code bases, and infrastructure, creating duplicated cost structures and operational complexity with no near-term revenue to offset them.
- the Company is in 'early stages of developing' its {Freight Network} in key markets; commercialization has not yet been achieved and is contingent on scaled deployment of L4 autonomous trucks across multiple phases (near-term, mid-term, long-term), creating significant execution risk.
- [UNVERIFIED-INFERENCE] The truck freight industry is characterized by 'low profit margins-generally in the single digits,' which the company acknowledges makes it difficult for existing stakeholders to invest in technological advancement, indicating a structurally challenging monetization environment.
- [UNVERIFIED-INFERENCE] the Company's U.S. and APAC L4 autonomy solutions are developed independently with separate engineering teams, software code bases, and systems integration requirements, creating duplicated cost structures and operational complexity.
- Hardware components (the Company Sensing Unit, Ruggedized Compute Unit, Vehicle Control Unit, Autonomous Vehicle Communications Gateway) are built by third-party suppliers, creating sole-supplier dependency risk for safety-critical autonomous driving hardware.
- [UNVERIFIED-INFERENCE] the Company's sensor suite (LiDAR, radar, GPS, ultrasonic sensors) is sourced from 'existing third party vendors,' with only the long-range high-definition camera developed in-house, creating multi-vendor dependency for core perception hardware.
- [UNVERIFIED-INFERENCE] Full-time global employee headcount declined from approximately 1,450 as of December 31, 2022 to approximately 1,058 as of June 30, 2023, a reduction of approximately 392 employees (27%); excluding WARN employees, headcount declined from approximately 1,100 to approximately 810.
- [ACTUAL EVENT] A previously announced restructuring program resulted in employees being employed under the 60-day Worker Adjustment and Retraining Notification (WARN) relief program as of December 31, 2022 and June 30, 2023.
- [ACTUAL EVENT] Company announced on June 28, 2023 that it is evaluating and reviewing strategic alternatives for its U.S. business, creating significant management distraction and resource diversion from existing operations.
- [UNVERIFIED-INFERENCE] Company depends on OEM partnerships for a substantial portion of {Freight Network} development and integration; does not control technology for serial production such as brakes, gear shifting, and steering; no assurance these can be developed and validated at required reliability standards cost-effectively and timely.
- [UNVERIFIED-INFERENCE] Autonomous driving technology has not yet been commercialized; {Freight Network} is still in early stages of development and commercialization; business model has yet to be tested.
- [UNVERIFIED-INFERENCE] Company commenced operations in 2015 and has limited operating history; faces significant challenges as industry is rapidly evolving.
- Workforce reduction, exploration of strategic alternatives, and other factors could impact speed of business development and ability to retain and attract talent.
- [ACTUAL EVENT] On December 5, 2022, the Company and {OEM Partner} announced an end to their co-development under the joint development agreement dated July 2020, directly disrupting the company's ability to produce purpose-built L4 autonomous semi-trucks at scale.
- Company has 'not tested our semi-trucks in adverse weather conditions, including rain or snow,' leaving operational risk in such conditions unquantified and unmitigated.
- [UNVERIFIED] [UNVERIFIED-INFERENCE] Company has 'limited experience to date in applying our autonomous driving technology at scale' and 'no experience in managing a large supply chain to manufacture and deliver products at scale.'
- Company depends on sole or limited-source actuation suppliers for 'redundant actuation for steering, braking, and engine transmission,' creating critical single-point-of-failure supply risk.
- [UNVERIFIED-INFERENCE] Company is 'dependent on our suppliers' production timeline for supplying automotive-grade LiDAR at scale,' with no disclosed alternative sourcing arrangement.
- All third-party supplier agreements are 'non-exclusive,' meaning suppliers may dedicate resources to competitors, and component shortages and price fluctuations have already been experienced.
- Business partners 'have raised concerns about the Company's unfavorable media coverage and the allegations made therein, which has undermined their confidence to continue doing business with us,' indicating active partner attrition risk.
- [UNVERIFIED-INFERENCE] Company does not currently have relationships with U.S. third parties for 'service centers, maintenance, refueling, roadside service, towing, sensor support, and financing services,' which are required for commercialization.

- [UNVERIFIED-INFERENCE] Board authorized restructuring plan on December 15, 2022 reducing workforce by approximately 350 employees, or 25% of global workforce.
- [UNVERIFIED-INFERENCE] Board authorized additional restructuring plan on May 16, 2023 reducing workforce by approximately 300 employees, or 30% of global workforce.
- [DILIGENCE GAP] Company experienced 'several senior management changes, including multiple C-suite executives during 2022,' with no key-person insurance maintained for any member of senior management or other employees.
- [UNVERIFIED] Significant employee attrition disclosed following announcement of reductions in force and exploration of strategic alternatives for U.S. business; company states it 'has experienced, and may continue to experience, significant employee attrition.'
- [UNVERIFIED-INFERENCE] Company does not have employment agreements with executive officers or other key personnel requiring them to continue to work for any specified period.
- Backup system does not capture data on a real-time basis; company states it 'may be unable to recover certain data in the event of a server failure,' with no assurance that backup systems will be adequate against fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, or terrorist attacks.
- the Company's software may contain serious errors, defects, security vulnerabilities, or software bugs that could result in security incidents, data breaches, vehicle safety issues, product liability claims, lost revenue, significant expenditures of capital, delay or loss in market acceptance, and damage to reputation.
- [UNVERIFIED-INFERENCE] the Company relies on third-party service providers for certain IT systems and networks not under its direct control, creating operational dependency and exposure to third-party cybersecurity failures.
- [UNVERIFIED-INFERENCE] On November 10, 2022, four directors on the Company's Board - including all members of the Government Security Committee (GSC) - were simultaneously removed, creating a governance and compliance vacuum that triggered a CFIUS compliance obligation to reconstitute the GSC.
- the Company's autonomous driving technology is subject to evolving and uncertain regulations across multiple jurisdictions (U.S. federal, state, local, China, Europe, Canada, Japan) that could significantly delay or narrowly limit commercialization, limit the number of autonomous vehicles manufactured or operated, or impose significant liabilities.
- [UNVERIFIED-INFERENCE] In February 2023, Shanghai launched 'Implementation Rules for Promoting the Innovation and Application of Fully Driverless Intelligent Connected Vehicles' - the first local Chinese legislation focused on fully driverless vehicles - introducing new regulatory compliance requirements for the Company's China operations.
- [UNVERIFIED-INFERENCE] the Company faces difficulty staffing and managing foreign operations across subsidiaries in China, Hong Kong, Europe, Canada, and Japan, with risks including foreign labor laws, restrictions, and any future restructuring or reduction in workforce.
- [UNVERIFIED-INFERENCE] Four directors, including all members of the Government Security Committee, were removed from the Board on November 10, 2022, creating a governance vacuum in the national security oversight function; CFIUS required reconstitution of the GSC as a direct consequence.
- [UNVERIFIED-INFERENCE] Security director a former security director was succeeded by a security director on April 17, 2023, representing a key-person transition in the CFIUS-mandated security director role during an active NSA compliance period.
- Company discloses that guidance has 'in the past been inaccurate in certain respects, such as the timing of new products,' and that failure to meet publicly announced guidance could cause significant stock price decline; no dividend is expected in the foreseeable future, making investors entirely dependent on price appreciation.
- Corporate headquarters in {Headquarters City}, {State} consists of approximately 100,000 square feet of office space, of which approximately 20,000 square feet (20% of total) is subleased or being offered for sublease, indicating significant excess space and potential sublease income risk; leases expire September 2027.
- Company discloses that additions or departures of key management personnel are a factor that could negatively affect share price; multiple named current and former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the former Chief Administrative and Legal Officer, the CFO, a former independent director, a former director, a former independent director, a former independent director, a former independent director, a director, a director, a director, a former security director) are named in active litigation, creating leadership instability risk.
- Company is in early stages of developing its {Freight Network} and relies on equity-based compensation to attract and retain talent; strong demand for talent in the technology industry and share price volatility may require issuance of larger equity awards, resulting in stockholder dilution and downward share price pressure.
- [UNVERIFIED-INFERENCE] On October 30, 2022, the Company's Board terminated the employment of the former CEO/CTO as Chief Executive Officer, President, and Chief Technology Officer - simultaneous loss of CEO, President, and CTO roles in a single termination event during the fiscal year under review.
- [UNVERIFIED-INFERENCE] On November 10, 2022, stockholders {Chairman's Holding Entity}, {Chairman's Holding Entity}, {Chairman's Holding Entity B}, {Chairman's Holding Entity C}, and {Chairman's Holding Entity D} (together holding a majority of voting power) consented to the removal of four independent board members: a former independent director, a former independent director, a former independent director, and a former independent director - wholesale board reconstitution by controlling stockholders.

- [UNVERIFIED-INFERENCE] On November 10, 2022, the former interim CEO was removed as interim CEO after only 11 days in the role; the CEO was appointed CEO and the Executive Chairman appointed Executive Chairman, effective immediately - extreme management instability within a single month.
- [UNVERIFIED-INFERENCE] On March 9, 2023, the former CEO/CTO (founder and former CEO/CTO) resigned from the Board, effective immediately - departure of key technical founder from governance.
- In December 2022, the Company announced a restructuring plan including a 25% global workforce reduction; in May 2023, a further 30% global workforce reduction was announced - combined restructuring of more than 40% of global headcount compared to December 31, 2021 levels.
- [UNVERIFIED-INFERENCE] Global headcount as of June 30, 2023 was approximately 800 employees, down from approximately 1,450 at end of 2022 (pre-restructuring) - a reduction of approximately 45% in six months.
- [ACTUAL EVENT] Total restructuring charges of $26.9 million were recorded in 2022 financial statements (recorded in both SG&A and R&D expense), including impairment or write-off of several capital assets.
- [UNVERIFIED-INFERENCE] Truck Reservations declined 20% year-over-year from approximately 6,975 at end of 2021 to approximately 5,585 at end of 2022 due to cancellations - deteriorating commercial pipeline.
- Effective Q4 2022, the Company de-emphasized revenue-generating freight services and does not plan to generate significant revenue in 2023 - deliberate exit from revenue operations with no near-term commercialization path.
- [ACTUAL EVENT] On June 28, 2023, the Company announced it is evaluating strategic alternatives for its U.S.-based business and engaged {Financial Advisor} as financial advisor - formal strategic alternatives process signals potential distress sale or wind-down of U.S. operations.
- [UNVERIFIED-INFERENCE] All independent directors of the Company's Board of Directors were unexpectedly removed in November 2022, including all members of the Audit Committee, by the Company's controlling shareholders, eliminating independent board oversight during the fiscal year under review.
- [ACTUAL EVENT] Restructuring expenses of $26,855K were recorded for the year ended December 31, 2022 (nil in 2020 and 2021), indicating a significant operational restructuring event during the period.
- Net cash provided by financing activities collapsed to $1.4 million in 2022 from $1.3 billion in 2021, with the Company stating it 'may be required to seek additional equity and/or debt financing' and warning that 'if we are unable to maintain sufficient financial resources, our business, financial condition, and results of operations may be materially and adversely affected.'
- Revenue of only $9,369 thousand for year ended December 31, 2022 against total operating expenses of $478,652 thousand - revenue covers less than 2% of operating costs, indicating the company has not achieved commercial scale.
- Research and development expense of $351,599 thousand for year ended December 31, 2022 (2021: $287,167 thousand; 2020: $132,001 thousand) - R&D spend is accelerating and is approximately 37.5x annual revenue.
- Selling, general and administrative expense of $127,053 thousand for year ended December 31, 2022 - SG&A alone is approximately 13.6x annual revenue.
- Property and equipment, net, declined from $36,053 thousand (December 31, 2021) to $17,083 thousand (December 31, 2022), a reduction of $18,970 thousand, suggesting significant asset disposals or impairments relative to the prior year.
- Company operates as a single reportable segment with operations in both the U.S. and Asia-Pacific (APAC) region, with subsidiary operations denominated in CNY (Chinese Renminbi), creating foreign currency translation risk; foreign currency translation adjustment was a loss of $1,338 thousand in 2022 (gain of $378 thousand in 2021).
- [ACTUAL EVENT] In connection with changes in the Company's management and restructuring activities that occurred during the fourth quarter of fiscal year 2022, effective December 31, 2022, the Company changed its CODM from a management committee of senior executives to the Chief Executive Officer - indicating significant management restructuring immediately before the reporting date.
- Prior to the Q4 2022 restructuring, the Company operated as one reportable segment; effective December 31, 2022, it identified two reportable segments (U.S. and APAC), requiring restatement of prior year comparable period segment disclosures.
- [UNVERIFIED-INFERENCE] The Company wrote-off all existing long-lived assets used in R&D as of December 31, 2022, as they no longer meet the criteria for capitalization subsequent to the restructuring, indicating a material abandonment of R&D infrastructure.
- [UNVERIFIED-INFERENCE] Restructuring activities during fiscal year 2022 included employee severance and termination benefits, impairment of long-lived assets (including ROU assets), and write-off of long-lived assets used in R&D activities.
- The Company earns all of its revenue within the U.S. only, with no revenue related to any other geographies as of December 31, 2022, despite operating an APAC segment - indicating the APAC segment generates no revenue.
- [ACTUAL EVENT] On December 5, 2022, the Company and {OEM Partner} announced an end to the co-development under the Joint Development Agreement ('JDA') entered into in July 2020; {OEM Partner} incurred the full $10.0 million of expenses eligible for reimbursement under the JDA as of December 31, 2021, representing a full termination of a key strategic development partnership.
- [UNVERIFIED-INFERENCE] Significant restructuring activities during Q4 2022 resulted in property and equipment write-offs of $16.3 million and a sharp decline in gross property and equipment from $60.5 million (December 31, 2021) to $31.6 million (December 31, 2022), indicating material contraction of operational asset base.

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- Multiple named current and former directors and officers are defendants in active litigation (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the former Chief Administrative and Legal Officer, the CFO, a former independent director, a former independent director, a former independent director, a former director, a director, a director, a director, a former security director), indicating significant leadership instability and potential key-person risk during the relevant period.
- [REGULATORY ACTION] CEO the CEO separated from the Company in March 2022 and was reappointed as CEO in November 2022 - a CEO departure and return within the same fiscal year during an active SEC investigation, representing a key-person instability event.
- [ACTUAL EVENT] In connection with the CEO's March 2022 separation as CEO, 1,850,000 time-based stock options were modified and 175,000 outstanding and unvested RSUs were accelerated in full, resulting in incremental stock compensation expense of $13.9 million recorded during year ended December 31, 2022.
- The 2021 CEO Performance Award of 1,150,000 stock options granted to the CEO at exercise price of $14.14 per share was cancelled in connection with his March 2022 separation; $7.1 million of historical stock-based compensation expense was reversed.
- [UNVERIFIED-INFERENCE] On December 14, 2022, newly reappointed CEO the CEO was granted 6,850,000 RSUs total (3,425,000 time-based vesting over 4 years; 3,425,000 market-based vesting over 4 years with price thresholds of $10.00, $15.00, and $20.00 per share over 60-day trailing average by November 10, 2026), representing significant new equity commitment with $8.9 million unrecognized compensation expense over 3.51-year weighted-average service period.
- [UNVERIFIED-INFERENCE] 4,080,571 stock options were cancelled/forfeited during year ended December 31, 2022, representing 53% of the 7,684,778 options outstanding at December 31, 2021, indicating significant employee/executive departures or plan restructuring.
- [UNVERIFIED-INFERENCE] On May 16, 2023, the Board authorized an Additional Restructuring Plan resulting in an additional reduction of approximately 300 employees; following this plan, global FTEs are approximately 750, including approximately 250 FTEs in U.S. operations. Estimated one-time charges of approximately $7.0 million to $9.0 million.
- [ACTUAL EVENT] On June 28, 2023, the Company announced it is evaluating strategic alternatives for its U.S.-based business and engaged {Financial Advisor} as financial advisor to explore possible transactions - signaling potential distress sale or wind-down of U.S. operations.
- [UNVERIFIED-INFERENCE] Restructuring Plan authorized December 15, 2022 incurred $26,855 thousand in total charges in fiscal year 2022, with $10,191 thousand in severance and termination benefits still accrued and unpaid as of December 31, 2022.
- [UNVERIFIED-INFERENCE] CEO the CEO departed in March 2022 and was re-appointed in November 2022; the Company operated without its original CEO for approximately 8 months during fiscal year 2022, representing a key-person leadership gap during a critical operational and governance crisis period.
- Long-lived assets, net increased from $36,053 thousand (December 31, 2021) to $62,035 thousand (December 31, 2022), with APAC long-lived assets growing from $7,708 thousand to $19,988 thousand, reflecting continued capital deployment into a segment generating $(89,544) thousand Adjusted EBITDA in 2022.
- [UNVERIFIED-INFERENCE] CEO the CEO resigned as President, CEO and Board member effective March 3, 2022, then was re-appointed as CEO on November 10, 2022 - a CEO departure and return within the fiscal year covered by this filing, constituting a key-person leadership vacuum during the deal period.
- [UNVERIFIED-INFERENCE] CFO the former CFO notified the Company of his resignation effective July 7, 2022 (notified June 15, 2022), representing a CFO departure within 12 months of the filing period.
- [UNVERIFIED-INFERENCE] Chief Administrative and Legal Officer the former Chief Administrative and Legal Officer notified the Company of his intent to resign effective September 30, 2022 (notified August 31, 2022), representing a CALO departure within 12 months of the filing period.
- [UNVERIFIED-INFERENCE] Former CEO and CTO the former CEO/CTO was terminated from employment by the Board on October 30, 2022; he remained as a Board member until March 9, 2023 - a forced termination of the founding CTO within 12 months of the filing period.
- [UNVERIFIED-INFERENCE] the former interim CEO served as interim CEO and President from October 31, 2022, was removed by the Board on November 10, 2022, and resigned employment effective November 25, 2022 (notified November 15, 2022) - a second interim CEO departure within the same fiscal year.
- [ACTUAL EVENT] The Company experienced at least five C-suite or senior executive departures/terminations within fiscal year 2022 (CEO, CFO, CALO, CTO/former CEO, interim CEO), representing a severe and concentrated leadership disruption during the transaction period.
- [UNVERIFIED-INFERENCE] the Executive Chairman, Executive Chairman, beneficially owns approximately 58% of the voting power of the outstanding common stock as of August 2023, making the Company a 'controlled company' under Nasdaq Listing Rules, with the Compensation Committee not composed entirely of independent directors as permitted under the controlled-company exemption.
- [UNVERIFIED-INFERENCE] the CEO (CEO) resigned March 3, 2022 and was only rehired November 10, 2022, creating an approximately 8-month CEO vacancy during fiscal year 2022 - a key-person departure within 12 months of the filing period.
- [UNVERIFIED-INFERENCE] the former CFO (Former CFO) resigned in June 2022, less than 12 months before the filing; the Company paid a $500,000 Special Cash Bonus and then waived repayment, representing a direct cost to stabilize departing leadership.

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- the former Chief Administrative and Legal Officer (Former Chief Administrative and Legal Officer) separated September 2022, less than 12 months before the filing; the Company waived repayment of the $500,000 Special Cash Bonus in consideration of a release of claims, indicating potential unresolved employment disputes.
- [UNVERIFIED-INFERENCE] The Compensation Committee determined in February 2023 that 'due to the changes in the composition of our Board and Compensation Committee, and of our executive officers, there was insufficient information to score bonuses under the original terms of the 2022 bonus plan,' indicating governance and leadership disruption severe enough to prevent normal performance evaluation.
- The 2022 Peer Group market capitalization target range was revised downward from $4.1-$17.3 billion (Early 2022 Peers, October 2021) to $700 million-$6 billion (August 2022), reflecting a significant decline in the Company's market capitalization during fiscal year 2022.
- [UNVERIFIED-INFERENCE] CEO the CEO departed March 3, 2022 and did not return until November 10, 2022 - approximately 8-month CEO vacancy during fiscal year 2022, a key-person departure within 12 months of the filing period.
- [UNVERIFIED-INFERENCE] CFO the former CFO departed July 7, 2022; Company operated with interim CFO (the CFO, formally appointed December 15, 2022) for approximately 5 months - CFO departure mid-fiscal-year 2022.
- [UNVERIFIED-INFERENCE] Chief Administrative and Legal Officer the former Chief Administrative and Legal Officer departed September 30, 2022 - loss of Chief Legal Officer during fiscal year 2022.
- [UNVERIFIED-INFERENCE] CTO/CEO the former CEO/CTO resigned from the Company's Board on March 9, 2023 (within 12 months of the December 31, 2022 fiscal year end), with 250,000 unvested options cancelled and 150,000 vested options expiring unexercised on June 9, 2023 - key technical leadership departure.
- Multiple C-suite departures in 2022 (CEO, CFO, CLO) and early 2023 (CTO/Board member) represent a significant leadership vacuum during the reporting period and immediately thereafter, creating material operational continuity risk.
- CEO the former CEO/CTO terminated effective October 30, 2022, within 12 months of the filing period; the former CEO/CTO held 13,442,314 shares of Class A Common Stock (6.6%) and 12,000,000 shares of Class B Common Stock (50% of Class B) representing 30.0% of total voting power - departure of a Founder-level executive with controlling voting interest creates both operational and governance risk.
- [UNVERIFIED-INFERENCE] Interim CEO the former interim CEO removed by Board effective November 25, 2022, less than 12 months before filing; the Company had no permanent CEO for a significant portion of fiscal year 2022, with the CEO returning as CEO after Yumer's removal.
- [UNVERIFIED-INFERENCE] CFO the former CFO resigned effective July 7, 2022; the Company waived its right to recoup a $500,000 retention bonus granted April 11, 2022 - retention bonus paid and forfeited within approximately three months of grant, indicating severe retention failure at CFO level.
- [UNVERIFIED-INFERENCE] Chief Legal and Administrative Officer the former Chief Administrative and Legal Officer resigned effective September 30, 2022; the Company waived its right to recoup a $500,000 retention bonus granted April 11, 2022 - retention bonus paid and forfeited within approximately five months of grant, indicating severe retention failure at CLO level.
- [ACTUAL EVENT] the CEO (CEO) entered a Transition and Separation Agreement dated March 2, 2022 (Exhibit 10.14, 8-K filed March 3, 2022), indicating a CEO departure within the 12-month period preceding the filing; the CEO subsequently returned as CEO (signing the 10-K as CEO on September 7, 2023), but the interim leadership disruption represents a key-person risk.
- [ACTUAL EVENT] the former CFO (CFO) entered a Separation Agreement dated June 15, 2022 (Exhibit 10.15, 8-K filed June 21, 2022), indicating a CFO departure during fiscal year 2022.
- [UNVERIFIED] [DILIGENCE GAP] the former Chief Administrative and Legal Officer entered a Separation Agreement (Form of Separation Agreement, Exhibit 10.16, 8-K filed September 6, 2022), indicating a further senior executive departure during fiscal year 2022.
- [ACTUAL EVENT] the former interim CEO entered a Separation Agreement dated November 15, 2022 (Exhibit 10.17, 8-K filed November 16, 2022), indicating a fourth senior executive departure during fiscal year 2022.
- [UNVERIFIED-INFERENCE] The Joint Development Agreement with {OEM Partner} for development of a purpose-built L4 autonomous semi-truck was terminated on December 5, 2022, eliminating a key OEM partnership and the associated $10.0 million R&D reimbursement commitment framework.

Reputational

Score: 85

- [UNVERIFIED-INFERENCE] the Company's prior independent registered public accounting firm resigned on November 17, 2022, a highly unusual event that raises significant questions about the integrity of financial reporting and auditor-management relations.
- [UNVERIFIED] [DILIGENCE GAP] the Company is classified as a 'well-known seasoned issuer: No' and has failed to timely file required SEC periodic reports, which may result in Nasdaq delisting of Class A common stock (ticker redacted), creating material reputational and market access risk.
- [UNVERIFIED-INFERENCE] Unfavorable media coverage and publicity negatively affects the Company's business from time to time; strategic opportunities are impacted by reputation and unfavorable publicity, and the confidence of business partners in the business.
- [REGULATORY ACTION] April 2022 FMCSA accident investigation resulted in negative publicity about the safety of the Company's autonomous driving technology, even though concluded without penalties.

- Failure to successfully complete a Potential Transaction could result in reputational harm including relationships with customers and business partners due to adverse perception of any failure to successfully complete a Potential Transaction.
- [ACTUAL EVENT] Company has been 'the subject of media coverage regarding the safety of our technology, our senior management, including turnover of executive officers and the board of directors, litigation and regulatory or government actions, inquiries, and investigations,' with adverse effects acknowledged as having occurred 'to varying degrees from time to time.'
- Business partners have raised concerns about the Company's unfavorable media coverage and the allegations made therein, which has 'undermined their confidence to continue doing business with us.'
- [REGULATORY ACTION] April 2022 FMCSA accident investigation resulted in 'negative publicity about the safety of our autonomous driving technology,' even though the investigation concluded without penalties.
- [UNVERIFIED] Labor unions have raised and may continue to raise concerns about autonomous semi-trucks displacing drivers, which 'has in the past resulted, and could in the future result, in negative publicity, lobbying efforts to U.S. local, state, and federal lawmaking authorities... or boycotts of us or our users.'
- [REGULATORY ACTION] Unfavorable publicity and allegations related to previously disclosed Audit Committee investigation explicitly cited as factors that 'may have a negative impact on the terms of any necessary financing, if available,' and as contributing to loss of confidence among users, suppliers, securities analysts, and other parties.
- [DILIGENCE GAP] Changes to Board and senior management, including removal of all independent directors and dissolution of Audit Committee in November 2022, cited as reputational risk adversely impacting ability to attract and retain qualified personnel and business partners.
- [ACTUAL EVENT] Exploration of strategic alternatives for U.S. business publicly announced, contributing to significant employee attrition and potential negative perception among users, suppliers, and investors.
- the Company's removal of its security director from the Board in November 2022 is cited as a potential violation of the NSA terms and is subject to CFIUS inquiry, creating significant reputational and governance risk.
- [REGULATORY ACTION] the Company discloses that information was shared between the Company U.S. and the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners in a manner that is under CFIUS investigation for potential NSA violations, raising national security and reputational concerns.
- [REGULATORY ACTION] In April 2022, an accident involving one of the Company's trucks triggered an FMCSA investigation and resulted in 'negative publicity about the safety of our autonomous driving technology,' per the filing's own disclosure.
- Litigation and regulatory proceedings are disclosed as potentially resulting in 'harm to our reputation and brand' and could result in 'sanctions, consent decrees, injunctions, or other orders against the Company and/or our current and/or former directors and officers requiring a change in our business practices.'
- Dual class share structure (Class B: 10 votes per share; Class A: 1 vote per share) renders the Company ineligible for inclusion in FTSE Russell and Standard & Poor's indices under policies announced in July 2017 restricting newly public companies with dual/multi-class capital structures; exclusion from indices could preclude investment by passive index-tracking funds and adversely affect market price of Class A common stock.
- On November 10, 2022, Founders (the Executive Chairman and the former CEO/CTO) consented via written consent to the removal of four Board members, including all GSC members; this action triggered CFIUS intervention and generated adverse publicity risk regarding governance and national security compliance.
- Company acknowledges it is subject to risks from short seller reports, coordinated trading activities, large derivative positions, and potential 'short squeeze' events in Class A common stock, which could cause stock price volatility and adverse publicity.
- [ACTUAL EVENT] Multiple securities class actions and shareholder derivative actions filed in 2022-2023 allege that named executives (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the former Chief Administrative and Legal Officer, the CFO) made materially false or misleading statements regarding the Company's autonomous driving technology and related party transactions with {Related Entity B}, Inc.
- Shareholder derivative action Shareholder Derivative Action II et al., {Case No. Redacted} (Del. Ch.) specifically alleges inadequacy of the Company's internal controls and concerns regarding the safety of the Company's technology, creating reputational risk regarding core product safety claims.
- [REGULATORY ACTION] SEC subpoenas issued to the Company and certain current and former directors and officers in connection with the Audit Committee's internal investigation into the related party transaction with {Related Entity B}, Inc., disclosed via Form 8-K on November 7, 2022, creating significant public reputational exposure.
- [UNVERIFIED-INFERENCE] On October 30, 2022, the Board terminated the former CEO/CTO (co-founder, CEO, President, and CTO) - public termination of a founder-CEO and CTO simultaneously, followed by a contested board reconstitution, creating significant reputational and governance controversy.
- [UNVERIFIED-INFERENCE] On November 10, 2022, a stockholder group ({Chairman's Holding Entity}, {Chairman's Holding Entity}, {Chairman's Holding Entity B}, {Chairman's Holding Entity C}, {Chairman's Holding Entity D}) holding a majority of voting power removed four independent directors (a former independent director, a former independent director, a former independent director, a former independent director) and reconstituted the board - public perception of a hostile insider takeover of governance.

- On June 28, 2023, the Company publicly announced it is evaluating strategic alternatives for its U.S.-based business - public disclosure of a strategic alternatives process signals potential distress and may accelerate customer, partner, and employee attrition.
- [UNVERIFIED-INFERENCE] Named executives the former CEO/CTO (founder/director), the Executive Chairman (founder/director), the CEO (officer), the former CFO (officer), the former Chief Administrative and Legal Officer (officer), and the CFO (officer) are defendants in two consolidated securities class action lawsuits alleging materially false or misleading statements regarding the Company's autonomous driving technology and related party transactions with {Related Entity B}.
- [REGULATORY ACTION] Audit Committee internal investigation into related party transaction with {Related Entity B} disclosed via Form 8-K on November 7, 2022, finding that confidential information and proprietary technology was shared with {Related Entity B} without Board approval.
- Removal of the Company's security director from the Board in November 2022 is alleged to have violated the terms of the National Security Agreement with the U.S. government, triggering CFIUS inquiry.
- [ACTUAL EVENT] Multiple shareholder derivative actions allege that named directors and officers (including the former CEO/CTO, the Executive Chairman, a former independent director, a former independent director, a former independent director) breached fiduciary duties in connection with the {Related Entity B} related party transaction and Board restructuring, with consolidated complaint filed July 24, 2023 also naming {Related Entity B} as a defendant.
- [REGULATORY ACTION] SEC subpoenas issued to the Company and certain current and former directors and officers in connection with the Audit Committee's internal investigation into the related party transaction with {Related Entity B}, disclosed via Form 8-K on November 7, 2022.
- [REGULATORY ACTION] CEO the CEO was separated in March 2022 and reappointed in November 2022 during an active SEC investigation into a related-party transaction, creating significant governance and reputational risk for the Company.
- the Company received a Nasdaq delisting determination notice in May 2023 for failure to timely file multiple SEC reports (10-Q for Q3 2022, 10-K for FY2022, 10-Q for Q1 2023), creating significant public reputational damage and investor confidence risk.
- [REGULATORY ACTION] Ongoing Audit Committee internal investigation disclosed via Form 8-K on October 31, 2022 into unauthorized use of Company employee paid hours for {Related Entity B} and unauthorized sharing of confidential information with {Related Entity B} before NDAs were in place - publicly disclosed governance failure.
- [UNVERIFIED-INFERENCE] All independent directors including all Audit Committee members were removed in November 2022 by controlling shareholders, an event that drew public attention and is directly cited as a cause of material weaknesses in internal controls, damaging the Company's governance reputation.
- [UNVERIFIED-INFERENCE] The Board terminated CTO and former CEO the former CEO/CTO on October 30, 2022 - an involuntary termination of a co-founder/key technical executive - which, combined with the simultaneous departure of the CFO and CALO, signals a severe governance and leadership crisis during fiscal year 2022.
- [ACTUAL EVENT] The Company experienced five senior executive departures within a single fiscal year (2022), including two CEO transitions, a forced CTO termination, and CFO and CALO resignations, creating significant reputational risk regarding management stability and corporate governance.
- [UNVERIFIED-INFERENCE] the CEO resigned as President and CEO in March 2022 under a 'transition and separation agreement dated March 2, 2022,' and was rehired as CEO on November 10, 2022 under a new Letter Agreement dated December 14, 2022 - the public resignation and rehiring of the CEO within the same fiscal year reflects significant governance instability.
- The Company's market capitalization declined sufficiently between October 2021 and August 2022 to require a downward revision of the peer group market cap range from $4.1-$17.3 billion to $700 million-$6 billion, representing a reduction of the lower bound by approximately 83% and signaling severe market value destruction during fiscal year 2022.
- the CEO, the Company's CEO, departed on March 3, 2022 and re-joined as CEO on November 10, 2022, with the Company entering into a separation agreement, consulting agreement, and then a new Letter Agreement and Severance and CIC Agreement - the revolving-door CEO arrangement may raise governance and reputational concerns with investors.
- [UNVERIFIED-INFERENCE] the former CEO/CTO (former CEO and CTO) resigned from the Company's Board on March 9, 2023, with 250,000 unvested options cancelled and 150,000 vested options expiring unexercised on June 9, 2023 - departure of a Founder-level technical executive from the Board shortly after fiscal year end.
- Four C-suite executives departed the Company ({TICKER REDACTED}) within fiscal year 2022: CEO the former CEO/CTO (terminated October 30, 2022), interim CEO/President the former interim CEO (removed by Board November 25, 2022), CFO the former CFO (resigned July 7, 2022), and Chief Legal and Administrative Officer the former Chief Administrative and Legal Officer (resigned September 30, 2022) - the scale and pace of senior leadership turnover within a single fiscal year at a publicly traded autonomous trucking company creates significant reputational risk with investors, customers, and regulators.
- [DILIGENCE GAP] The Audit Committee's ongoing internal investigation revealed that Company employees performed paid work for {Related Entity B} (a company controlled by Executive Chairperson the Executive Chairman) without Audit Committee approval, and that confidential Company information was shared with {Related Entity B} and its partners without NDAs in place, creating significant reputational exposure regarding corporate governance failures.
- Multiple senior executive departures in 2022 - including the CEO (the CEO, March 2022), CFO (the former CFO, June 2022), the former Chief Administrative and Legal Officer (September 2022), and the former interim CEO (November 2022) - signal significant leadership instability that may be perceived negatively by investors, customers, and regulators.

HR / Labour Compliance

Score: 72

- [UNVERIFIED-INFERENCE] Employees subject to the 60-day WARN relief program were included in the December 31, 2022 headcount of approximately 1,450 and June 30, 2023 headcount of approximately 1,058, indicating active workforce reduction with WARN Act obligations triggered.
- [UNVERIFIED-NO-EVIDENCE] Company depends on experience and expertise of senior management team, engineers, and qualified employees; inability to recruit and retain executive officers, engineers, and qualified employees could harm business, operating results, and financial condition; management team has limited experience managing a public company.
- [UNVERIFIED-INFERENCE] Workforce reduced by approximately 350 employees (25% of global workforce) per December 15, 2022 Board authorization, followed by an additional reduction of approximately 300 employees (30% of global workforce) per May 16, 2023 Board authorization - aggregate reductions of approximately 650 employees with no assurance against further restructuring plans.
- [UNVERIFIED-NO-EVIDENCE] Company discloses ongoing difficulty in hiring and retaining employees with appropriate qualifications, with competition from better-resourced companies offering more attractive compensation packages, and risk that former employers of hired employees may assert legal obligations claims resulting in litigation.
- [UNVERIFIED-INFERENCE] December 2022 restructuring included a 25% global workforce reduction; the operational highlights table notes that global FTE count as of December 31, 2022 (~1,450) includes U.S. employees employed under the 60-day Worker Adjustment and Retraining Notification (WARN) relief program - WARN Act obligations triggered, indicating potential liability for non-compliant notice periods.
- May 2023 restructuring announced a further 30% global workforce reduction; combined with December 2022 reduction, total headcount declined by more than 40% from December 31, 2021 levels to approximately 800 employees as of June 30, 2023 - scale of reductions may trigger additional WARN Act or equivalent foreign jurisdiction notice obligations.
- [UNVERIFIED-INFERENCE] As of December 31, 2022, $144.7 million of unrecognized stock-based compensation expense related to RSUs and SVAs remains outstanding, to be recognized over a weighted-average service period of 2.47 years, representing a significant future compensation obligation contingent on employee retention.
- [UNVERIFIED-INFERENCE] the CEO resigned as President and CEO in March 2022 (transition and separation agreement dated March 2, 2022), was rehired as CEO from November 10, 2022; the CEO role was vacant or in transition for approximately 8 months during fiscal year 2022.
- [UNVERIFIED] [UNVERIFIED-INFERENCE] the former CEO/CTO served as CEO in addition to CTO from March 2022 but is listed as 'Former Chief Technology Officer and Chief Executive Officer' with $0 bonus for 2022, indicating departure during or after fiscal year 2022.
- [UNVERIFIED-INFERENCE] the former CFO (Former CFO) notified the Company of his resignation in June 2022; the Company waived repayment of the $500,000 Special Cash Bonus in exchange for advisory services following termination.
- [UNVERIFIED-INFERENCE] the former Chief Administrative and Legal Officer (Former Chief Administrative and Legal Officer) separated in September 2022; the Company waived repayment of the $500,000 Special Cash Bonus in consideration of the former Chief Administrative and Legal Officer's release of claims against the Company.
- [UNVERIFIED-INFERENCE] the former interim CEO served as Interim CEO during 2022 and is listed as 'Former Interim Chief Executive Officer', indicating further leadership instability at the C-suite level.
- [UNVERIFIED-INFERENCE] the CFO served in three different roles during 2022 (VP Global Controller through July 6, 2022; Interim CFO July 7 - November 30, 2022; CFO from December 1, 2022), reflecting prolonged CFO vacancy and instability.
- [UNVERIFIED-INFERENCE] the CEO departed as CEO on March 3, 2022 and re-joined as CEO on November 10, 2022, representing a CEO vacancy/transition period of approximately 8 months during fiscal year 2022.
- [UNVERIFIED-INFERENCE] the former CEO/CTO served as CEO and CTO from March 4, 2022 to October 30, 2022, then resigned from the Company's Board on March 9, 2023, resulting in cancellation of 250,000 unvested options and expiration of 150,000 vested options on June 9, 2023.
- [UNVERIFIED-INFERENCE] the former interim CEO served as interim CEO from October 31, 2022 to November 10, 2022 only, then departed; received severance of $340,800 under letter agreement dated November 15, 2022.
- [UNVERIFIED-INFERENCE] the former CFO served as CFO from January 1, 2022 until July 7, 2022 - CFO departure mid-fiscal-year 2022; received $500,000 retention bonus under letter dated April 11, 2022, with Company waiving repayment rights under letter dated June 15, 2022.
- [UNVERIFIED-INFERENCE] the former Chief Administrative and Legal Officer served as Chief Administrative and Legal Officer from January 1, 2022 until September 30, 2022 - departure of Chief Legal Officer mid-fiscal-year; received $500,000 retention bonus under letter dated April 11, 2022, with Company waiving repayment rights, plus $95,192 severance under letter agreement dated September 2022.
- [UNVERIFIED-INFERENCE] the CFO served as interim CFO from July 7, 2022 to December 14, 2022 and was only formally appointed CFO on December 15, 2022, meaning the Company operated without a permanent CFO for approximately 5 months in 2022.
- [UNVERIFIED-INFERENCE] Company paid $535,371 for 'legal, trust, and tax planning related service fees' on behalf of the former CEO/CTO (CEO/CTO) in 2022 - unusual personal expense reimbursement for a named executive officer.

- [ACTUAL EVENT] Company forgave principal and accrued interest on a partial-recourse promissory note issued by the CEO in connection with his exercise of an option to purchase 2,125,000 shares of Class A Common Stock in March 2020, resulting in $988,947 of income to the CEO recognized in December 2020.
- [UNVERIFIED-INFERENCE] the CEO (former CEO) departed March 3, 2022 and received a consulting agreement entitling him to an annualized payment of $450,000 during the one-year term following March 3, 2022, representing a significant post-departure obligation.
- [UNVERIFIED-INFERENCE] the former CEO/CTO (former CEO) employment terminated effective October 30, 2022; no severance or termination-related payments received - potential for future claims not fully extinguished.
- [UNVERIFIED-INFERENCE] the former interim CEO (former interim CEO and President) removed by Board effective November 25, 2022 via separation agreement dated November 15, 2022, providing: (i) lump sum payment of $340,800 (80% of annual base salary), (ii) subsidized COBRA coverage for up to eighteen months, and (iii) additional six months vesting of outstanding equity awards with performance goals deemed satisfied.
- the former CFO (former CFO) resigned effective July 7, 2022; separation agreement dated June 15, 2022 included: (i) transition advisory services until October 17, 2022, (ii) continued RSU and option vesting through transition period, (iii) option exercisability extended to earlier of two-year anniversary of October 17, 2022 or corporate transaction termination date, (iv) Company waived repayment of $500,000 retention bonus previously granted April 11, 2022, and (v) reimbursement of up to $10,000 in legal fees.
- the former Chief Administrative and Legal Officer (former Chief Legal and Administrative Officer) resigned effective September 30, 2022; separation agreement dated August 31, 2022 included: (i) continuation of base salary for twelve months and up to twelve months subsidized COBRA coverage, (ii) continued RSU and option vesting for twelve months, (iii) option exercisability extended to earlier of September 30, 2024 or corporate transaction termination date, and (iv) Company waived repayment of $500,000 retention bonus previously granted April 11, 2022.
- [UNVERIFIED-INFERENCE] Multiple C-suite departures within fiscal year 2022: CEO (the former CEO/CTO, terminated October 30, 2022), interim CEO/President (the former interim CEO, removed November 25, 2022), CFO (the former CFO, resigned July 7, 2022), and Chief Legal and Administrative Officer (the former Chief Administrative and Legal Officer, resigned September 30, 2022) - four senior executive departures within a single fiscal year representing a critical leadership vacuum during the deal period.

IP & Licensing

Score: 72

- [UNVERIFIED-NO-EVIDENCE] Joint Development Agreement with {OEM Partner} ({XBRL}:{OEM Partner}, {XBRL}:JointDevelopmentAgreementMember) active from July 2020 through fiscal year 2022 - IP ownership, licensing terms, and change-of-control provisions under this agreement are not specified in the section reviewed, creating potential IP assignment and termination-on-change-of-control risk.
- [ACTUAL EVENT] As of December 31, 2022, the Company had 519 issued patents and approximately 1,025 pending patent applications globally; as of June 30, 2023, approximately 590 issued patents and approximately 1,170 pending patent applications - a significant portion of the IP portfolio remains in pending status with no guarantee of issuance.
- the Company's success depends 'in part on our ability to operate without infringing, misappropriating, or otherwise violating the intellectual property and proprietary rights of others,' with a comprehensive risk discussion referenced under 'Risks Related to Our Intellectual Property, Information Technology, and Data Privacy' in Item 1A, indicating acknowledged but unquantified IP infringement exposure.
- [UNVERIFIED-NO-EVIDENCE] Company may be unable to adequately establish, maintain, protect, and enforce its intellectual property and proprietary rights or prevent third parties from making unauthorized use of its technology and other intellectual property rights, which could adversely affect business.
- Partner agreements 'had in the past and may in the future contain certain exclusivity provisions which, if triggered, could preclude us from working with other businesses with superior technology or with whom we may prefer to partner for other reasons,' creating IP partnership lock-in risk.
- There is 'a risk of other potential disputes with partners in the future, including with respect to intellectual property rights,' with no specific IP ownership or assignment framework disclosed for jointly developed technology.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Confidential information shared with {Related Entity B} and its partners prior to execution of a non-disclosure agreement; company cannot determine whether {Related Entity B} shared or publicly disclosed the information before the NDA was signed, leaving core proprietary technology potentially exposed without legal protection during that period.
- Company relies on patents, trademarks, copyrights, trade secrets, and contractual rights to protect IP but discloses that 'intellectual property laws and our procedures and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated.'
- [UNVERIFIED-NO-EVIDENCE] the Company has received letters from third parties identifying patents owned by those third parties and inviting the Company to obtain licenses; the company acknowledges it may not be able to obtain a commercially reasonable license, and any license obtained may not entirely resolve potential infringement risks.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] the Company acknowledges it cannot assure that it is not infringing or violating, and has not infringed or violated, any third-party intellectual property rights, and cannot assure it will not be held to have done so in the future.

- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] the Company uses open-source software in its products and services; some open-source licenses require public disclosure of all or part of proprietary source code or making available modifications/derivative works on unfavorable terms or at no cost, risking exposure of proprietary software.
- [UNVERIFIED-NO-EVIDENCE] the Company acknowledges it cannot be sure that all open-source software is identified or submitted for approval prior to use in its products and services, creating an unquantified SBOM gap and potential copyleft contamination risk.
- [UNVERIFIED-NO-EVIDENCE] Third-party manufacturers and suppliers have access to the Company's protected intellectual property and trade secrets; the Company has limited control over protection of those trade secrets, and unauthorized disclosure could occur.
- [UNVERIFIED-NO-EVIDENCE] the Company cannot guarantee it has entered into confidentiality or non-disclosure agreements with each party that has or may have had access to its trade secrets or proprietary information, and even where entered, such agreements may be breached or fail to prevent disclosure.
- [UNVERIFIED-NO-EVIDENCE] November 2022 securities class action (Securities Class Action II v. the Company, et al., {Case No. Redacted}) alleges the Company shared confidential information and proprietary technology with related party {Related Entity B} without Board approval; this represents an alleged unauthorized transfer of core proprietary technology to a related party, with unquantified exposure and ongoing litigation risk.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] November 2022 securities class action (Securities Class Action II, {Case No. Redacted}) and consolidated shareholder derivative complaint allege that the Company shared confidential information and proprietary technology with {Related Entity B}, Inc. without board approval; if confirmed, this represents an unauthorized transfer of core proprietary technology to a related party, potentially compromising IP ownership and exclusivity.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Intangible assets consist solely of patents carried at cost and amortized over 20 years, presented within other assets - no disclosure of patent ownership verification, assignment status from inventors, or freedom-to-operate analysis in the section reviewed; patent portfolio value and scope are unquantified.
- [DILIGENCE GAP] Shareholder derivative actions and securities class actions allege that the Company shared confidential information and proprietary technology with {Related Entity B} without Board approval; the Audit Committee's internal investigation confirmed these initial findings as disclosed in the Form 8-K filed November 7, 2022; the scope and recoverability of the shared proprietary technology is not quantified in this filing.
- [UNVERIFIED-INFERENCE] Under the JDA with {OEM Partner} (now a {OEM Partner's Parent Company} subsidiary), the parties granted each other rights to their background intellectual property to permit R&D activities; following the December 5, 2022 termination of the JDA, the scope of any surviving IP cross-licenses, ownership of jointly developed IP, and any residual IP obligations are not disclosed in the section reviewed.
- [UNVERIFIED-INFERENCE] Confidential information was shared with {Related Entity B} and its partners prior to execution of NDAs or cooperation agreements; the Company states the information 'was not source code' and 'was not the confidential information of our partners or suppliers,' but the internal review is ongoing and the full scope of IP or trade secret exposure has not been confirmed.

Regulatory / Merger Control

Score: 72

- [UNVERIFIED] [BOILERPLATE] the Company's Driver Out operations in China were conducted on public roads approved by the Shanghai government in June 2023, and future expansion of Driver Out operations is explicitly conditioned on 'alignment with the regulatory environment' in both the U.S. and APAC, indicating material regulatory approval dependencies that could delay or block commercialization in key markets.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Only 29 of 44 U.S. states that allow autonomous semi-truck testing also allow commercial deployment; the remaining 15 states with testing permissions but no commercial deployment authorization create a fragmented regulatory patchwork that limits addressable market and increases legal complexity.
- There are currently no federal U.S. regulations expressly pertaining to the safety of autonomous driving systems for trucks; NHTSA and FMCSA retain authority to take enforcement action should an automated driving system 'pose an unreasonable risk to safety,' creating unquantified regulatory intervention risk.
- [UNVERIFIED-NO-EVIDENCE] In China, autonomous vehicle testing activities are regulated by local governments and companies must obtain approval and licenses from local governments to conduct fully driverless testing and commercial operation on public roads, creating jurisdiction-by-jurisdiction approval risk.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] The Japanese government has set targets for commercial operation of SAE Level 4 fully autonomous trucks by 2026, and plans to launch a self-driving lane on sections of the New Tomei Expressway by 2024 (Tokyo-Nagoya), but these are government targets, not guaranteed regulatory clearances, leaving commercialization timeline uncertain.
- [ACTUAL EVENT] Potential Transaction (strategic alternatives for U.S. business announced June 28, 2023) requires all required approvals to be obtained and all closing conditions to be satisfied; no assurance provided that approvals will be obtained or closing conditions satisfied or waived.
- [UNVERIFIED-NO-EVIDENCE] Investments in the Company have been and may be subject to U.S. foreign investment regulations (CFIUS) which may impose conditions or limitations on certain investors, including limits on purchasing common stock, limits on information sharing, requiring a voting trust, governance modifications, or forced divestiture.
- [UNVERIFIED-NO-EVIDENCE] Company is subject to substantial regulations governing autonomous vehicles; unfavorable changes to or failure to comply with these regulations could substantially harm business and operating results.

- Lawmakers or governmental agencies 'could pass laws or adopt regulations that limit the use of autonomous trucking technology or increase liability associated with its use,' representing an unquantified but material regulatory risk to the core business model.
- Labor unions have engaged in and may continue to engage in 'lobbying efforts to U.S. local, state, and federal lawmaking authorities, or equivalent authorities in the foreign jurisdictions in which we seek to do business, to implement legislation or regulations that make it more difficult to operate our business,' creating regulatory headwind risk.
- [ACTUAL EVENT] CFIUS review of the 2017 Transaction (acquisition of U.S. business of the Company's predecessor U.S. business by the Company's Cayman predecessor entity) was initiated at CFIUS's direction on March 1, 2021 and concluded February 18, 2022 with a National Security Agreement ('NSA'); ongoing NSA compliance obligations constitute a continuing regulatory condition on the company's operations.
- [UNVERIFIED-NO-EVIDENCE] CFIUS has imposed conditions including: {Related Entity A} agreed not to nominate replacement candidates or increase its current shareholdings; two {Related Entity A} directors were not nominated for re-election at the 2022 annual meeting; the Company must maintain a security director and a reconstituted Government Security Committee (GSC).
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] August 2023 U.S. executive order seeks to restrict or require notification of new investments by U.S. persons into certain national security technologies and products in China, with implementation expected in 2024, potentially affecting the Company's cross-border investment and operational structure.
- [UNVERIFIED-INFERENCE] On November 10, 2022, all four directors on the Board who were members of the Government Security Committee (GSC) were removed, causing CFIUS to require the Company to appoint a security director and reconstitute the GSC; company is subject to ongoing National Security Agreement (NSA) requirements and restrictions.
- [UNVERIFIED-NO-EVIDENCE] Under the NSA, CFIUS can elect to require the Company to appoint a third-party monitor at any time; failure to comply with NSA obligations, including governance requirements, could result in monetary penalties and/or appointment of a third-party monitor, and could materially and adversely impact the company's ability to operate its business by limiting the scope of future business activities.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] the Company periodically receives inquiries from CFIUS regarding compliance with the terms of the NSA; company has agreed under the NSA to limit access to certain data, adopt a technology control plan, appoint a security officer and security director, establish a GSC chaired by the security director, and periodically meet with and report to CFIUS monitoring agencies.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] the Company has incurred and expects to incur substantial costs to comply with NSA requirements; exact amount of time and resources needed is unknown; management and GSC members have devoted and will continue to devote substantial time and attention to NSA compliance.
- CFIUS is conducting an active inquiry into the Company's compliance with the National Security Agreement ('NSA') entered into with the U.S. government, concerning information shared by the Company U.S. with the Company's China-based businesses ('the Company's China operations'), {Related Entity B}, and {Related Entity B}'s partners; if CFIUS concludes information was shared in violation of the NSA, it may impose a civil penalty; Company states it is 'unable to estimate the likelihood of a negative outcome or the potential loss or range of loss associated with this matter' and that the potential loss 'could be material.'
- [REGULATORY ACTION] SEC investigation is active: following Audit Committee's internal investigation findings disclosed November 7, 2022 via Form 8-K, the Company proactively reached out to the SEC; the Company and certain current and former directors and officers received subpoenas from the SEC requesting production of Company documents; Company states it is 'unable to estimate the likelihood of a negative outcome or the potential loss or range of loss associated with this matter' and that the potential loss 'could be material.'
- CFIUS is conducting an active inquiry into the Company's compliance with its National Security Agreement ('NSA') with the U.S. government regarding information shared with the Company's China-based businesses, {Related Entity B}, and {Related Entity B}'s partners; CFIUS may impose civil penalties; the Company is unable to estimate the likelihood of a negative outcome or the potential loss or range of loss, which 'could be material'; this represents a national security regulatory risk that could affect any change-of-control transaction.
- On June 28, 2023, the Company announced evaluation of strategic alternatives for its U.S.-based business with {Financial Advisor} engaged as financial advisor; any resulting transaction involving the Company's U.S. autonomous trucking technology assets may require CFIUS review given the Company's Chinese-affiliated investor base, cross-border data flows, and the appointment of a security director (a CFIUS specialist) to the Board in March 2023 - though no specific filing or regulatory objection is disclosed in the section reviewed.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] The Company has established a Government Security Committee (GSC) whose primary responsibility is to oversee implementation and adherence to the terms of a National Security Agreement ('NSA'), indicating the Company is subject to an active CFIUS-related NSA with ongoing compliance obligations.
- [UNVERIFIED-NO-EVIDENCE] The GSC met only four times in 2022, raising questions about the adequacy of oversight of the NSA compliance obligations, which could constitute a breach of the NSA terms and trigger regulatory consequences.
- The Company operates under a National Security Agreement ('NSA') with the Committee on Foreign Investments in the United States ('CFIUS'); a former security director served as the Company's security director under the NSA in 2022, and a former independent director also served as security director under the NSA from April 23, 2022 to November 10, 2022 - an active CFIUS NSA imposes ongoing national security compliance obligations that would be a condition of any change-of-control transaction.

- [UNVERIFIED-NO-EVIDENCE] [DILIGENCE GAP] CFIUS has determined that the Company's security director cannot be compensated in equity of the Company and must be compensated in cash only - this CFIUS-imposed restriction on equity compensation for a board-level security director reflects the ongoing and active nature of CFIUS oversight under the NSA.

Anti-Bribery, Sanctions & AML

Score: 70

- [REGULATORY ACTION] the Company explicitly identifies compliance with the Foreign Corrupt Practices Act (FCPA) and the U.K. Anti-Bribery Act as a risk factor for its international operations, noting that 'violations of which could lead to significant fines, penalties, and collateral consequences for our company'; no specific violation or investigation is disclosed in the section reviewed.
- [DILIGENCE GAP] SEC proactively contacted by the Company on November 7, 2022 following Audit Committee internal investigation findings regarding the related party transaction with {Related Entity B}; the Company received an initial request for information from the SEC; the investigation relates to sharing of confidential information and proprietary technology with {Related Entity B} without Board approval and potential securities law violations; the Company is unable to estimate the potential loss or range of loss, which 'could be material'.

Cybersecurity

Score: 62

- Unauthorized control or manipulation of systems in autonomous semi-trucks may cause them to operate improperly or not at all, or compromise their safety and data security, which could result in loss of confidence in the Company and its products and services, termination of contracts with certain partners, and harm to business.
- Backup system does not capture data on a real-time basis; company states it 'may be unable to recover certain data in the event of a server failure,' with servers hosted in an offsite location but no real-time data protection.
- [UNVERIFIED-INFERENCE] Company discloses vulnerability to break-ins, technology platform failures, internet failures, and loss or corruption of data, with no assurance that backup systems will be adequate to protect against these events.
- the Company discloses it has experienced data breaches, cyber-attacks, and attempts to breach its systems, characterizing none as material to date, but acknowledges future cyber incidents could materially disrupt operations, result in loss of trade secrets, compromise personally identifiable information, and jeopardize facility security.
- [UNVERIFIED-INFERENCE] the Company's IT systems and networks include systems managed by third-party service providers not under the Company's direct control, with multiple third-party service providers potentially having access to confidential information.
- the Company's L4 autonomous semi-trucks contain complex IT systems with built-in data connectivity; hackers may attempt to gain unauthorized access to modify functionality, user interface, and performance characteristics, or access data stored in or generated by the vehicles.
- the Company acknowledges it may be unable to anticipate attack techniques or implement adequate preventative measures, and that cybersecurity breach incidents may remain undetected for an extended period.
- the Company cites increased likelihood of cyber-attacks or cybersecurity incidents due to political uncertainty involving Russia and Ukraine, which could directly or indirectly impact operations.

Supply Chain & Geopolitical

Score: 58

- the Company (CIK: {REDACTED}) has subsidiary operations denominated in CNY (Chinese Renminbi) with Asia-Pacific segment revenue and long-lived assets reported separately as of December 31, 2021 and December 31, 2022 - indicating material China operational exposure subject to cross-border regulatory, currency, and geopolitical risk.
- {OEM Partner} ({XBRL}:{OEM Partner}) is a key commercial partner under a Joint Development Agreement ({XBRL}:JointDevelopmentAgreementMember) active from July 2020 through fiscal year 2022, and also a Series E Convertible Preferred Stock investor (March 2021) - concentration of both commercial and investor relationship in a single counterparty creates dependency risk.
- [UNVERIFIED-INFERENCE] the Company operates L4 autonomous semi-trucks in China (Shanghai Donghai Bridge port-to-terminal testing, Yangshan Deep-water Port) and Japan (Tomei Expressway, Tokyo-Osaka route), with APAC operations denominated in CNY (Chinese Renminbi), exposing the company to Chinese regulatory, geopolitical, and currency risks.
- [UNVERIFIED-INFERENCE] the Company's APAC operations include R&D facilities in Beijing, Shanghai, and Tangshan (Hebei Province), China, creating concentration of critical technology development assets in a jurisdiction subject to Chinese data security laws, export control risks, and potential government access to proprietary autonomous driving technology.
- [BOILERPLATE] the Company's APAC operations are subject to Chinese government regulatory approval requirements for autonomous vehicle testing and commercial operation on public roads, with local government licensing required on a city-by-city basis, creating geopolitical and regulatory concentration risk in China.
- the Company's the Company's proprietary compute platform is being developed by its APAC team in partnership with NVIDIA; concentration of a safety-critical compute platform development in China-based operations creates geopolitical risk given U.S.-China technology export control tensions.

- [UNVERIFIED-INFERENCE] the Company's sensor suite and hardware components (LiDAR, radar, GPS, ultrasonic sensors, and hardware components including AVCG, VCU, RCU) are sourced from third-party vendors and built by third-party suppliers; no disclosure of geographic sourcing concentration or export control compliance status for these components is provided, creating potential EAR/ITAR exposure given the autonomous vehicle and dual-use technology context.
- Operations in China are subject to significant government regulation and a variety of legal, political, and economic risks; if the Chinese government modifies laws and regulations or interprets and enforces them adversely, consolidated business and results of operations may be materially harmed.
- [UNVERIFIED-INFERENCE] Company faces risks associated with international operations and expansion to new markets, including unfavorable regulatory, political, tax, and labor conditions.
- Subsidiary operations are denominated in CNY (Chinese Renminbi), exposing the company to currency risk in addition to geopolitical risk from China operations.
- [UNVERIFIED-INFERENCE] Company depends on sole or limited-source actuation suppliers for steering, braking, and engine transmission redundancy; no alternate sourcing disclosed, and developing alternates described as 'time-consuming, difficult, and costly.'
- [UNVERIFIED-INFERENCE] Company is dependent on suppliers' production timelines for automotive-grade LiDAR at scale, with no disclosed backup supplier.
- Supply chain interruptions 'could be exacerbated by global political tensions, such as the situation in Ukraine,' with the Russia-Ukraine conflict explicitly cited as a factor that 'may impact our users' ability to use our services or purchase our trucks.'
- Company has alliances and partnerships with companies 'in the trucking and automotive industry in Asia,' creating geopolitical concentration risk, with CNY-denominated subsidiary operations noted in the filing context.
- Company depends on third-party suppliers for parts and components for L4 autonomous semi-trucks; any interruption or delay in supply, or inability to obtain components from alternate sources at acceptable prices and within a reasonable time, may adversely affect ability to meet scheduled product deliveries.
- [UNVERIFIED-INFERENCE] Subsidiary operations denominated in CNY (Chinese Renminbi) per global context; company references plans to continue expanding international operations, exposing it to geopolitical and currency risks including foreign investment reviews as a factor affecting ability to raise additional capital.
- [REGULATORY ACTION] the Company's operations involve the Company's China operations and {Related Entity B} as related entities; information sharing between the Company U.S. and the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners is under CFIUS investigation for potential NSA violations, indicating material China-nexus geopolitical risk.
- the Company's third-party manufacturers and suppliers have access to protected intellectual property and trade secrets, and the Company has limited control over protection of those trade secrets in foreign jurisdictions where IP laws may afford little or no protection.
- Many components for outfitting the Company's trucks are sourced from international third-party suppliers; new U.S. export control regulations have and could continue to adversely affect the international automotive markets and the Company's ability to access key components such as semiconductor chips, described as 'an important component of our trucks.'
- the Company's the Company's proprietary compute platform is specifically identified as a key component subject to supply chain risk from U.S.-China trade restrictions and export control regulations.
- [UNVERIFIED-INFERENCE] the Company is subject to U.S. Department of Commerce Export Administration Regulations (EAR), including restrictions or prohibitions on the sale or supply of certain products and services to U.S. embargoed or sanctioned countries, and authorization requirements for export of products using encryption technology.
- [UNVERIFIED-INFERENCE] U.S.-China political tensions have escalated, including increased trade barriers since 2018, U.S. tariffs on Chinese imports maintained in 2021, sanctioning of certain Chinese officials, blacklisting of dozens of Chinese companies, and expansion of the ban on American investment in Chinese firms with ties to the military - all directly affecting the Company's dual-country operations.
- Various countries regulate the import of certain artificial intelligence technology, including through import permitting and licensing requirements, which could limit the Company's ability to distribute its autonomous driving services in those countries.
- Company has operations in the Asia-Pacific (APAC) region with subsidiary financials denominated in CNY (Chinese Renminbi), creating exposure to Chinese regulatory, geopolitical, and currency risk - specific APAC revenue and asset concentration not quantified in the section reviewed.
- Amounts due to joint development partners of $5,753 thousand as of December 31, 2022 (down from $7,394 thousand in 2021) - joint development partner identities, geographic location, and concentration risk not disclosed in the section reviewed.
- [UNVERIFIED-INFERENCE] The Company's subsidiaries in China hold RMB-denominated cash subject to PRC government controls on currency convertibility; cash denominated in RMB subject to such controls amounted to RMB 168.4 million (equivalent to $24.2 million) as of December 31, 2022, up from RMB 49.2 million (equivalent to $7.7 million) as of December 31, 2021 - a 242% increase in trapped cash exposure.
- Remittances from China in currencies other than RMB must be processed through the People's Bank of China (PBOC) or other China foreign exchange regulatory bodies, requiring certain supporting documentation; the value of RMB is subject to changes in central government policies and international economic and political developments affecting supply and demand of RMB in the PRC foreign exchange trading system market.

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AI & Tech Governance

Score: 50

- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] the Company's L4 autonomous driving technology for U.S. and APAC segments is being developed independently with separate software code bases, hardware, and infrastructure, creating bifurcated AI/ADS governance with no unified model oversight or cross-segment validation framework disclosed.
- [UNVERIFIED-NO-EVIDENCE] [BOILERPLATE] Driver Out operations in the U.S. were conducted on an 80+ mile freight route in Arizona in late 2021 through mid-2022, and in China on a 40+ mile route in June 2023, but commercial deployment of fully autonomous (Driver Out) operations remains subject to regulatory environment alignment, with no confirmed regulatory approval for commercial Driver Out freight operations disclosed.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] the Company entered into a partnership with NVIDIA in 2022 to develop the the Company's proprietary compute platform, a proprietary autonomous driving compute solution; this creates a critical foundation-model/compute dependency on NVIDIA with no disclosed termination-on-change-of-control clause or alternative compute vendor identified.
- [UNVERIFIED-NO-EVIDENCE] the Company's perception and motion planning AI systems are trained on over 10 million road miles of semi-truck specific driving data; no disclosure is made regarding data licensing, chain of custody, or third-party data rights for this training dataset, creating potential training data provenance risk.
- the Company's machine learning infrastructure and simulation capabilities (simulating 'equivalent of over 10,000 trucks on the road') are described as proprietary and in-house; no AI bill of materials, model drift monitoring framework, or conformity assessment status under evolving AI regulations (e.g., EU AI Act for high-risk autonomous vehicle systems) is disclosed.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Autonomous driving technology is highly dependent on internally-developed software and partnerships with third-party OEMs and Tier 1 suppliers; no assurance that algorithms, data analysis and processing, and artificial intelligence technology will achieve necessary reliability for L4 autonomy at commercial scale.
- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] Technology still being improved for handling non-compliant driving behavior, low reflectivity objects, and extreme weather conditions such as snow or heavy fog; no assurance that data analytics and AI can predict every potential issue during operation of L4 autonomous semi-trucks.
- [UNVERIFIED-NO-EVIDENCE] Unauthorized control or manipulation of systems in autonomous semi-trucks may cause them to operate improperly or not at all, or compromise safety and data security, which could result in loss of confidence and termination of contracts with partners.
- Company's 'proprietary artificial intelligence (AI) and machine vision capabilities' powering L4 autonomous semi-trucks have 'in the past and may in the future experience defects, errors, or bugs at various stages of development,' with undetected errors possible post-deployment.
- [UNVERIFIED-INFERENCE] Autonomous driving technology is described as 'still unproven' at commercial scale for L4 semi-trucks, with no disclosed conformity assessment, regulatory type-approval, or safety certification framework for the AI system.
- Company acknowledges that 'errors or defects in our products may only be discovered after they have been tested, commercialized, and deployed,' indicating absence of comprehensive pre-deployment AI validation or monitoring regime.
- [UNVERIFIED-INFERENCE] Company's L4 autonomous semi-trucks use 'a substantial amount of software to operate which will require modification and updates over the life of the vehicle'; software products are described as 'inherently complex and often contain defects and errors when first introduced,' with no assurance that defects in hardware or software will be detected prior to user sales or during the life of the trucks - creating unquantified liability exposure for autonomous driving AI systems.
- [UNVERIFIED-NO-EVIDENCE] Securities class action Securities Class Action I v. the Company et al., {Case No. Redacted} (S.D. Cal.) alleges the Company made materially false or misleading statements regarding the Company's autonomous driving technology; shareholder derivative action Shareholder Derivative Action II et al., {Case No. Redacted} (Del. Ch.) additionally asserts claims regarding the safety of the Company's technology, indicating potential misrepresentation of L4 autonomous driving capabilities to investors and the public.
- [UNVERIFIED-INFERENCE] The Company currently operates approximately 70 L4 autonomous semi-trucks (35 U.S., 35 APAC) in 'Driver In' mode with a safety driver and safety engineer in the cabin - full L4 driverless deployment has not been achieved; commercialization of autonomous driving technology remains unproven at scale.
- [UNVERIFIED-INFERENCE] The Company states that 'current development priorities and testing activities are focused on further refining our L4 autonomous driving technology to prepare them for scaled deployment and commercialization' - technology is not yet commercially deployable, representing a material gap between current capability and the {Freight Network} business model.
- Gross loss margins for revenue operations in 2021 and 2022 'exceeded 100% of revenue given their developmental nature, including having a driver and test engineers in the trucks' - the core autonomous technology is not sufficiently mature to operate without human safety oversight, undermining the economic model of the {Freight Network}.
- [UNVERIFIED-INFERENCE] Technological feasibility for the Company's L4 autonomous driving technology has not been established as of December 31, 2022, per the Company's own assessment; all related software development costs are expensed as incurred, indicating the core autonomous driving product remains pre-commercial and technologically unproven.

- [UNVERIFIED-NO-EVIDENCE] [UNVERIFIED-INFERENCE] The Company's iterative development process and short development cycles result in internal-use software development costs between the application development stage and productive use being immaterial and expensed as incurred, indicating limited capitalized technology asset base supporting the autonomous driving platform.

Tax

Score: 45

- [UNVERIFIED-INFERENCE] the Company (CIK: {REDACTED}) has tax jurisdictions including IRS (us-gaap:InternalRevenueServiceIRSMember) for fiscal years 2020, 2021, and 2022, Cayman Islands Tax Information Authority (us-gaap:CaymanIslandsTaxInformationAuthorityMember) for fiscal years 2020, 2021, and 2022, domestic state/local (including California, stpr:CA), and foreign country jurisdictions - multi-jurisdictional tax exposure with net operating loss carryforwards referenced (us-gaap:DomesticCountryMember, us-gaap:StateAndLocalJurisdictionMember, us-gaap:ForeignCountryMember as of December 31, 2022); exact NOL amounts and DTA valuation allowance not specified in the section reviewed.
- Cayman Islands tax authority (us-gaap:CaymanIslandsTaxInformationAuthorityMember) is a registered tax jurisdiction for the Company across fiscal years 2020-2022, indicating offshore holding structure with potential GILTI/BEAT exposure and transfer pricing risk between U.S., Cayman, and China entities - exact exposure amounts not specified in the section reviewed.
- [UNVERIFIED-INFERENCE] Due to the Company's lack of earnings history, net deferred tax assets have been fully offset by a valuation allowance as of December 31, 2022; exact DTA quantum not disclosed in the section reviewed, but full offset signals sustained pre-tax losses with no near-term expectation of taxable income.
- [DILIGENCE GAP] Valuation allowance of $289,901 thousand recorded against gross deferred tax assets of $296,232 thousand as of December 31, 2022, reflecting conclusion that U.S. federal, state, and other local jurisdiction deferred tax assets are 'more likely than not' not realizable.
- [UNVERIFIED-INFERENCE] Federal NOL carryforwards of $659.3 million ($652.3 million indefinite; $7 million expiring 2037) and state NOL carryforwards of $249.3 million (beginning to expire 2037) subject to Section 382 IRC limitations upon ownership change.
- [UNVERIFIED-INFERENCE] $40.3 million of California state net operating losses assessed as 'not more-likely-than-not to be sustained upon examination by the relevant taxing authority.'
- Foreign NOL carryforwards of $301.7 million begin to expire between 2023 and 2032; near-term expiration of a portion of these carryforwards creates risk of permanent loss.
- [UNVERIFIED-INFERENCE] Unrecognized tax benefits of $9,815 thousand as of December 31, 2022 (up from $6,900 thousand at end of 2021); $8.5 million would impact effective tax rate if recognized; Company subject to examination in U.S. federal, state, and other local jurisdictions for tax years 2016 to present.
- [UNVERIFIED-INFERENCE] The Company's NOL and tax credit carryforwards are subject to Section 382 IRC limitations due to multiple ownership changes; an ownership change occurs if aggregate share ownership of certain stockholders increases by more than 50 percentage points over the testing period. Full valuation allowance maintained against all federal, state, and other local NOL carryforwards not expected on a more-likely-than-not basis to be realized.
- [UNVERIFIED-INFERENCE] PRC subsidiaries subject to Corporate Income Tax at 25% under the CIT Law; certain subsidiaries qualify for the High and New-Technology Enterprise preferential CIT rate of 15%, but this preferential status is subject to renewal and qualification conditions not detailed in the section reviewed.

Data Privacy

Score: 45

- [UNVERIFIED-INFERENCE] Concerns regarding data security and privacy are identified as challenges to L4 autonomous driving adoption; company acknowledges risks related to data security and privacy in the context of autonomous vehicle operations without specifying current compliance status or breach history in the section reviewed.
- the Company is subject to a variety of U.S. and international data privacy and consumer protection laws; failure to comply could result in regulatory or litigation-related actions, legal liability, fines, damages, ongoing audit requirements, and other significant costs.
- [UNVERIFIED-INFERENCE] the Company acknowledges new privacy and cybersecurity laws have come into effect in China, creating additional compliance obligations for its Chinese operations.
- the Company acknowledges that certain emerging privacy laws are still subject to a high degree of uncertainty as to their interpretation, application, and impact, and may require extensive system and operational changes, increase operating costs, or result in adverse publicity.
- the Company is subject to China's PRC Cyber Security Law (effective June 1, 2017), which requires network operators to safeguard personal information against unauthorized access, alteration, disclosure, or loss; violations may subject the Company to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites, or criminal liabilities.
- [UNVERIFIED-INFERENCE] If the Company is deemed a Critical Information Infrastructure Operator (CIIO) under China's Cyber Security Law, it would be required to store personal information and important data collected and generated during operations within China locally on servers in China; the interpretation of which network operators qualify as CIIOs is described as 'unclear.'
- The transfer of information out of China is described as 'complex' with 'a lack of clear guidance provided under the existing rules,' creating material cross-border data transfer compliance risk for the Company's China operations.

ESG & Environmental Score: 22

- [UNVERIFIED-INFERENCE] the Company's operations in the U.S. and APAC are subject to 'various international, federal, state, and local laws and regulations governing pollution and protection of the environment, the use, generation, storage, management, discharge, transportation, disposal, and release of, and human exposure to, hazardous and toxic materials'; no specific enforcement actions, penalties, or remediation obligations are disclosed in the section reviewed.
- the Company is subject to international, federal, state, and local laws and regulations governing pollution, protection of the environment, and occupational health and safety, including those related to use, generation, storage, management, discharge, transportation, disposal, and release of hazardous and toxic materials; the filing notes such laws 'have tended to become more stringent over time' and that 'fines, penalties, costs, or liabilities associated with such existing or new regulations or laws, including as a result of our failure to comply, could be substantial and in certain cases joint and several.'
- The Company's cost of revenue includes fuel costs as a primary component, and gross loss margin deteriorated in 2022 partly due to 'increased fuel costs' - the business model is currently dependent on fossil fuel consumption with no disclosed transition plan, creating potential ESG exposure as autonomous freight scales.
- [ACTUAL EVENT] The Company recorded other comprehensive loss of $1.3 million for the year ended December 31, 2022 related to foreign currency translation adjustment (CNY/USD), compared to other comprehensive income of $0.4 million in 2021, reflecting growing exposure from APAC (China) operations with no hedging strategy in place.
- [UNVERIFIED-INFERENCE] Foreign currency translation adjustment loss of $1,338 thousand in 2022 and unrealized net loss on available-for-sale securities of $2,298 thousand in 2022 contributed to accumulated other comprehensive loss of $3,559 thousand as of December 31, 2022, compared to accumulated other comprehensive income of $77 thousand as of December 31, 2021.

6. Recommended Next Steps

1. Obtain full restatement scope and quantify prior-period impact; verify no regulatory investigation triggered
2. Obtain management's remediation plan and timeline; confirm external auditor sign-off on closure
3. Quantify the deferred-tax-asset write-down and its capital/covenant impact; confirm auditor's realizability conclusion before relying on reported earnings
4. Quantify executive change-of-control payments; assess 280G excise tax exposure and renegotiate where possible
5. Obtain full class action file and plaintiff counsel's demand; obtain litigation counsel opinion on exposure range
6. Engage CFIUS counsel; assess national-security review timeline and mitigation-agreement exposure before proceeding
7. Address revenue projection gap in commercial counter-offer
8. Engage securities litigation counsel; assess SEC investigation status and indemnification scope
9. Obtain injunction terms and assess operational impact; confirm whether transferable or extinguished on change of control

7. Verification Plan

Grouped by the diligence workstream that works each item, most urgent workstream first, and P1 first within each - a blocking disposition whose supporting evidence is still missing.

Financial / QoE

[P2] Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status. (covers 7 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION

[P2] Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 56 findings)

Evidence needed: Primary source / transaction document | Why it matters: ECONOMIC; VALUATION; LIABILITY; and 5 more

[P2] Obtain the missing primary document, schedule, agreement, order or supporting evidence. (covers 5 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION

[P2] Locate and cite an exact supporting passage in the primary document. (covers 10 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION; LIABILITY

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure. (covers 10 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION; LIABILITY

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 44 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, VALUATION; LIABILITY; VALUATION; and 1 more

[P2] Establish the basis, period and comparative for this figure, and what it is being measured against. (covers 18 findings)

Evidence needed: Primary source / transaction document | Why it matters: ECONOMIC; ECONOMIC, TIMING; ECONOMIC, VALUATION; and 1 more

[P2] Verify that the source explicitly establishes the claimed causal relationship.

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Verify condition status and identify whether the condition is actually at risk of failure.

Evidence needed: Primary source / transaction document | Why it matters: CLOSING_CONDITION

[P2] Confirm whether this remains open, and whether anything has changed since the document's date. (covers 2 findings)

Evidence needed: Primary source / transaction document | Why it matters: INDIRECT, INTEGRATION

[P2] Obtain current regulator status, filings, correspondence and remedy discussions.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

Legal

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 20 findings)

Evidence needed: Primary source / transaction document | Why it matters: CONTROL; ECONOMIC; LIABILITY; and 1 more

[P2] Locate and cite an exact supporting passage in the primary document. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 33 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY; ECONOMIC, LIABILITY; LIABILITY; and 5 more

[P2] Obtain current regulator status, filings, correspondence and remedy discussions. (covers 12 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY; TIMING, CLOSING_CONDITION, LIABILITY, REGULATORY

[P2] Verify that the source explicitly establishes the claimed causal relationship. (covers 4 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY; INDIRECT

[P2] Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target. (covers 12 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY; TIMING, CLOSING_CONDITION, LIABILITY, REGULATORY

[P2] Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Verify condition status and identify whether the condition is actually at risk of failure.

Evidence needed: Primary source / transaction document | Why it matters: CLOSING_CONDITION

[P2] Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage. (covers 13 findings)

Evidence needed: Primary source / transaction document | Why it matters: ECONOMIC, LIABILITY; LIABILITY

[P2] Obtain the missing primary document, schedule, agreement, order or supporting evidence. (covers 2 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Establish the basis, period and comparative for this figure, and what it is being measured against.

Evidence needed: Primary source / transaction document | Why it matters: ECONOMIC, LIABILITY

HR / Labour

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 21 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY; INTEGRATION

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 22 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY; INDIRECT; INTEGRATION; and 1 more

[P2] Locate and cite an exact supporting passage in the primary document. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.

Evidence needed: Primary source / transaction document

[P2] Confirm whether this remains open, and whether anything has changed since the document's date. (covers 2 findings)

Evidence needed: Primary source / transaction document | Why it matters: INDIRECT, TIMING, INTEGRATION

IT, IP & Cyber

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 9 findings)

Evidence needed: Primary source / transaction document

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: INDIRECT

[P2] Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.

Evidence needed: Primary source / transaction document

[P2] Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage. (covers 2 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Locate and cite an exact supporting passage in the primary document. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Obtain the missing primary document, schedule, agreement, order or supporting evidence.

Evidence needed: Primary source / transaction document

Compliance & Financial Crime

[P2] Obtain current regulator status, filings, correspondence and remedy discussions.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Obtain the missing primary document, schedule, agreement, order or supporting evidence.

Evidence needed: Primary source / transaction document

[P2] Locate and cite an exact supporting passage in the primary document.

Evidence needed: Primary source / transaction document

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Evidence needed: Primary source / transaction document

[P2] Confirm whether the exposure remains outstanding or has surviving consequences.

Evidence needed: Primary source / transaction document

Operational & Technical

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 67 findings)

Evidence needed: Primary source / transaction document | Why it matters: INDIRECT; VALUATION; ECONOMIC; and 6 more

[P2] Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status. (covers 15 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION

[P2] Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer. (covers 7 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 52 findings)

Evidence needed: Primary source / transaction document | Why it matters: INTEGRATION; TIMING; CONTROL; and 1 more

[P2] Establish the basis, period and comparative for this figure, and what it is being measured against. (covers 9 findings)

Evidence needed: Primary source / transaction document | Why it matters: ECONOMIC

[P2] Verify that the source explicitly establishes the claimed causal relationship. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Locate and cite an exact supporting passage in the primary document. (covers 4 findings)

Evidence needed: Primary source / transaction document

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure. (covers 4 findings)

Evidence needed: Primary source / transaction document

[P2] Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage. (covers 2 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY, INTEGRATION; LIABILITY

[P2] Obtain the missing primary document, schedule, agreement, order or supporting evidence. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Confirm whether this remains open, and whether anything has changed since the document's date. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: INDIRECT

[P2] Obtain current regulator status, filings, correspondence and remedy discussions.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

Tax

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 7 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 5 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION; INDIRECT

[P2] Obtain the missing primary document, schedule, agreement, order or supporting evidence.

Evidence needed: Primary source / transaction document | Why it matters: VALUATION

[P2] Locate and cite an exact supporting passage in the primary document. (covers 2 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure. (covers 2 findings)

Evidence needed: Primary source / transaction document | Why it matters: VALUATION

Supply Chain

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 6 findings)

Evidence needed: Primary source / transaction document | Why it matters: INDIRECT; INDIRECT, REGULATORY

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 10 findings)

Evidence needed: Primary source / transaction document | Why it matters: REGULATORY

[P2] Locate and cite an exact supporting passage in the primary document.

Evidence needed: Primary source / transaction document | Why it matters: REGULATORY

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Evidence needed: Primary source / transaction document | Why it matters: REGULATORY

[P2] Obtain current regulator status, filings, correspondence and remedy discussions.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Verify condition status and identify whether the condition is actually at risk of failure.

Evidence needed: Primary source / transaction document | Why it matters: CLOSING_CONDITION

Governance & Related Party

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 24 findings)

Evidence needed: Primary source / transaction document | Why it matters: CONTROL; LIABILITY

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 27 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY; ECONOMIC; TIMING, CLOSING_CONDITION, REGULATORY; and 1 more

[P2] Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status. (covers 8 findings)

Evidence needed: Primary source / transaction document | Why it matters: CONTROL

[P2] Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer. (covers 4 findings)

Evidence needed: Primary source / transaction document

[P2] Obtain current regulator status, filings, correspondence and remedy discussions. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage. (covers 2 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Obtain the missing primary document, schedule, agreement, order or supporting evidence. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Locate and cite an exact supporting passage in the primary document. (covers 4 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure. (covers 4 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Establish the basis, period and comparative for this figure, and what it is being measured against.

Evidence needed: Primary source / transaction document | Why it matters: ECONOMIC

ESG & Environmental

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Establish the basis, period and comparative for this figure, and what it is being measured against.

Evidence needed: Primary source / transaction document | Why it matters: ECONOMIC

[P2] Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.

Evidence needed: Primary source / transaction document

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 2 findings)

Evidence needed: Primary source / transaction document

Commercial / Market

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 9 findings)

Evidence needed: Primary source / transaction document | Why it matters: CONTROL

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 26 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY; INDIRECT; INDIRECT, CONTROL; and 5 more

[P2] Obtain the missing primary document, schedule, agreement, order or supporting evidence. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: CONTROL

[P2] Locate and cite an exact supporting passage in the primary document. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: CONTROL

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: CONTROL

[P2] Obtain current regulator status, filings, correspondence and remedy discussions. (covers 10 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY; TIMING, CLOSING_CONDITION, CONTROL, REGULATORY

[P2] Verify that the source explicitly establishes the claimed causal relationship. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target. (covers 10 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY; TIMING, CLOSING_CONDITION, CONTROL, REGULATORY

[P2] Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status. (covers 5 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY; INTEGRATION; CONTROL

[P2] Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer. (covers 4 findings)

Evidence needed: Primary source / transaction document | Why it matters: INTEGRATION; CONTROL

[P2] Establish the basis, period and comparative for this figure, and what it is being measured against.

Evidence needed: Primary source / transaction document | Why it matters: ECONOMIC

AI Governance

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 10 findings)

Evidence needed: Primary source / transaction document | Why it matters: CONTROL; LIABILITY

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 3 findings)

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY; ECONOMIC

[P2] Locate and cite an exact supporting passage in the primary document.

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

Evidence needed: Primary source / transaction document | Why it matters: LIABILITY

[P2] Establish the basis, period and comparative for this figure, and what it is being measured against.

Evidence needed: Primary source / transaction document | Why it matters: ECONOMIC

Data Privacy

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 3 findings)

Evidence needed: Primary source / transaction document

Antitrust / Merger Control

[P2] Rewrite against an exact source passage or downgrade to a diligence gap. (covers 7 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING

[P2] Locate and cite an exact supporting passage in the primary document. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Confirm whether the exposure remains outstanding or has surviving consequences. (covers 6 findings)

Evidence needed: Primary source / transaction document | Why it matters: TIMING; INDIRECT, ECONOMIC; TIMING, CLOSING_CONDITION, REGULATORY; and 1 more

[P2] Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status. (covers 2 findings)

Evidence needed: Primary source / transaction document

[P2] Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.

Evidence needed: Primary source / transaction document

[P2] Verify condition status and identify whether the condition is actually at risk of failure. (covers 2 findings)

Evidence needed: Primary source / transaction document | Why it matters: CLOSING_CONDITION

[P2] Obtain current regulator status, filings, correspondence and remedy discussions.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

Evidence needed: Primary source / transaction document | Why it matters: TIMING, CLOSING_CONDITION, REGULATORY

[P2] Obtain the missing primary document, schedule, agreement, order or supporting evidence.

Evidence needed: Primary source / transaction document

8. Limitations

- Scope: single-document automated risk-signal screen. No cross-document reconciliation was performed.
- Method: AI-assisted risk screening against the applicable industry ruleset. Findings are evidence-verified against the source document where checkable; absence of a flag is not evidence of absence of risk.
- Confidence tags: HIGH (explicit in document), MEDIUM (heuristic), LOW (weak pattern). MEDIUM/LOW require confirmation against the primary document.
- Not reviewed: any document outside the engagement inventory; facts arising after the document date.
- Ruleset: scored against the `default_m_and_a` rubric (15 risk categories). Risks outside this rubric's categories are not screened for.

Appendix A - Verified Risk Register (detail)

Every finding raised by the screen, grouped by category and ordered within each by urgency then evidence type.

Financial

{Prior Auditor} was replaced as independent registered public accounting firm; the Audit Committee approved appointment of {Successor Auditor} on May 10, 2023 (8-K filed May 11, 2023); the change of auditor during an active internal investigation raises questions about the reliability and continuity of financial oversight.

LIVE REGULATORY ACTION | Source support: INDIRECT (94%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the document also discloses a mitigating fact
- Confidence basis: text overlap 94%; passage match 48%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- Mitigating: The source states this was disclosed.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

ASC 842 (AccountingStandardsUpdate201602Member) adopted effective January 1, 2022 with a CumulativeEffectPeriodOfAdoptionAdjustment recorded to Retained Earnings and Parent equity as of January 1, 2022, using a 4-year (P4Y0M0D) lease term - indicating a balance sheet restatement-equivalent adjustment that affects comparability of 2022 vs. 2021 financials.

ACTUAL EVENT | Source support: UNSUPPORTED (90%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 90%; passage match 0%; source places this in a prior period
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Convertible loan from affiliated entity {Related Entity A} ({XBRL}:{Related Entity A}, srt:AffiliatedEntityMember) recorded as of June 2020, with {Related Entity A} subsequently converting to Series D-1 Convertible Preferred Stock in June 2020 - related-party debt-to-equity conversion with arm's-length justification not confirmed in the section reviewed.

ACTUAL EVENT | Source support: UNSUPPORTED (87%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 87%; passage match 15%; source places this in a prior period
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Auditor {Successor Auditor} issued an ADVERSE OPINION on the Company's internal control over financial reporting as of December 31, 2022, based on COSO Internal Control-Integrated Framework (2013), dated September 7, 2023.

ACTUAL EVENT | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 75%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Impairment of long-lived assets of $1,987 thousand recorded in year ended December 31, 2022 (nil in 2020 and 2021).

ACTUAL EVENT | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 64%

- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

For the year ended December 31, 2022, the Company recorded an impairment charge of $2.0 million to long-lived assets in connection with restructuring activities during the year.

ACTUAL EVENT | Source support: DIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 100%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Due to the Company's lack of earnings history, net deferred tax assets have been fully offset by a valuation allowance - full DTA valuation allowance recorded as of December 31, 2022 (exact quantum not stated in the section reviewed).

ACTUAL EVENT | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 97%; passage match 56%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company forgave a partial-recourse promissory note issued by the CEO related to his exercise of an option to purchase 2,125,000 shares of Class A Common Stock in March 2020, generating $988,947 of income to the CEO recognized in December 2020 - related-party loan forgiveness.

ACTUAL EVENT | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 83%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company's recoupment policy required by Nasdaq listing standards must be adopted by December 1, 2023 but had not yet been adopted as of the filing date, creating a compliance gap under SEC Dodd-Frank Act final rules adopted in 2022.

CONTRACTUAL CONDITION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: CLOSING_CONDITION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Who controls whether this condition is satisfied, and what happens if it is not?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 40%
- To verify: Verify condition status and identify whether the condition is actually at risk of failure.

Paycheck Protection Program (PPP) loan obtained in April 2020 ({XBRL}:PaycheckProtectionProgramLoanMember, 2020-04-30) and forgiven/repaid in June 2021 (2021-06-30) - exact loan amount not specified in the section reviewed; buyer must verify forgiveness terms and any SBA audit exposure.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 91%; passage match 0%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Material weaknesses in internal control over financial reporting have been identified and may be identified in the future - disclosed as an active risk factor with no remediation confirmed in the section reviewed.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite
- Confidence basis: text overlap 95%; passage match 21%; source states the opposite

- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

The document cross-references a previously identified material weakness in internal control over financial reporting (referenced as 'We have identified and may in the future identify material weaknesses in our internal control over financial reporting' under Item 1A, Risk Factors), which is cited multiple times in the section reviewed in connection with IP and other risk disclosures; remediation status is not confirmed in the section reviewed.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite
- Confidence basis: text overlap 98%; passage match 7%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

As of December 31, 2022, equity compensation plans have 20,602,012 securities to be issued upon exercise of outstanding options, warrants and rights at a weighted average exercise price of $15.16, with 18,041,005 shares remaining available for future issuance (16,277,422 under the 2021 Equity Incentive Plan and 1,763,583 under the 2021 ESPP), representing significant potential dilution to existing stockholders.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 13%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Gross loss margin for the year ended December 31, 2022 was 111% (revenue $9,369K vs. cost of revenue $19,780K), deteriorating from 98% gross loss margin in 2021 and 187% in 2020 - revenue operations have never been profitable and gross losses exceed 100% of revenue in every year presented.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 93%; passage match 1%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company was unable to file its Annual Report on Form 10-K for the year ended December 31, 2022, as well as Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, with the SEC on a timely basis, resulting in 'Yes No ' responses to timely filing check marks - a direct admission of delinquent SEC reporting.

MODEL INFERENCE | Source support: PARTIAL (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 62%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Material weaknesses identified in internal control over financial reporting as of December 31, 2022, including: (1) confidential information shared with {Related Entity B} prior to execution of NDA without Audit Committee or Government Security Committee notification; (2) related party transaction between Company and {Related Entity B} not properly reviewed, approved, or disclosed per Company policy; (3) unexpected removal of all independent directors and dissolution of Audit Committee in November 2022 by controlling shareholders, impairing oversight and monitoring of required internal controls - management has concluded material weaknesses exist as of December

31, 2022 and remediation is ongoing.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 4%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Company states it does not expect to pay any cash dividends in the foreseeable future and intends to retain most or all available funds for business growth; return on Class A common stock investment depends entirely on price appreciation with no guarantee of value maintenance.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document supports a narrower claim than the finding makes; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 13%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Company has never declared or paid cash dividends and does not anticipate doing so in the foreseeable future; terms of certain outstanding debt instruments restrict the Company's ability to pay dividends or make distributions on common stock.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 0%; source states the opposite; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Net loss attributable to common stockholders was $(472,045)K for the year ended December 31, 2022, $(736,808)K in 2021, and $(198,829)K in 2020 - cumulative losses are substantial and growing.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 52%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Full valuation allowance maintained for all net deferred tax assets, including federal and state net operating loss carryforwards and R&D credit carryforwards; company states it expects to maintain this allowance until it becomes 'more likely than not' that deferred tax assets will be realized - no timeline provided.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: TIMING, VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 55%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Change in fair value of warrants liability was $(326,900)K loss in 2021, representing a non-cash charge driven by remeasurement of redeemable convertible preferred stock warrants prior to exercise - magnitude indicates significant dilutive instrument history.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?

- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 21%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Material Weakness #1: The Company did not maintain effective controls over the disclosure of related party transactions resulting from a lack of understanding among Company personnel regarding the Company's policy on the identification, approval, and disclosure of related party transactions.

MODEL INFERENCE | Source support: DIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 90%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Material Weakness #2: The Company's oversight and monitoring of required internal controls and procedures was impacted due to the unexpected removal of ALL independent directors of its Board in November 2022, including ALL members of its Audit Committee, by its controlling shareholders.

MODEL INFERENCE | Source support: DIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 92%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Loss from operations was $(174,064)K in 2020, $(411,351)K in 2021, and $(489,063)K in 2022, representing a 19% deterioration year-over-year from 2021 to 2022.

MODEL INFERENCE | Source support: PARTIAL (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 75%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Net cash used in operating activities was $(329,865)K for year ended December 31, 2022, up from $(259,033)K in 2021 and $(103,848)K in 2020, reflecting accelerating cash burn; financing activities provided only $1.4 million in 2022 versus $1.3 billion in 2021, indicating near-total cessation of external capital inflows.

MODEL INFERENCE | Source support: INDIRECT (94%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 94%; passage match 56%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Accumulated deficit of $1,609,705 thousand as of December 31, 2022, up from $1,137,851 thousand as of December 31, 2021, representing a $471,854 thousand increase in one fiscal year.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 53%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Net loss of $472,045 thousand for the year ended December 31, 2022; cumulative net losses of $177,870 thousand (2020), $732,673 thousand (2021), and $472,045 thousand (2022) - three consecutive years of material losses with no path to profitability disclosed.

MODEL INFERENCE | Source support: INDIRECT (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 58%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Net cash used in operating activities of $329,865 thousand for year ended December 31, 2022, up from $259,033 thousand in 2021 and $103,848 thousand in 2020 - accelerating cash burn.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 80%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Net cash used in investing activities of $392,173 thousand for year ended December 31, 2022 (including $398,701 thousand in purchases of short-term investments), resulting in total net decrease in cash, cash equivalents and restricted cash of $721,627 thousand in 2022.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 50%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Cash and cash equivalents declined from $1,337,586 thousand (December 31, 2021) to $615,386 thousand (December 31, 2022) - a reduction of $722,200 thousand in one year; at the 2022 operating cash burn rate of $329,865 thousand per year, remaining cash runway is approximately 22 months without additional financing.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 28%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Total stockholders' equity declined from $1,326,978 thousand (December 31, 2021) to $954,481 thousand (December 31, 2022), a reduction of $372,497 thousand in one year.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 59%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Provision for income taxes of $0 for all three years ended December 31, 2020, 2021, and 2022, suggesting full valuation allowance on deferred tax assets with no tax benefit recognized despite cumulative losses exceeding $1.6 billion.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 44%
- Unresolved: The wording is primarily inferential rather than explicitly supported.

- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Technological feasibility for the Company's L4 autonomous driving technology has not been established; accordingly, all software development costs are charged to R&D expense as incurred rather than capitalized, indicating no capitalizable product asset exists.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 42%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The Company wrote-off all existing long-lived assets used in the Company's research and development as of December 31, 2022, as they no longer meet the criteria for capitalization subsequent to the restructuring.

MODEL INFERENCE | Source support: DIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 100%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Depreciation and amortization expense for the year ended December 31, 2022 was $27.6 million, which included write-offs of $16.3 million as a result of restructuring activities during the fourth quarter of 2022, compared to $9.5 million for the year ended December 31, 2021 - a 191% increase driven by asset write-offs.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 56%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Property and equipment, gross declined from $60,469 thousand as of December 31, 2021 to $31,594 thousand as of December 31, 2022, a reduction of approximately $28.9 million (47.7%), reflecting significant asset disposals or write-offs associated with Q4 2022 restructuring.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 43%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Warrants liability remeasurement resulted in a loss upon remeasurement of $326.9 million immediately prior to exercise of warrants by {OEM Partner's Parent Company} and {OEM Partner} in February and March 2021 (warrants to purchase 4,331,644 shares of Series E-2 at $11.31 and 9,477,073 shares of Series E at $14.14, generating proceeds of $49.0 million and $134.0 million respectively).

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 28%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Verify that the source explicitly establishes the claimed causal relationship.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

As of December 31, 2022, investments in an unrealized loss position with no allowance for credit losses recognized had an aggregate fair value of $342.4 million, with gross unrealized losses of $2,397 thousand across U.S. treasury securities ($86K loss), U.S. government agency securities ($521K loss), commercial paper ($207K loss), and corporate debt securities ($1,583K loss).

MODEL INFERENCE | Source support: INDIRECT (94%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.

- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 94%; passage match 50%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Loss before provision for income taxes for year ended December 31, 2022 was $(472,045) thousand (U.S.: $(389,462)K; Foreign: $(82,583)K); cumulative losses across 2020-2022 total $(177,870)K, $(732,673)K, and $(472,045)K respectively.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 70%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Valuation allowance on deferred tax assets increased by $105.0 million in 2022 (and $100.0 million in 2021), reaching $289,901 thousand as of December 31, 2022, reflecting management's conclusion that the majority of deferred tax assets do not meet the 'more likely than not' realization threshold.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 0%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Net deferred tax asset/(liability) is $0 as of December 31, 2022 after full offset by valuation allowance of $289,901 thousand against gross deferred tax assets of $296,232 thousand.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY, VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 60%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Accumulated federal NOL carryforwards of $659.3 million and state NOL carryforwards of $249.3 million as of December 31, 2022; $40.3 million of California state NOLs are 'not more-likely-than-not to be sustained upon examination by the relevant taxing authority.'

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 45%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Unrecognized tax benefits (UTBs) of $9.815 million as of December 31, 2022, of which $8.5 million would impact the effective tax rate if recognized (prior to valuation allowance consideration).

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 65%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Total stock-based compensation expense of $98,667 thousand for year ended December 31, 2022 ($75,260K R&D; $23,407K SG&A); $144.7 million of unrecognized stock-based compensation expense related to RSUs and SVAs as of December 31, 2022, to be recognized over weighted-average service period of 2.47 years.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 43%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Net loss attributable to common stockholders was $(198,829) thousand in 2020, $(736,808) thousand in 2021, and $(472,045) thousand in 2022, reflecting persistent and material losses across all three fiscal years.

MODEL INFERENCE | Source support: INDIRECT (91%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 91%; passage match 44%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Loss from operations was $(174,064) thousand in 2020, $(411,351) thousand in 2021, and $(489,063) thousand in 2022, indicating accelerating operational cash burn.

MODEL INFERENCE | Source support: PARTIAL (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 61%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Restructuring charges of $26,855 thousand were incurred in fiscal year 2022, consisting of $11,759 thousand in severance and termination benefits (of which $10,191 thousand remained accrued as of December 31, 2022), $18,147 thousand in long-lived asset impairment/write-off, and a $(3,051) thousand stock-based compensation reversal.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 65%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Material weaknesses in internal control over financial reporting disclosed as of December 31, 2022: (i) unexpected removal of all independent directors and dissolution of the Audit Committee by controlling shareholders in November 2022, impairing oversight of required internal controls; (ii) lack of understanding among Company personnel regarding identification, approval, and disclosure of related party transactions. CEO and CFO concluded disclosure controls and procedures were NOT effective as of December 31, 2022.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 70%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

NOL and tax credit carryforwards subject to Section 382 IRC limitations due to multiple ownership changes; full valuation allowance maintained against federal, state, and other local NOL carryforwards not expected on a more-likely-than-not basis to be realized.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 25%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the CEO's outstanding stock options were canceled and exchanged for new RSU grants in December 2022, with each option having 'an exercise price in excess of the fair market value of the Company's Class A Common Stock as of the date of the cancellation and exchange,' confirming that all CEO options were deeply underwater as of December 2022.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 45%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the CEO's 2022 total compensation was $10,124,747, of which $197,115 was salary and $400,000 was a guaranteed bonus under a Letter Agreement dated December 14, 2022, with $451,382 in 'All Other Compensation' - the guaranteed bonus structure and large 'other compensation' component (including monthly housing allowance) represent non-performance-linked executive cost.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 21%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Section 162(m) deductibility limit of $1.0 million applies to certain NEO compensation; the Compensation Committee explicitly reserves the right to pay non-deductible compensation, and the CEO's 2022 total compensation of $10,124,747 substantially exceeds this threshold, resulting in a material tax deduction forfeiture.

MODEL INFERENCE | Source support: UNSUPPORTED (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 24%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the CEO's Severance and CIC Agreement provides for a lump-sum cash payment of $15,000,000 payable within thirty days of termination without cause or resignation for good reason outside a Change in Control period (prior to the third anniversary of the December 14, 2022 Letter Agreement), creating a $15,000,000+ contingent liability.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 45%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Upon a Change in Control, the CEO is entitled to receive the greater of $15,000,000 or 0.60% of the total equity value of the Company as a single-trigger cash payment, irrespective of whether a qualifying termination occurs - total potential termination package including accelerated equity valued at $27,959,770 as of December 31, 2022.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 48%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the CEO's total potential termination package outside a Change in Control period is $18,284,270 (cash severance $15,450,000 + accelerated stock awards $2,808,500 + COBRA $25,770) as of December 31, 2022.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?

- Review reasons: the matching passage in the document states the opposite; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 43%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

the former CEO/CTO held options with exercise price of $47.79 (granted July 20, 2021) against a December 31, 2022 closing price of $1.64 - options were 96.6% out of the money; 150,000 vested options expired unexercised on June 9, 2023.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 43%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

2023 Senior Management Severance and Change in Control Plan adopted May 30, 2023 provides that upon a change-in-control termination, participant (currently the CFO) would receive: (i) $600,000 cash severance (1x base salary plus target annual bonus), (ii) $17,180 COBRA payment, and (iii) $240,200 in accelerated equity awards - total CIC-triggered cost of $857,380 for a single participant as of December 31, 2022 assumptions, creating a deal-cost liability.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 30%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Total audit fees paid to {Prior Auditor} increased from $1,023,000 in fiscal year 2021 to $1,317,000 in fiscal year 2022 (a 28.7% increase), with Tax Fees (including transfer pricing services) of $93,000 in 2021 and $119,000 in 2022, indicating ongoing transfer pricing complexity in a multi-currency (USD/CNY) operating environment.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 20%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The Company waived repayment of a $500,000 retention bonus previously granted to CFO the former CFO pursuant to a retention bonus letter dated April 11, 2022, in connection with his separation agreement dated June 15, 2022 - a $500,000 cash cost with no corresponding service rendered beyond approximately three months.

HISTORICAL EVENT | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Potentially material | Deal specificity: LOW | Transaction impact: INDIRECT, INTEGRATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Is anything from this prior-period event still open, and does it survive the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 43%
- To verify: Confirm whether this remains open, and whether anything has changed since the document's date.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company waived repayment of a $500,000 retention bonus previously granted to Chief Legal and Administrative Officer the former Chief Administrative and Legal Officer pursuant to a retention bonus letter dated April 11, 2022, in connection with his separation agreement dated August 31, 2022 - a $500,000 cash cost with no corresponding service rendered beyond approximately five months.

HISTORICAL EVENT | Source support: UNSUPPORTED (100%) | Potential severity: LOW | Established materiality: Potentially material | Deal specificity: LOW | Transaction impact: INDIRECT, INTEGRATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Is anything from this prior-period event still open, and does it survive the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 39%
- To verify: Confirm whether this remains open, and whether anything has changed since the document's date.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company expects to need to raise additional funds and states these funds may not be available on attractive terms when needed, or at all; failure to raise additional funds could negatively affect operations and prospects.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 97%; passage match 58%
- Unresolved: Source describes a possibility rather than an established event.

Failure to timely and effectively implement controls and procedures required by Section 404(a) and Section 404(b) of the Sarbanes-Oxley Act could have a material adverse effect on the business.

MANAGEMENT RISK FACTOR | Source support: DIRECT (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 97%; passage match 100%
- Unresolved: Source describes a possibility rather than an established event.

Any failure to develop technology 'within our projected costs and timelines could have a material adverse effect on our business, prospects, operating results, and financial condition,' with cost overruns explicitly flagged as a risk.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (95%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 95%; passage match 83%
- Unresolved: Source describes a possibility rather than an established event.

Company has financed operations primarily through issuance of equity and convertible debt securities and states it will need to raise additional capital; warns that funds 'may not be available to us on attractive terms when we need them, or at all,' with explicit risk that inability to raise funds could 'materially adversely affect our financial condition, results of operations, business, and prospects.'

MANAGEMENT RISK FACTOR | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 97%; passage match 42%
- Unresolved: Source describes a possibility rather than an established event.

Risk of Nasdaq Global Select Market delisting explicitly disclosed if Company is unable to continue to meet reporting and internal control requirements.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (94%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 94%; passage match 57%
- Unresolved: Source describes a possibility rather than an established event.

Company discloses risk of failure to timely and effectively implement controls and procedures required by Sections 404(a) and 404(b) of the Sarbanes-Oxley Act, which could have a material adverse effect on business; company cross-references a separate risk factor titled 'We have identified, and may in the future identify, material weaknesses in our internal control over financial reporting,' confirming existence of identified material weaknesses.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 50%
- Unresolved: Source describes a possibility rather than an established event.

Future capital needs may require sale of additional equity or debt securities, resulting in substantial dilution to existing stockholders; new investors in subsequent transactions could gain rights, preferences, and privileges senior to holders of Class A common stock.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, VALUATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 48%
- Unresolved: Source describes a possibility rather than an established event.

Company discloses that during periods of share price decline, it may be required to issue equity awards covering a larger number of shares than anticipated to retain key executives and employees, resulting in incremental downward pressure on share price and potential need for stockholder approval to expand equity incentive pool.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, VALUATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it

- Confidence basis: text overlap 97%; passage match 57%
- Unresolved: Source describes a possibility rather than an established event.

Foreign NOL carryforwards of $301.7 million begin to expire between 2023 and 2032, creating near-term expiration risk.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 64%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Gross loss margins for revenue operations in 2021 and 2022 exceeded 100% of revenue given their developmental nature, including having a safety driver and safety engineer in the cabin.

FINANCIAL METRIC | Source support: DIRECT (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 100%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

In the fourth quarter of 2022, the Company de-emphasized revenue-generating freight services; in 2023, the company does not plan to generate significant revenue, indicating near-zero near-term revenue visibility.

FINANCIAL METRIC | Source support: PARTIAL (98%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 98%; passage match 60%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company is an early-stage company with a history of losses and expects to incur significant expenses and continuing losses for the foreseeable future, with capital-intensive operations expected to sustain substantial operating expenses without generating sufficient revenue to cover expenditures.

FINANCIAL METRIC | Source support: INDIRECT (98%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a figure on its own, with no stated consequence
- Confidence basis: text overlap 98%; passage match 54%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.

Company is an early commercial stage company that 'can be expected to continue to sustain substantial operating expenses without generating sufficient revenue to cover expenditures,' indicating ongoing cash burn without a clear path to profitability.

FINANCIAL METRIC | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 57%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.

Company has 'not yet produced and sold to third parties our purpose-built L4 autonomous semi-trucks,' meaning no product revenue from core offering, with commercialization timeline unproven.

FINANCIAL METRIC | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC, TIMING

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 57%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.

Accumulated deficit of $1.6 billion as of December 31, 2022, with no material revenue recognized to date and expectation of significant continuing losses for the foreseeable future.

FINANCIAL METRIC | Source support: PARTIAL (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 60%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Loss from operations was $(489,063)K for the year ended December 31, 2022, up 19% from $(411,351)K in 2021 and $(174,064)K in 2020, reflecting accelerating operating losses despite de-emphasis of revenue operations.

FINANCIAL METRIC | Source support: PARTIAL (93%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 93%; passage match 64%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Adjusted EBITDA was $(348,653)K for the year ended December 31, 2022, deteriorating 25% from $(278,887)K in 2021 and $(153,285)K in 2020.

FINANCIAL METRIC | Source support: DIRECT (94%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 94%; passage match 88%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Total R&D expenses were $351,599K in 2022 (up 22% from $287,167K in 2021), and total SG&A was $127,053K in 2022 (up 8% from $118,076K in 2021), against revenue of only $9,369K - operating expense base is approximately 51x revenue.

FINANCIAL METRIC | Source support: UNSUPPORTED (85%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 85%; passage match 35%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company ended 2022 with $615.4 million in cash and cash equivalents and $377.3 million in short-term investments, but is burning approximately $489 million per year from operations, implying a cash runway of approximately 2 years at current burn rates without revenue recovery.

FINANCIAL METRIC | Source support: UNSUPPORTED (95%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 95%; passage match 38%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Adjusted EBITDA was $(153,285)K in 2020, $(278,887)K in 2021, and $(348,653)K in 2022, with U.S. segment Adjusted EBITDA of $(259,109)K and APAC segment of $(89,544)K for year ended December 31, 2022.

FINANCIAL METRIC | Source support: PARTIAL (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 70%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Gross loss of $10,411 thousand for year ended December 31, 2022 (revenue $9,369 thousand vs. cost of revenue $19,780 thousand), indicating cost of revenue exceeds revenue by more than 2x; gross loss has widened from $3,450 thousand (2020) to $6,108 thousand (2021) to $10,411 thousand (2022).

FINANCIAL METRIC | Source support: PARTIAL (97%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 97%; passage match 68%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Total operating expenses of $478,652 thousand for year ended December 31, 2022 against revenue of only $9,369 thousand - operating loss of $489,063 thousand.

FINANCIAL METRIC | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 53%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Aggregate intrinsic value of outstanding stock options collapsed from $188,722 thousand at December 31, 2021 to $798 thousand at December 31, 2022, reflecting severe decline in share price; 4,080,571 options cancelled/forfeited during 2022.

FINANCIAL METRIC | Source support: PARTIAL (92%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC, VALUATION

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 92%; passage match 79%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Total Segment Adjusted EBITDA was $(153,285) thousand in 2020, $(278,887) thousand in 2021, and $(348,653) thousand in 2022, with U.S. segment Adjusted EBITDA deteriorating to $(259,109) thousand and APAC to $(89,544) thousand in 2022 - both worsening year-over-year.

FINANCIAL METRIC | Source support: PARTIAL (94%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 94%; passage match 62%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Performance-based RSUs granted to the CEO on November 10, 2022 require stock price hurdles of $10.00 (+270%), $15.00 (+456%), and $20.00 (+641%) over the grant date stock price, implying the grant date stock price was approximately $2.70, reflecting severe stock price deterioration.

FINANCIAL METRIC | Source support: INDIRECT (91%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC, VALUATION

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a figure on its own, with no stated consequence
- Confidence basis: text overlap 91%; passage match 48%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.

the CEO's Severance and CIC Agreement provides an indemnity for any excise tax imposed pursuant to Section 4999 of the Internal Revenue Code (golden parachute excise tax gross-up), creating an uncapped additional liability.

FINANCIAL METRIC | Source support: PARTIAL (95%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a figure on its own, with no stated consequence
- Confidence basis: text overlap 95%; passage match 70%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.

Class A Common Stock closing price was $1.64 on the last trading day before December 31, 2022, compared to the CEO's market-based RSU vesting thresholds of $10.00, $15.00, and $20.00 - stock price is 83.6%-91.8% below all vesting thresholds, making market-based RSU vesting highly unlikely absent significant appreciation by November 10, 2026.

FINANCIAL METRIC | Source support: UNSUPPORTED (96%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC, VALUATION

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; the document supports a narrower claim than the finding makes; a past event; whether it is

still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 96%; passage match 8%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Legal

In April 2022, the Federal Motor Carrier Safety Administration (FMCSA) initiated an investigation into an accident involving one of the Company's trucks; investigation was concluded without penalties, but resulted in negative publicity about safety of autonomous driving technology. (×3 restatements)

LIVE REGULATORY ACTION | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 52%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Verify that the source explicitly establishes the claimed causal relationship.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Audit Committee investigation concluded that a related party transaction occurred between the Company and {Related Entity B} that was not properly reviewed, approved, or disclosed in accordance with Company policy; confidential information was shared with {Related Entity B} prior to execution of a non-disclosure agreement without Audit Committee or Government Security Committee notification.

LIVE REGULATORY ACTION | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; the document also discloses a mitigating fact
- Confidence basis: text overlap 98%; passage match 57%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- Mitigating: The source states this was disclosed.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

As disclosed in the Company's Current Report on Form 8-K filed on November 7, 2022, in connection with the Form 8-K filed on October 31, 2022, the Company proactively reached out to the SEC and received an initial request for information from the SEC; subsequently, the Company and certain current and former directors and officers received subpoenas from the SEC requesting production of Company documents - an active SEC investigation is ongoing.

LIVE REGULATORY ACTION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; the document also discloses a mitigating fact
- Confidence basis: text overlap 100%; passage match 59%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- Mitigating: The source states this was disclosed.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

Consolidated shareholder derivative complaint filed July 24, 2023 against the former CEO/CTO, the Executive Chairman, a former independent director, a former independent director, a former independent director, {Related Entity B}, and the Company as nominal defendant; Delaware Court of Chancery entered order on August 17, 2023 staying consolidated action through February 9, 2024 pending investigation by a special litigation committee (SLC) formed by the Company's Board; Company states potential loss 'could be material.' (×2 restatements)

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, LIABILITY, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 22%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

SEC investigation disclosed November 7, 2022 via Form 8-K: Audit Committee internal investigation into related party transaction with {Related Entity B} triggered proactive SEC outreach; the Company and certain current and former directors and officers received subpoenas from the SEC requesting production of Company documents.

LIVE REGULATORY ACTION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity:

MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 57%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company states it 'is unable to estimate the likelihood of a negative outcome or the potential loss or range of loss associated with this matter' regarding the SEC investigation, and further states the potential loss 'could be material.'

LIVE REGULATORY ACTION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 56%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

SEC investigation arose from Audit Committee's internal investigation into related party transaction with {Related Entity B} - the underlying related-party transaction is the subject of active regulatory scrutiny with unquantified loss exposure.

LIVE REGULATORY ACTION | Source support: INDIRECT (92%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 92%; passage match 53%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Ongoing Audit Committee internal investigation (disclosed via Form 8-K filed October 31, 2022) into Company employees spending paid hours on matters for {Related Entity B} during 2021, with estimated value of less than $300,000, and into sharing of confidential information with {Related Entity B} and its partners during 2022 before relevant NDAs and cooperation agreements were executed. Internal review is described as 'still ongoing' as of the filing date.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (99%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 99%; passage match 22%; source places this in a prior period
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

An ongoing internal investigation by the Audit Committee was disclosed, involving unauthorized related-party transactions with {Related Entity B} during 2021 and 2022; the investigation is described as ongoing as of the filing date (September 7, 2023), with no confirmed closure or remediation.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 98%; passage match 23%; source places this in a prior period
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

On March 1, 2021, the CFIUS Staff Chairperson requested the Company file a written notice regarding the 2017 purchase of shares of Series B redeemable convertible preferred stock by {Related Entity A}, an affiliate of {Related Entity A's Parent} (the '{Related Entity A} Investment'); CFIUS formally accepted the jointly filed notice.

ACTUAL EVENT | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.

- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 83%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Shareholder derivative action filed November 28, 2022 in Delaware Court of Chancery, captioned Shareholder Derivative Action I v. the former CEO/CTO et al., {Case No. Redacted} (Del. Ch.), against current/former directors and officers (the former CEO/CTO, the Executive Chairman, a former independent director, a former independent director, a former independent director, and a former independent director), alleging breach of fiduciary duties in connection with related party transaction with {Related Entity B} and restructuring of the Company's board of directors.

ACTUAL EVENT | Source support: PARTIAL (100%) | Potential severity: HIGH | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 80%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Securities class action 'Securities Class Action I' filed August 31, 2022 in U.S. District Court for the Southern District of California, captioned Securities Class Action I v. the Company et al., {Case No. Redacted} (S.D. Cal.), against the Company and named current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the former Chief Administrative and Legal Officer) and IPO underwriters, on behalf of putative class of stockholders who acquired securities from April 15, 2021 through August 1, 2022, alleging violations of Sections 11 and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act for materially false or misleading statements regarding autonomous driving technology; seeks unspecified monetary damages plus attorneys' fees; company states it is unable to estimate potential loss or range of loss, which could be material. (×3 restatements)

LEGAL CLAIM | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: ECONOMIC, LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; a past event; whether it is still outstanding is not established; the document also discloses a mitigating fact
- Confidence basis: text overlap 100%; passage match 48%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- Mitigating: The source states this was disclosed.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Securities class action 'Securities Class Action II' filed November 10, 2022 in U.S. District Court for the Southern District of New York, originally captioned Securities Class Action II v. the Company, et al., {Case No. Redacted} (S.D.N.Y.), transferred to S.D. Cal. and recaptioned {Case No. Redacted} (S.D. Cal.), against the Company and named current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the CFO, the former CFO, the former Chief Administrative and Legal Officer) and IPO underwriters, on behalf of putative class of stockholders who acquired securities from April 15, 2021 through October 31, 2022, alleging violations of Sections 11, 12(a), and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act for false or misleading statements regarding related party transaction with {Related Entity B} and sharing of confidential information and proprietary technology with {Related Entity B} without Board approval; seeks unspecified monetary damages plus attorneys' fees; company states it is unable to estimate potential loss or range of loss, which could be material. (×3 restatements)

LEGAL CLAIM | Source support: INDIRECT (99%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: ECONOMIC, LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 99%; passage match 44%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Securities Class Action I and Securities Class Action II consolidated pursuant to motion granted July 2023; plaintiffs have until October 2, 2023 to file consolidated and amended complaint, which may include additional or alternate allegations regarding liability or additional claims for relief.

LEGAL CLAIM | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: the document reports this as an allegation, not an established fact
- Confidence basis: text overlap 100%; passage match 62%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

Securities Class Action I and Securities Class Action II consolidated by Court order on July 20, 2023; plaintiffs had until October 2, 2023 to file consolidated and amended complaint; consolidated complaint may include additional or alternate allegations regarding liability or additional claims for relief. (×2 restatements)

LEGAL CLAIM | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact
- Confidence basis: text overlap 100%; passage match 58%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

Second shareholder derivative action filed December 15, 2022 in Delaware Court of Chancery, captioned Shareholder Derivative Action II et al., {Case No. Redacted} (Del. Ch.), against current/former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the CFO, the former Chief Administrative and Legal Officer, a former independent director, a former director, a former independent director, a former independent director, a former independent director, and a director), alleging breach of fiduciary duties, claims regarding safety of the Company's technology, and alleged inadequacy of the Company's internal controls. (×2 restatements)

LEGAL CLAIM | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: the document reports this as an allegation, not an established fact; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 72%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Third shareholder derivative action filed March 6, 2023 in Delaware Court of Chancery, captioned Shareholder Derivative Action III v. the former CEO/CTO et al., {Case No. Redacted} (Del. Ch.), against current/former directors and officers (the former CEO/CTO, a former independent director, the Executive Chairman, a former director, a former independent director, a director, the CEO, a director, a former security director, a former independent director, a former independent director, and a director), alleging similar claims; stockholder has since purported to voluntarily dismiss her action.

LEGAL CLAIM | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: the document reports this as an allegation, not an established fact; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 78%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Third shareholder derivative action 'Shareholder Derivative Action III v. the former CEO/CTO et al., {Case No. Redacted} (Del. Ch.)' filed March 6, 2023 in Delaware Court of Chancery against named current/former directors and officers (the former CEO/CTO, a former independent director, the Executive Chairman, a former director, a former independent director, a director, the CEO, a director, a former security director, a former independent director, a former independent director, a director); subsequently purportedly voluntarily dismissed.

LEGAL CLAIM | Source support: PARTIAL (99%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: the document reports this as an allegation, not an established fact; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 99%; passage match 82%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On November 10, 2022, four directors on the Company's Board, including all members of the Government Security Committee ('GSC'), were removed from the Board; CFIUS informed the Company that it must appoint a security director and reconstitute the GSC as a result.

CONTRACTUAL CONDITION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: CLOSING_CONDITION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Who controls whether this condition is satisfied, and what happens if it is not?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 59%
- To verify: Verify condition status and identify whether the condition is actually at risk of failure.

Securities class action filed October 7, 2022 in Superior Court of the County of {Headquarters City}, {State}, asserting claims against IPO underwriters under Sections 11 and 12 of the Securities Act; underwriters have requested the Company indemnify them for expenses and losses incurred in connection with this action; company states it cannot predict the impact that indemnification claims may have on its business or financial results.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 31%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.

- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company's 2022 bonus plan could not be scored under its original terms due to 'changes in the composition of our Board and Compensation Committee, and of our executive officers,' and discretionary bonuses were approved in January/February 2023 - the retroactive discretionary determination of bonuses outside the original plan terms may expose the Company to claims of breach of plan terms by NEOs who received no bonus (e.g., the former CEO/CTO, the former interim CEO).

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 7%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Class B common stock held by Founders (the Company, CIK: {REDACTED}) is subject to conversion triggers including death or incapacitation of the last Founder (DeathOrIncapacitationOfLastFounderMember) and ownership threshold breaches - minimum and maximum ownership thresholds not quantified in the section reviewed, creating governance uncertainty and potential for forced conversion of super-voting shares.

MODEL INFERENCE | Source support: UNSUPPORTED (94%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 94%; passage match 27%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company's prior independent registered public accounting firm resigned on November 17, 2022, directly causing the inability to timely file the Annual Report on Form 10-K for fiscal year ended December 31, 2022 and Quarterly Reports for Q1 and Q2 2023.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 32%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Vehicle Safety Act imposes 'potentially significant civil penalties' for violations, including failure to comply with safety defect reporting requirements under NHTSA oversight; no quantification of maximum penalty exposure is provided.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: ECONOMIC

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 57%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The TREAD Act imposes criminal liability for violating Early Warning reporting requirements 'if a defect subsequently causes death or bodily injury,' creating criminal exposure for the Company as a motor vehicle equipment manufacturer.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 57%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Company faces potential 'material legal claims for breach of contract, product liability, tort or breach of warranty' as a result of undetected defects, errors, or bugs in autonomous driving hardware and software.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 0%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Company states it 'does not know whether {Related Entity B} shared, or publicly disclosed, the information before entering into that agreement' and 'has not been able to determine the value, if any, of such information,' leaving unquantified IP/confidentiality exposure.

MODEL INFERENCE | Source support: INDIRECT (93%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 93%; passage match 46%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Unexpected removal of all independent directors and dissolution of Audit Committee in November 2022 by controlling shareholders, which impacted oversight and monitoring of required internal controls and procedures as of December 31, 2022.

MODEL INFERENCE | Source support: DIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document; the document also discloses a mitigating fact
- Confidence basis: text overlap 100%; passage match 95%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Mitigating: The source states this was disclosed.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company entered into a National Security Agreement ('NSA') with CFIUS on February 18, 2022; CFIUS is conducting an ongoing inquiry concerning the Company's compliance with the NSA as it relates to information shared by the Company U.S. with the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 50%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company is subject to the National Traffic and Motor Vehicle Safety Act of 1966 (Vehicle Safety Act), which imposes potentially significant civil penalties for violations including failure to comply with safety defect reporting requirements, and the TREAD Act, which imposes criminal liability for violations if a defect subsequently causes death or bodily injury.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 43%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

On February 18, 2022, CFIUS concluded its review of the 2017 Transaction (the 2017 acquisition of the U.S. business of the Company's predecessor U.S. business by the Company's Cayman predecessor entity) and determined there are no unresolved national security concerns; as part of the resolution, the Company entered into a National Security Agreement ('NSA') with CFIUS on February 18, 2022 - ongoing NSA compliance obligations remain.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 46%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

On December 7, 2022, the Board appointed a director as an independent director to satisfy CFIUS's requirement to reconstitute the GSC; the full reconstitution status of the GSC is not confirmed as complete in this filing.

MODEL INFERENCE | Source support: UNSUPPORTED (94%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 94%; passage match 37%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

IPO underwriters named in Securities Class Action I have requested the Company indemnify them for any expenses and losses incurred in connection with that litigation; indemnification exposure is unquantified.

MODEL INFERENCE | Source support: PARTIAL (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 75%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

U.S. SG&A expenses for 2022 increased by $14.9 million (17%) compared to 2021, driven in part by 'increased legal and professional services costs, due to ongoing litigation and investigations' - active litigation and regulatory investigations are confirmed but not quantified in the section reviewed.

MODEL INFERENCE | Source support: INDIRECT (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 44%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The Company is subject to ongoing litigation and investigations as of the year ended December 31, 2022, with associated costs material enough to be cited as a primary driver of a $14.9 million year-over-year SG&A increase - nature, agency, and quantum of investigations not disclosed in the section reviewed.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 32%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The unexpected removal of all independent directors and all Audit Committee members in November 2022 by controlling shareholders raises potential corporate governance and fiduciary duty legal exposure; the auditor explicitly cited this event as a material weakness driver in the PCAOB-standard adverse opinion dated September 7, 2023.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 38%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Commitments and contingencies referenced in Note 8 of the consolidated balance sheets as of December 31, 2021 and 2022 - specific nature and quantum of contingencies not disclosed in the section reviewed, representing an unquantified liability.

MODEL INFERENCE | Source support: UNSUPPORTED (94%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 94%; passage match 30%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

All independent directors of the Board, including all Audit Committee members, were unexpectedly removed in November 2022 by controlling shareholders, dissolving the Audit Committee and impairing oversight and monitoring of required internal controls and procedures - a governance event with direct legal and fiduciary implications.

MODEL INFERENCE | Source support: PARTIAL (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 62%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former Chief Administrative and Legal Officer's $500,000 Special Cash Bonus repayment was waived 'in consideration of the former Chief Administrative and Legal Officer's release of claims against the Company' upon his September 2022 separation, indicating potential employment-related legal claims by a former Chief Administrative and Legal Officer that were settled via bonus waiver.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 24%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former CEO/CTO (terminated CEO) retains 12,000,000 shares of Class B Common Stock held through {Chairman's Holding Entity}, a company incorporated in Samoa - a terminated executive retaining Class B super-voting shares (10 votes per share) through an offshore Samoa entity, representing 30.0% of total voting power, with no disclosed lock-up, transfer restriction, or conversion timeline in the section reviewed.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: TIMING

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 34%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The Joint Development Agreement ('JDA') with {OEM Partner} (a subsidiary of {OEM Partner's Parent Company}), entered July 2020 and under which the Company agreed to reimburse {OEM Partner} up to $10.0 million for R&D expenses, was jointly terminated on December 5, 2022; the final reimbursement amount paid or owed and any residual IP or liability from the termination are not disclosed in the section reviewed.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 27%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The filing discloses that the Company's failure to timely file periodic reports with the SEC may result in the delisting of its Class A common stock from the Nasdaq Global Select Market, as referenced under Item 1A risk factor 'Our failure to timely file periodic reports with the SEC may result in the delisting of our Class A common stock.'

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 62%
- Unresolved: Source describes a possibility rather than an established event.

In China, the Company's products are subject to the Regulations on the Administration of Defective Automobile Product Recall; 'any violation of the above laws and regulations may cause civil, administrative, and even criminal liabilities,' with rules 'scattered across other regulations' due to absence of a specific vehicle safety law in China.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state
- Confidence basis: text overlap 100%; passage match 15%

- Unresolved: Source describes a possibility rather than an established event.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.

Autonomous driving laws and regulations 'are expected to continue to evolve in numerous jurisdictions in the U.S. and foreign countries and may create restrictions on autonomous driving features that we develop,' with regulations in other key markets potentially differing 'materially' from U.S. rules, which 'may further increase the legal complexity of self-driving vehicles and limit or prevent certain features.'

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 42%
- Unresolved: Source describes a possibility rather than an established event.

Company is subject to a National Security Agreement (NSA) with CFIUS; has incurred and expects to incur significant costs to comply with NSA requirements and may be subject to monetary penalties and/or appointment of a third-party monitor if it does not comply or if CFIUS determines to require a third-party monitor.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 75%
- Unresolved: Source describes a possibility rather than an established event.

Restrictions under the NSA could limit business activities.

MANAGEMENT RISK FACTOR | Source support: DIRECT (93%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 93%; passage match 100%
- Unresolved: Source describes a possibility rather than an established event.

Company is subject to claims, lawsuits, government actions, inquiries, or investigations that may adversely affect business, financial condition, and results of operations - described as ongoing ('are and may continue to be').

MANAGEMENT RISK FACTOR | Source support: DIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 89%
- Unresolved: Source describes a possibility rather than an established event.

Company is subject to securities litigation described as ongoing and expensive, which could divert management attention.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (96%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 96%; passage match 80%
- Unresolved: Source describes a possibility rather than an established event.

Company acknowledges exposure to 'product liability claims' arising from autonomous driving accidents, noting that 'any insurance that we carry may not be sufficient or it may not apply to all situations,' and that future coverage 'may be unavailable on acceptable terms or at all.'

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (95%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 95%; passage match 35%
- Unresolved: Source describes a possibility rather than an established event.

If CFIUS concludes that information shared with the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners was shared in violation of the NSA terms, or that the removal of the Company's security director from the Board in November 2022 violated the NSA, CFIUS may impose a civil penalty on the Company.

MANAGEMENT RISK FACTOR | Source support: DIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 100%
- Unresolved: Source describes a possibility rather than an established event.

the Company acknowledges it is and may continue to be subject to claims, lawsuits, arbitration proceedings, regulatory or government actions, inquiries or investigations, and other legal and regulatory proceedings, including proceedings related to product safety, acquisitions, securities issuances, or business practices, with outcomes that cannot be predicted with certainty.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: the document also discloses a mitigating fact
- Confidence basis: text overlap 97%; passage match 75%
- Unresolved: Source describes a possibility rather than an established event.
- Mitigating: The source states this was disclosed.

Company is party to shareholder derivative actions; unable to estimate potential loss or range of loss, which could be material; further details referenced in Item 3 of Part I of the Annual Report.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 61%
- Unresolved: Source describes a possibility rather than an established event.

Exclusive forum provision in amended and restated certificate of incorporation designates Court of Chancery of the State of Delaware and federal courts within Delaware as exclusive forums for derivative actions, fiduciary duty claims, DGCL claims, and internal affairs doctrine claims; federal district courts designated as exclusive forum for Securities Act claims; document acknowledges 'uncertainty as to whether a court would enforce such a provision with respect to claims under the Securities Act' and risk of additional costs if provisions found inapplicable or unenforceable.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 33%
- Unresolved: Source describes a possibility rather than an established event.

Company was originally incorporated as the Company's Cayman predecessor entity in the Cayman Islands on October 25, 2016, and deregistered and domesticated as a Delaware corporation in February 2021 - cross-border reincorporation may carry residual legal and tax exposure from the Cayman Islands period that requires verification.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (96%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 96%; passage match 35%
- Unresolved: Source describes a possibility rather than an established event.

Shareholder derivative action 'Shareholder Derivative Action I v. the former CEO/CTO et al., {Case No. Redacted} (Del. Ch.)' filed November 28, 2022 in Delaware Court of Chancery against named current/former directors and officers (the former CEO/CTO, the Executive Chairman, a former independent director, a former independent director, a former independent director, a former independent director) alleging breach of fiduciary duties in connection with related party transaction with {Related Entity B} and restructuring of the Company's Board; Company unable to estimate potential loss or range of loss, which 'could be material'.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 68%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

CFIUS inquiry into Company's compliance with National Security Agreement ('NSA') entered into with the U.S. government, relating to information shared by the Company U.S. with the Company's China-based businesses, {Related Entity B}, and {Related Entity B}'s partners; CFIUS may impose civil penalty if it concludes information was shared in violation of NSA terms or that removal of security director from Board in November 2022 violated NSA; Company states it is unable to estimate likelihood of negative outcome or potential loss or range of loss, which 'could be material'.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 52%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Nasdaq issued a notice in May 2023 that the Company (the Company) is not in compliance with Nasdaq Listing Rule 5250(c)(1) due to failure to timely file: (i) Form 10-Q for period ended September 30, 2022, (ii) Form 10-K for fiscal year ended December 31, 2022, (iii) Form 10-Q for period ended March 31, 2023. Nasdaq initially determined to deny continued listing; the Company appealed and received a conditional extension to September 30, 2023 (the 'Compliance Date') to file all Delayed Reports.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (95%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, TIMING

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; the document supports a narrower claim than the finding makes; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 95%; passage match 6%
- Unresolved: Source describes a possibility rather than an established event.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company is subject to an active National Security Agreement ('NSA') overseen by the Government Security Committee, indicating a prior CFIUS review resulted in binding mitigation obligations; non-compliance with NSA terms could expose the Company to enforcement action by the U.S. government, including potential divestiture orders.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (94%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state
- Confidence basis: text overlap 94%; passage match 6%
- Unresolved: Source describes a possibility rather than an established event.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.
- To verify: Verify that the source explicitly establishes the claimed causal relationship.

the Executive Chairman's voting control (58.4% of total voting power) is exercised through multiple BVI and Samoa-incorporated entities ({Chairman's Holding Entity B}, {Chairman's Holding Entity C}, {Chairman's Holding Entity D} - all BVI; {Chairman's Holding Entity} - Samoa), creating complex offshore ownership structures that may present legal and regulatory complications in a change-of-control transaction.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; the document supports a narrower claim than the finding makes; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 4%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company shared confidential information with {Related Entity B} and its partners prior to execution of any non-disclosure or cooperation agreements; the retroactive NDA entered after disclosure may not fully cure the breach, and potential claims from partners or suppliers whose information may have been involved remain unresolved.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 39%
- Unresolved: Source describes a possibility rather than an established event.

the CEO is the only NEO for whom the Company provides a tax gross-up for excise taxes under Section 4999 of the Internal Revenue Code in connection with a change in control, creating a contingent liability of unquantified amount in any change-of-control scenario.

FINANCIAL METRIC | Source support: UNSUPPORTED (96%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a figure on its own, with no stated consequence
- Confidence basis: text overlap 96%; passage match 12%; source frames this as possible, not actual
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.

Related Party

Audit Committee investigation concluded that a related party transaction occurred between the Company and {Related Entity B} that was not properly reviewed, approved, or disclosed in accordance with Company policy requiring Audit Committee review and approval of related party transactions or transactions involving actual or potential conflicts of interest.

LIVE REGULATORY ACTION | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: the document also discloses a mitigating fact
- Confidence basis: text overlap 100%; passage match 63%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- Mitigating: The source states this was disclosed.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

Audit Committee conducted an internal investigation into a related party transaction with {Related Entity B}, the initial findings of which were disclosed in a Form 8-K filed November 7, 2022; this investigation directly triggered the SEC subpoena process.

LIVE REGULATORY ACTION | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 67%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The related party transaction with {Related Entity B} is unquantified in the section reviewed; the Company cannot estimate the potential loss or range of loss, which 'could be material,' arising from the SEC investigation into this transaction.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 39%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

{OEM Partner's Affiliate} ({XBRL}:{OEM Partner's Affiliate}, srt:AffiliatedEntityMember) transaction recorded as of April 30, 2020 - nature, quantum, and arm's-length status of transaction not specified in the section reviewed.

ACTUAL EVENT | Source support: UNSUPPORTED (82%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 82%; passage match 18%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

{Affiliate Entity} ({XBRL}:{Affiliate Entity}) related-party balance recorded as of December 31, 2021 - exact transaction amount and nature not specified in the section reviewed.

ACTUAL EVENT | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 97%; passage match 45%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

{Related Entity A's Parent} ({XBRL}:{Related Entity A's Parent}) related-party transaction recorded during fiscal year 2021 (2021-01-01 to 2021-12-31) - exact transaction amount and nature not specified in the section reviewed.

ACTUAL EVENT | Source support: UNSUPPORTED (94%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 94%; passage match 33%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Shareholder derivative actions (Shareholder Derivative Action I v. the former CEO/CTO et al., {Case No. Redacted}; Shareholder Derivative Action II et al., {Case No. Redacted}; consolidated complaint filed July 24, 2023) allege current and former directors and officers breached fiduciary duties in connection with a related party transaction with {Related Entity B}, Inc., including {Related Entity B} named as a defendant in the consolidated derivative complaint.

ACTUAL EVENT | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?

- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 55%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Conversion of related party convertible loan into Series E-1 redeemable convertible preferred shares of $55,556 thousand recorded as a non-cash financing activity in fiscal year 2020 - related party identity and arm's-length basis not disclosed in the section reviewed.

ACTUAL EVENT | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 34%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Per a joint Schedule 13D filed November 15, 2022 by the Executive Chairman, {Chairman's Holding Entity C}, {Chairman's Holding Entity E}, {Chairman's Holding Entity D}, and {Chairman's Holding Entity B}, no monetary consideration was given or received by any party in exchange for executing the Proxy or the Voting Agreement - raising questions about the commercial rationale and arm's-length nature of the arrangement.

ACTUAL EVENT | Source support: INDIRECT (95%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 95%; passage match 58%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company forgave principal and accrued interest on a partial-recourse promissory note issued by the CEO (CEO) to the Company in connection with his exercise of an option to purchase 2,125,000 shares of Class A Common Stock in March 2020, resulting in $988,947 of income to the CEO recognized in December 2020 - related-party loan forgiveness to a named executive officer.

ACTUAL EVENT | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 76%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

{Related Entity A} (12.0% of Class A, 5.5% of total voting power), a Cayman Islands entity ultimately controlled by a former director (former Board member who served January 1, 2022 to June 9, 2022), holds 24,676,708 shares of Class A Common Stock per Schedule 13G filed February 14, 2022 - related-party shareholding by a recently departed director through an offshore entity.

ACTUAL EVENT | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 34%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

November 2022 securities class action alleges the Company made false or misleading statements regarding a related party transaction with {Related Entity B} and sharing of confidential information and proprietary technology with {Related Entity B} without approval from the Board; this undisclosed/unapproved related-party transaction is a named basis for securities fraud claims against named officers the former CEO/CTO, the Executive Chairman, the CEO, the CFO, the former CFO, and the former Chief Administrative and Legal Officer.

LEGAL CLAIM | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 26%; source places this in a prior period
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

November 2022 securities class action (Securities Class Action II, {Case No. Redacted}) alleges the Company shared confidential information and proprietary technology with {Related Entity B}, Inc. without approval from the Company's board of directors, constituting an undisclosed related party transaction.

LEGAL CLAIM | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 39%; source places this in a prior period
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Change in fair value of related party convertible loan of $5,556 thousand recorded as a loss in the consolidated statement of operations for year ended December 31, 2020.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 22%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

During 2021, Company employees spent paid hours working on matters for {Related Entity B} ('{Related Entity B}'), with an estimated value of less than $300,000, discovered through an ongoing internal Audit Committee investigation; this related party transaction was not presented to or approved by the Audit Committee as required by Company policies.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 100%; passage match 0%; source states the opposite; source places this in a prior period
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Convertible loan from affiliated entity {Related Entity A} ({XBRL}:{Related Entity A}, srt:AffiliatedEntityMember) as of June 30, 2020, converted into Series D-1 Convertible Preferred Stock during June 2020 - exact loan balance and interest rate not specified in the section reviewed; arm's-length justification not disclosed.

MODEL INFERENCE | Source support: UNSUPPORTED (88%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 88%; passage match 6%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Board of Directors Chairman (srt:BoardOfDirectorsChairmanMember) has a disclosed balance as of December 31, 2021, and is also linked to {Related Entity B} ({XBRL}:{Related Entity B}) - exact transaction amount and approval status not specified in the section reviewed.

MODEL INFERENCE | Source support: UNSUPPORTED (92%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document; the document also discloses a mitigating fact
- Confidence basis: text overlap 92%; passage match 21%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Mitigating: The source states this was disclosed.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Control failure attributed to 'lack of understanding among our personnel regarding the scope and application of the policy' governing related party transactions, indicating systemic governance deficiency rather than isolated incident.

MODEL INFERENCE | Source support: INDIRECT (93%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document; the document also discloses a mitigating fact
- Confidence basis: text overlap 93%; passage match 46%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Mitigating: The source states this was disclosed.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

CFIUS inquiry specifically concerns information shared by the Company U.S. with the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners, indicating cross-border related-party information flows potentially in violation of the National Security Agreement with the U.S. government.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 41%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Material Weakness identified by auditor {Successor Auditor}: The Company did not maintain effective controls over the disclosure of related party transactions resulting from a lack of understanding among Company personnel regarding the Company's policy on the identification, approval, and disclosure of related party transactions, as of December 31, 2022.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 70%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

In fiscal year 2020, the Company received proceeds from the issuance of a related party convertible loan of $50.0 million and proceeds from related party loans of $5.0 million, partially offset by principal payments on related party loans of $7.9 million; adequacy of arm's-length terms and disclosure is called into question by the related-party transaction material weakness.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 44%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Proceeds from related party loan of $5,000 thousand received in fiscal year 2020; principal payments on related party loan of $7,900 thousand (2020) and $4,398 thousand (2021) - related party lender identity and loan terms not disclosed in the section reviewed.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 41%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Related party transaction with {Related Entity B}: Audit Committee internal investigation found that confidential information and proprietary technology was shared with {Related Entity B} without Board approval, disclosed via Form 8-K on November 7, 2022; this transaction is the subject of two consolidated securities class action lawsuits and multiple shareholder derivative actions.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document

- Confidence basis: text overlap 100%; passage match 0%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

{OEM Partner's Affiliate} Loan: In April 2020, the Company received a $5.0 million non-interest-bearing loan from {OEM Partner's Affiliate} (an affiliate of {OEM Partner's Parent Company}, also a strategic partner and preferred stockholder) to cover costs related to a development program; loan was repayable upon acquisition by {OEM Partner's Affiliate} or a {OEM Partner's Affiliate} Affiliate of shares or other financial instruments in the Company, creating a structural conflict between the debt repayment trigger and the Company's equity financing activities.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 36%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Executive Chairman, co-founder and Executive Chairman of the Company, is also founder, director, and CEO of {Related Entity B} and holds an equity interest in the Company of greater than 10%. During 2021, the Company employees spent paid hours working on {Related Entity B} matters with an estimated value of less than $300,000 without Audit Committee approval.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 0%; source states the opposite; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

During 2022, the Company shared confidential information with {Related Entity B} and its partners in connection with evaluating {Related Entity B} as a potential OEM partner before entering into relevant NDAs and cooperation agreements - a material breach of Company policy. The related party transaction and OEM evaluation were not presented to or approved by the Audit Committee as required by Company policies.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 51%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Material weakness in internal controls specifically identified as resulting from 'a lack of understanding among Company personnel regarding the Company's policy on the identification, approval, and disclosure of related party transactions,' directly linked to the undisclosed {Related Entity B}-related transactions.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 60%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

During fiscal year 2021, the Company paid off related-party loans including: (i) approximately $0.6 million short-term, unsecured, interest-free loan due to its executive chairman; (ii) approximately $3.7 million due to {Affiliate Entity}, an affiliated company of {Related Entity A's Parent} (ultimate parent of one of the Company's investors); and received a $3.7 million refund of a guarantee deposit paid to {Related Entity A's Parent} in connection with loans borrowed from {Affiliate Entity}.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a

statement in the document
- Confidence basis: text overlap 100%; passage match 52%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On November 9, 2022, stockholders {Chairman's Holding Entity} and {Chairman's Holding Entity} (the 'Principal Parties') granted Executive Chairman the Executive Chairman an irrevocable proxy giving him sole discretion to vote all equity securities beneficially owned by the Principal Parties, including with respect to election of directors, effective until the earlier of the two-year anniversary (November 9, 2024) or mutual written agreement to terminate.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 39%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Principal Parties also entered into a Voting Agreement with the Executive Chairman on November 9, 2022, pursuant to which they will vote all their equity securities as directed by the Executive Chairman at any stockholder meeting or written consent; the Voting Agreement terminates only upon mutual agreement among the Executive Chairman and the Principal Parties.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 43%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company paid $535,371 in 2022 for 'legal, trust, and tax planning related service fees' on behalf of the former CEO/CTO (CEO and CTO) - personal expense payments to a named executive officer without disclosed arm's-length justification.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 41%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the CEO's Letter Agreement dated December 14, 2022 provides a monthly housing allowance of $9,000 ($108,000 annualized) and a guaranteed minimum annual bonus of at least $400,000 for fiscal year ending December 31, 2022, in addition to base salary of $450,000 - compensation arrangements with a returning CEO negotiated at the end of the fiscal year being reported.

MODEL INFERENCE | Source support: PARTIAL (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 62%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Executive Chairman (Executive Chairman) holds 24,000,000 shares of Class B Common Stock (100% of Class B) and 19,734,628 shares of Class A Common Stock (9.6%), representing 58.4% of total voting power, through entities including {Chairman's Holding Entity B} (BVI), {Chairman's Holding Entity C} (BVI), {Chairman's Holding Entity D} (BVI), and by virtue of a Voting Agreement and Proxy over 13,367,314 Class A shares held by {Chairman's Holding Entity} and 12,000,000 Class B shares held by {Chairman's Holding Entity} (Samoa) - concentrated control by a single insider through multiple offshore entities.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 39%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the former CEO/CTO (former CEO, terminated October 30, 2022) retains 13,442,314 shares of Class A Common Stock (6.6%) and 12,000,000 shares of Class B Common Stock (50% of Class B, held through {Chairman's Holding Entity}, incorporated in Samoa) representing 30.0% of

total voting power post-termination - a terminated executive retains significant voting control.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 41%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Executive Chairman's beneficial ownership includes 13,367,314 shares of Class A Common Stock held by {Chairman's Holding Entity} and 12,000,000 shares of Class B Common Stock held by {Chairman's Holding Entity} (Samoa) over which he holds shared voting power via a Proxy and Voting Agreement - the terms and duration of this Voting Agreement are not disclosed in the section reviewed.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 53%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Related party transaction policy threshold set at $120,000 requiring Audit Committee approval; consulting agreement with departed CEO the CEO at $450,000 annualized payment represents a related-party transaction that should have been subject to this policy - no disclosure of Audit Committee approval in the section reviewed.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document; the document also discloses a mitigating fact
- Confidence basis: text overlap 100%; passage match 0%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- Mitigating: The source states this was disclosed.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

During 2022, in connection with the Company's evaluation of {Related Entity B} as a potential OEM partner, the Company shared confidential information with {Related Entity B} and its partners before entering into relevant non-disclosure and other cooperation agreements; a retroactive NDA was entered into only after the information was disclosed.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 75%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Executive Chairman, one of the co-founders and current Executive Chairperson of the Company, is a founder, director, and chief executive officer of {Related Entity B} and holds an equity interest in the Company of greater than 10%, creating a direct conflict of interest in the {Related Entity B}-related transactions.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 62%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The internal review regarding the information shared with {Related Entity B} is described as 'ongoing' as of the filing date, meaning the full scope of the related-party breach and any resulting liability remains unquantified and unresolved.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 0%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.

- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Related Party Convertible Loan: In June 2020, the Company entered into a $50.0 million convertible loan agreement with {Related Entity A}, a preferred shareholder in the Company, accruing interest at 10.0% per annum, originally maturing June 2021; converted in December 2020 into 3,928,937 Series E-1 redeemable convertible preferred shares at a conversion price of $12.73 (at a 10% discount to the applicable purchase price in the Series E financing).

FINANCIAL METRIC | Source support: UNSUPPORTED (98%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 98%; passage match 25%; source places this in a prior period
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Operational

CEO the CEO separated from the Company in March 2022 and was reappointed as CEO in November 2022 - a CEO departure and return within the same fiscal year during an active SEC investigation, representing a key-person instability event.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 3%; source places this in a prior period
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Restructuring charges recorded during fiscal year ended December 31, 2022 across three categories: SeveranceAndOtherTerminationBenefitsMember, LongLivedAssetCostsMember, and StockBasedCompensationMember - exact quantum not specified in the section reviewed, indicating material impairment and headcount reduction activity during the reporting period.

ACTUAL EVENT | Source support: UNSUPPORTED (90%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 90%; passage match 28%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

A previously announced restructuring program resulted in employees being employed under the 60-day Worker Adjustment and Retraining Notification (WARN) relief program as of December 31, 2022 and June 30, 2023.

ACTUAL EVENT | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 55%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Verify that the source explicitly establishes the claimed causal relationship.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company announced on June 28, 2023 that it is evaluating and reviewing strategic alternatives for its U.S. business, creating significant management distraction and resource diversion from existing operations.

ACTUAL EVENT | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 97%; passage match 17%; source frames this as possible, not actual

- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On December 5, 2022, the Company and {OEM Partner} announced an end to their co-development under the joint development agreement dated July 2020, directly disrupting the company's ability to produce purpose-built L4 autonomous semi-trucks at scale.

ACTUAL EVENT | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 57%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Total restructuring charges of $26.9 million were recorded in 2022 financial statements (recorded in both SG&A and R&D expense), including impairment or write-off of several capital assets.

ACTUAL EVENT | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 83%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On June 28, 2023, the Company announced it is evaluating strategic alternatives for its U.S.-based business and engaged {Financial Advisor} as financial advisor - formal strategic alternatives process signals potential distress sale or wind-down of U.S. operations. (×2 restatements)

ACTUAL EVENT | Source support: UNSUPPORTED (95%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 95%; passage match 32%; source frames this as possible, not actual
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Restructuring expenses of $26,855K were recorded for the year ended December 31, 2022 (nil in 2020 and 2021), indicating a significant operational restructuring event during the period.

ACTUAL EVENT | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 97%; passage match 34%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

In connection with changes in the Company's management and restructuring activities that occurred during the fourth quarter of fiscal year 2022, effective December 31, 2022, the Company changed its CODM from a management committee of senior executives to the Chief Executive Officer - indicating significant management restructuring immediately before the reporting date.

ACTUAL EVENT | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Established | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 66%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On December 5, 2022, the Company and {OEM Partner} announced an end to the co-development under the Joint Development Agreement ('JDA') entered into in July 2020; {OEM Partner} incurred the full $10.0 million of expenses eligible for reimbursement under the JDA as of December 31, 2021, representing a full termination of a key strategic development partnership.

ACTUAL EVENT | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 46%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

In connection with the CEO's March 2022 separation as CEO, 1,850,000 time-based stock options were modified and 175,000 outstanding and unvested RSUs were accelerated in full, resulting in incremental stock compensation expense of $13.9 million recorded during year ended December 31, 2022.

ACTUAL EVENT | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 47%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company experienced at least five C-suite or senior executive departures/terminations within fiscal year 2022 (CEO, CFO, CALO, CTO/former CEO, interim CEO), representing a severe and concentrated leadership disruption during the transaction period.

ACTUAL EVENT | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 98%; passage match 0%; source frames this as possible, not actual
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.

the CEO (CEO) entered a Transition and Separation Agreement dated March 2, 2022 (Exhibit 10.14, 8-K filed March 3, 2022), indicating a CEO departure within the 12-month period preceding the filing; the CEO subsequently returned as CEO (signing the 10-K as CEO on September 7, 2023), but the interim leadership disruption represents a key-person risk.

ACTUAL EVENT | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 30%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.

the former CFO (CFO) entered a Separation Agreement dated June 15, 2022 (Exhibit 10.15, 8-K filed June 21, 2022), indicating a CFO departure during fiscal year 2022.

ACTUAL EVENT | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 44%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former interim CEO entered a Separation Agreement dated November 15, 2022 (Exhibit 10.17, 8-K filed November 16, 2022), indicating a fourth senior executive departure during fiscal year 2022.

ACTUAL EVENT | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 33%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.

- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Business partners 'have raised concerns about the Company's unfavorable media coverage and the allegations made therein, which has undermined their confidence to continue doing business with us,' indicating active partner attrition risk.

LEGAL CLAIM | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY, INTEGRATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: the document reports this as an allegation, not an established fact
- Confidence basis: text overlap 100%; passage match 82%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

the former Chief Administrative and Legal Officer (Former Chief Administrative and Legal Officer) separated September 2022, less than 12 months before the filing; the Company waived repayment of the $500,000 Special Cash Bonus in consideration of a release of claims, indicating potential unresolved employment disputes.

LEGAL CLAIM | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact
- Confidence basis: text overlap 100%; passage match 27%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

Company experienced 'several senior management changes, including multiple C-suite executives during 2022,' with no key-person insurance maintained for any member of senior management or other employees.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 100%; passage match 0%; source states the opposite; source frames this as possible, not actual
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

the former Chief Administrative and Legal Officer entered a Separation Agreement (Form of Separation Agreement, Exhibit 10.16, 8-K filed September 6, 2022), indicating a further senior executive departure during fiscal year 2022.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 97%; passage match 0%; source states the opposite; source frames this as possible, not actual
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company currently operates only approximately 70 L4 autonomous semi-trucks (35 in the U.S. and 35 in APAC), all in 'Driver In' mode with a safety driver and safety engineer in the cabin, indicating the technology is not yet commercially deployed at scale.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 32%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The truck freight industry is characterized by 'low profit margins-generally in the single digits,' which the company acknowledges makes it difficult for existing stakeholders to invest in technological advancement, indicating a structurally challenging monetization environment.

MODEL INFERENCE | Source support: PARTIAL (93%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 93%; passage match 75%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company's U.S. and APAC L4 autonomy solutions are developed independently with separate engineering teams, software code bases, and systems integration requirements, creating duplicated cost structures and operational complexity.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: INTEGRATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 36%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company's sensor suite (LiDAR, radar, GPS, ultrasonic sensors) is sourced from 'existing third party vendors,' with only the long-range high-definition camera developed in-house, creating multi-vendor dependency for core perception hardware.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 43%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Full-time global employee headcount declined from approximately 1,450 as of December 31, 2022 to approximately 1,058 as of June 30, 2023, a reduction of approximately 392 employees (27%); excluding WARN employees, headcount declined from approximately 1,100 to approximately 810.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 65%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company depends on OEM partnerships for a substantial portion of {Freight Network} development and integration; does not control technology for serial production such as brakes, gear shifting, and steering; no assurance these can be developed and validated at required reliability standards cost-effectively and timely.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: INTEGRATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 33%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Autonomous driving technology has not yet been commercialized; {Freight Network} is still in early stages of development and commercialization; business model has yet to be tested.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 47%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Company commenced operations in 2015 and has limited operating history; faces significant challenges as industry is rapidly evolving.

MODEL INFERENCE | Source support: PARTIAL (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 62%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company has 'limited experience to date in applying our autonomous driving technology at scale' and 'no experience in managing a large supply chain to manufacture and deliver products at scale.'

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 13%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Company is 'dependent on our suppliers' production timeline for supplying automotive-grade LiDAR at scale,' with no disclosed alternative sourcing arrangement.

MODEL INFERENCE | Source support: PARTIAL (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: TIMING

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 71%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Company does not currently have relationships with U.S. third parties for 'service centers, maintenance, refueling, roadside service, towing, sensor support, and financing services,' which are required for commercialization.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 46%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Board authorized restructuring plan on December 15, 2022 reducing workforce by approximately 350 employees, or 25% of global workforce.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 67%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Board authorized additional restructuring plan on May 16, 2023 reducing workforce by approximately 300 employees, or 30% of global workforce.

MODEL INFERENCE | Source support: DIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 92%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Company does not have employment agreements with executive officers or other key personnel requiring them to continue to work for any specified period.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 58%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.

- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company relies on third-party service providers for certain IT systems and networks not under its direct control, creating operational dependency and exposure to third-party cybersecurity failures.

MODEL INFERENCE | Source support: UNSUPPORTED (94%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 94%; passage match 20%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

On November 10, 2022, four directors on the Company's Board - including all members of the Government Security Committee (GSC) - were simultaneously removed, creating a governance and compliance vacuum that triggered a CFIUS compliance obligation to reconstitute the GSC.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 54%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

In February 2023, Shanghai launched 'Implementation Rules for Promoting the Innovation and Application of Fully Driverless Intelligent Connected Vehicles' - the first local Chinese legislation focused on fully driverless vehicles - introducing new regulatory compliance requirements for the Company's China operations.

MODEL INFERENCE | Source support: PARTIAL (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 70%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company faces difficulty staffing and managing foreign operations across subsidiaries in China, Hong Kong, Europe, Canada, and Japan, with risks including foreign labor laws, restrictions, and any future restructuring or reduction in workforce.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 32%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Four directors, including all members of the Government Security Committee, were removed from the Board on November 10, 2022, creating a governance vacuum in the national security oversight function; CFIUS required reconstitution of the GSC as a direct consequence.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 52%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Security director a former security director was succeeded by a security director on April 17, 2023, representing a key-person transition in the CFIUS-mandated security director role during an active NSA compliance period.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 32%

- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On October 30, 2022, the Company's Board terminated the employment of the former CEO/CTO as Chief Executive Officer, President, and Chief Technology Officer - simultaneous loss of CEO, President, and CTO roles in a single termination event during the fiscal year under review.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 32%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On November 10, 2022, stockholders {Chairman's Holding Entity}, {Chairman's Holding Entity}, {Chairman's Holding Entity B}, {Chairman's Holding Entity C}, and {Chairman's Holding Entity D} (together holding a majority of voting power) consented to the removal of four independent board members: a former independent director, a former independent director, a former independent director, and a former independent director - wholesale board reconstitution by controlling stockholders.

MODEL INFERENCE | Source support: PARTIAL (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 65%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On November 10, 2022, the former interim CEO was removed as interim CEO after only 11 days in the role; the CEO was appointed CEO and the Executive Chairman appointed Executive Chairman, effective immediately - extreme management instability within a single month.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 28%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On March 9, 2023, the former CEO/CTO (founder and former CEO/CTO) resigned from the Board, effective immediately - departure of key technical founder from governance.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 31%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Global headcount as of June 30, 2023 was approximately 800 employees, down from approximately 1,450 at end of 2022 (pre-restructuring) - a reduction of approximately 45% in six months.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 47%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Truck Reservations declined 20% year-over-year from approximately 6,975 at end of 2021 to approximately 5,585 at end of 2022 due to cancellations - deteriorating commercial pipeline.

MODEL INFERENCE | Source support: UNSUPPORTED (92%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.

- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 92%; passage match 18%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

All independent directors of the Company's Board of Directors were unexpectedly removed in November 2022, including all members of the Audit Committee, by the Company's controlling shareholders, eliminating independent board oversight during the fiscal year under review.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 57%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company wrote-off all existing long-lived assets used in R&D as of December 31, 2022, as they no longer meet the criteria for capitalization subsequent to the restructuring, indicating a material abandonment of R&D infrastructure.

MODEL INFERENCE | Source support: PARTIAL (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 81%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Restructuring activities during fiscal year 2022 included employee severance and termination benefits, impairment of long-lived assets (including ROU assets), and write-off of long-lived assets used in R&D activities.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 75%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Significant restructuring activities during Q4 2022 resulted in property and equipment write-offs of $16.3 million and a sharp decline in gross property and equipment from $60.5 million (December 31, 2021) to $31.6 million (December 31, 2022), indicating material contraction of operational asset base.

MODEL INFERENCE | Source support: UNSUPPORTED (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 16%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Verify that the source explicitly establishes the claimed causal relationship.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On December 14, 2022, newly reappointed CEO the CEO was granted 6,850,000 RSUs total (3,425,000 time-based vesting over 4 years; 3,425,000 market-based vesting over 4 years with price thresholds of $10.00, $15.00, and $20.00 per share over 60-day trailing average by November 10, 2026), representing significant new equity commitment with $8.9 million unrecognized compensation expense over 3.51-year weighted-average service period.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 11%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

4,080,571 stock options were cancelled/forfeited during year ended December 31, 2022, representing 53% of the 7,684,778 options outstanding at December 31, 2021, indicating significant employee/executive departures or plan restructuring.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 62%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On May 16, 2023, the Board authorized an Additional Restructuring Plan resulting in an additional reduction of approximately 300 employees; following this plan, global FTEs are approximately 750, including approximately 250 FTEs in U.S. operations. Estimated one-time charges of approximately $7.0 million to $9.0 million.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 54%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Restructuring Plan authorized December 15, 2022 incurred $26,855 thousand in total charges in fiscal year 2022, with $10,191 thousand in severance and termination benefits still accrued and unpaid as of December 31, 2022.

MODEL INFERENCE | Source support: INDIRECT (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 47%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

CEO the CEO departed in March 2022 and was re-appointed in November 2022; the Company operated without its original CEO for approximately 8 months during fiscal year 2022, representing a key-person leadership gap during a critical operational and governance crisis period.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 0%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

CEO the CEO resigned as President, CEO and Board member effective March 3, 2022, then was re-appointed as CEO on November 10, 2022 - a CEO departure and return within the fiscal year covered by this filing, constituting a key-person leadership vacuum during the deal period.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 19%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

CFO the former CFO notified the Company of his resignation effective July 7, 2022 (notified June 15, 2022), representing a CFO departure within 12 months of the filing period.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 44%

- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Chief Administrative and Legal Officer the former Chief Administrative and Legal Officer notified the Company of his intent to resign effective September 30, 2022 (notified August 31, 2022), representing a CALO departure within 12 months of the filing period.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 57%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Former CEO and CTO the former CEO/CTO was terminated from employment by the Board on October 30, 2022; he remained as a Board member until March 9, 2023 - a forced termination of the founding CTO within 12 months of the filing period.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 30%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former interim CEO served as interim CEO and President from October 31, 2022, was removed by the Board on November 10, 2022, and resigned employment effective November 25, 2022 (notified November 15, 2022) - a second interim CEO departure within the same fiscal year.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 36%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Executive Chairman, Executive Chairman, beneficially owns approximately 58% of the voting power of the outstanding common stock as of August 2023, making the Company a 'controlled company' under Nasdaq Listing Rules, with the Compensation Committee not composed entirely of independent directors as permitted under the controlled-company exemption.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 0%; source states the opposite; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

the CEO (CEO) resigned March 3, 2022 and was only rehired November 10, 2022, creating an approximately 8-month CEO vacancy during fiscal year 2022 - a key-person departure within 12 months of the filing period.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 0%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the former CFO (Former CFO) resigned in June 2022, less than 12 months before the filing; the Company paid a $500,000 Special Cash Bonus and then waived repayment, representing a direct cost to stabilize departing leadership.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 26%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Compensation Committee determined in February 2023 that 'due to the changes in the composition of our Board and Compensation Committee, and of our executive officers, there was insufficient information to score bonuses under the original terms of the 2022 bonus plan,' indicating governance and leadership disruption severe enough to prevent normal performance evaluation.

MODEL INFERENCE | Source support: PARTIAL (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 70%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

CEO the CEO departed March 3, 2022 and did not return until November 10, 2022 - approximately 8-month CEO vacancy during fiscal year 2022, a key-person departure within 12 months of the filing period.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 0%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

CFO the former CFO departed July 7, 2022; Company operated with interim CFO (the CFO, formally appointed December 15, 2022) for approximately 5 months - CFO departure mid-fiscal-year 2022.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 37%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Chief Administrative and Legal Officer the former Chief Administrative and Legal Officer departed September 30, 2022 - loss of Chief Legal Officer during fiscal year 2022.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 37%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

CTO/CEO the former CEO/CTO resigned from the Company's Board on March 9, 2023 (within 12 months of the December 31, 2022 fiscal year end), with 250,000 unvested options cancelled and 150,000 vested options expiring unexercised on June 9, 2023 - key technical leadership departure.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document

- Confidence basis: text overlap 98%; passage match 45%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Interim CEO the former interim CEO removed by Board effective November 25, 2022, less than 12 months before filing; the Company had no permanent CEO for a significant portion of fiscal year 2022, with the CEO returning as CEO after Yumer's removal.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 25%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

CFO the former CFO resigned effective July 7, 2022; the Company waived its right to recoup a $500,000 retention bonus granted April 11, 2022 - retention bonus paid and forfeited within approximately three months of grant, indicating severe retention failure at CFO level.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: INTEGRATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 4%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Chief Legal and Administrative Officer the former Chief Administrative and Legal Officer resigned effective September 30, 2022; the Company waived its right to recoup a $500,000 retention bonus granted April 11, 2022 - retention bonus paid and forfeited within approximately five months of grant, indicating severe retention failure at CLO level.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: INTEGRATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 0%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Joint Development Agreement with {OEM Partner} for development of a purpose-built L4 autonomous semi-truck was terminated on December 5, 2022, eliminating a key OEM partnership and the associated $10.0 million R&D reimbursement commitment framework.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 9%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Property and equipment, net, declined from $36,053 thousand (December 31, 2021) to $17,083 thousand (December 31, 2022), a reduction of $18,970 thousand, suggesting significant asset disposals or impairments relative to the prior year.

HISTORICAL EVENT | Source support: INDIRECT (90%) | Potential severity: LOW | Established materiality: Potentially material | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Is anything from this prior-period event still open, and does it survive the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 90%; passage match 40%
- To verify: Confirm whether this remains open, and whether anything has changed since the document's date.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Prior to the Q4 2022 restructuring, the Company operated as one reportable segment; effective December 31, 2022, it identified two reportable segments (U.S. and APAC), requiring restatement of prior year comparable period segment disclosures.

HISTORICAL EVENT | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Potentially material | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Is anything from this prior-period event still open, and does it survive the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 47%
- To verify: Confirm whether this remains open, and whether anything has changed since the document's date.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The 2021 CEO Performance Award of 1,150,000 stock options granted to the CEO at exercise price of $14.14 per share was cancelled in connection with his March 2022 separation; $7.1 million of historical stock-based compensation expense was reversed.

HISTORICAL EVENT | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Potentially material | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Is anything from this prior-period event still open, and does it survive the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 56%
- To verify: Confirm whether this remains open, and whether anything has changed since the document's date.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

May 2023 Restructuring event ({XBRL}:May2023RestructuringMember, SubsequentEventMember) announced on 2023-05-16, affecting U.S. operations (country:US), with minimum and maximum restructuring cost range disclosed but exact dollar amounts not quantified in the section reviewed - indicating a material post-balance-sheet workforce reduction at the Company (CIK: {REDACTED}).

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (93%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 93%; passage match 0%; source places this in a prior period
- Unresolved: Source describes a possibility rather than an established event.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company operates as a single reportable segment ({XBRL}:segment count = 1) with revenue split between U.S. and Asia-Pacific (including CNY-denominated subsidiary operations), indicating geographic concentration risk and cross-border operational complexity as of December 31, 2022.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 0%; source places this in a prior period
- Unresolved: Source describes a possibility rather than an established event.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company is in 'early stages of developing' its {Freight Network} in key markets; commercialization has not yet been achieved and is contingent on scaled deployment of L4 autonomous trucks across multiple phases (near-term, mid-term, long-term), creating significant execution risk. (×2 restatements)

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 29%
- Unresolved: Source describes a possibility rather than an established event.

Hardware components (the Company Sensing Unit, Ruggedized Compute Unit, Vehicle Control Unit, Autonomous Vehicle Communications Gateway) are built by third-party suppliers, creating sole-supplier dependency risk for safety-critical autonomous driving hardware.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 75%
- Unresolved: Source describes a possibility rather than an established event.

Workforce reduction, exploration of strategic alternatives, and other factors could impact speed of business development and ability to retain and attract talent.

MANAGEMENT RISK FACTOR | Source support: DIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 93%
- Unresolved: Source describes a possibility rather than an established event.

Company has 'not tested our semi-trucks in adverse weather conditions, including rain or snow,' leaving operational risk in such conditions unquantified and unmitigated.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (90%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 90%; passage match 71%
- Unresolved: Source describes a possibility rather than an established event.

Company depends on sole or limited-source actuation suppliers for 'redundant actuation for steering, braking, and engine transmission,' creating critical single-point-of-failure supply risk.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 41%
- Unresolved: Source describes a possibility rather than an established event.

All third-party supplier agreements are 'non-exclusive,' meaning suppliers may dedicate resources to competitors, and component shortages and price fluctuations have already been experienced.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 33%
- Unresolved: Source describes a possibility rather than an established event.

Significant employee attrition disclosed following announcement of reductions in force and exploration of strategic alternatives for U.S. business; company states it 'has experienced, and may continue to experience, significant employee attrition.'

MANAGEMENT RISK FACTOR | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, INTEGRATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 97%; passage match 41%
- Unresolved: Source describes a possibility rather than an established event.

Backup system does not capture data on a real-time basis; company states it 'may be unable to recover certain data in the event of a server failure,' with no assurance that backup systems will be adequate against fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, or terrorist attacks.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 51%
- Unresolved: Source describes a possibility rather than an established event.

the Company's software may contain serious errors, defects, security vulnerabilities, or software bugs that could result in security incidents, data breaches, vehicle safety issues, product liability claims, lost revenue, significant expenditures of capital, delay or loss in market acceptance, and damage to reputation.

MANAGEMENT RISK FACTOR | Source support: DIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, TIMING, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 97%
- Unresolved: Source describes a possibility rather than an established event.

the Company's autonomous driving technology is subject to evolving and uncertain regulations across multiple jurisdictions (U.S. federal, state, local, China, Europe, Canada, Japan) that could significantly delay or narrowly limit commercialization, limit the number of autonomous vehicles manufactured or operated, or impose significant liabilities.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, TIMING, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 47%
- Unresolved: Source describes a possibility rather than an established event.

Company discloses that guidance has 'in the past been inaccurate in certain respects, such as the timing of new products,' and that failure to meet publicly announced guidance could cause significant stock price decline; no dividend is expected in the foreseeable future, making investors entirely dependent on price appreciation.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, VALUATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 40%
- Unresolved: Source describes a possibility rather than an established event.

Corporate headquarters in {Headquarters City}, {State} consists of approximately 100,000 square feet of office space, of which approximately 20,000 square feet (20% of total) is subleased or being offered for sublease, indicating significant excess space and potential sublease income risk; leases expire September 2027.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 57%
- Unresolved: Source describes a possibility rather than an established event.

Company discloses that additions or departures of key management personnel are a factor that could negatively affect share price; multiple named current and former directors and officers (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the former Chief Administrative and Legal Officer, the CFO, a former independent director, a former director, a former independent director, a former independent director, a former independent director, a director, a director, a director, a former security director) are named in active litigation, creating leadership instability risk.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (99%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY, VALUATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 99%; passage match 53%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

In December 2022, the Company announced a restructuring plan including a 25% global workforce reduction; in May 2023, a further 30% global workforce reduction was announced - combined restructuring of more than 40% of global headcount compared to December 31, 2021 levels.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 53%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Net cash provided by financing activities collapsed to $1.4 million in 2022 from $1.3 billion in 2021, with the Company stating it 'may be required to seek additional equity and/or debt financing' and warning that 'if we are unable to maintain sufficient financial resources, our business, financial condition, and results of operations may be materially and adversely affected.'

MANAGEMENT RISK FACTOR | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 97%; passage match 45%
- Unresolved: Source describes a possibility rather than an established event.

Company operates as a single reportable segment with operations in both the U.S. and Asia-Pacific (APAC) region, with subsidiary operations denominated in CNY (Chinese Renminbi), creating foreign currency translation risk; foreign currency translation adjustment was a loss of $1,338 thousand in 2022 (gain of $378 thousand in 2021).

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 36%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Multiple named current and former directors and officers are defendants in active litigation (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the former Chief Administrative and Legal Officer, the CFO, a former independent director, a former independent director, a former independent director, a former director, a director, a director, a director, a former security director), indicating significant leadership instability and potential key-person risk during the relevant period.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (99%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 99%; passage match 55%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Multiple C-suite departures in 2022 (CEO, CFO, CLO) and early 2023 (CTO/Board member) represent a significant leadership vacuum during the reporting period and immediately thereafter, creating material operational continuity risk.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (95%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 95%; passage match 16%
- Unresolved: Source describes a possibility rather than an established event.

CEO the former CEO/CTO terminated effective October 30, 2022, within 12 months of the filing period; the former CEO/CTO held 13,442,314 shares of Class A Common Stock (6.6%) and 12,000,000 shares of Class B Common Stock (50% of Class B) representing 30.0% of total voting power - departure of a Founder-level executive with controlling voting interest creates both operational and governance risk.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, CONTROL

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 27%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company de-emphasized revenue-generating freight services in Q4 2022 and does not plan to generate significant revenue in 2023, representing a deliberate retreat from commercialization and creating an operational revenue gap of indeterminate duration.

FINANCIAL METRIC | Source support: INDIRECT (92%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 92%; passage match 45%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The company's two reportable geographic segments (U.S. and APAC) operate with independent engineering teams, software code bases, and infrastructure, creating duplicated cost structures and operational complexity with no near-term revenue to offset them.

FINANCIAL METRIC | Source support: UNSUPPORTED (98%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a figure on its own, with no stated consequence
- Confidence basis: text overlap 98%; passage match 21%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.

Effective Q4 2022, the Company de-emphasized revenue-generating freight services and does not plan to generate significant revenue in 2023 - deliberate exit from revenue operations with no near-term commercialization path.

FINANCIAL METRIC | Source support: INDIRECT (98%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 98%; passage match 55%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Revenue of only $9,369 thousand for year ended December 31, 2022 against total operating expenses of $478,652 thousand - revenue covers less than 2% of operating costs, indicating the company has not achieved commercial scale.

FINANCIAL METRIC | Source support: UNSUPPORTED (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 33%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.

- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Research and development expense of $351,599 thousand for year ended December 31, 2022 (2021: $287,167 thousand; 2020: $132,001 thousand) - R&D spend is accelerating and is approximately 37.5x annual revenue.

FINANCIAL METRIC | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 48%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Selling, general and administrative expense of $127,053 thousand for year ended December 31, 2022 - SG&A alone is approximately 13.6x annual revenue.

FINANCIAL METRIC | Source support: PARTIAL (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 60%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company earns all of its revenue within the U.S. only, with no revenue related to any other geographies as of December 31, 2022, despite operating an APAC segment - indicating the APAC segment generates no revenue.

FINANCIAL METRIC | Source support: UNSUPPORTED (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 100%; passage match 28%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Long-lived assets, net increased from $36,053 thousand (December 31, 2021) to $62,035 thousand (December 31, 2022), with APAC long-lived assets growing from $7,708 thousand to $19,988 thousand, reflecting continued capital deployment into a segment generating $(89,544) thousand Adjusted EBITDA in 2022.

FINANCIAL METRIC | Source support: UNSUPPORTED (97%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 97%; passage match 38%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The 2022 Peer Group market capitalization target range was revised downward from $4.1-$17.3 billion (Early 2022 Peers, October 2021) to $700 million-$6 billion (August 2022), reflecting a significant decline in the Company's market capitalization during fiscal year 2022.

FINANCIAL METRIC | Source support: UNSUPPORTED (98%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 98%; passage match 32%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Reputational

April 2022 FMCSA accident investigation resulted in negative publicity about the safety of the Company's autonomous driving technology, even though concluded without penalties. (×2 restatements)

LIVE REGULATORY ACTION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; a past event; whether it is still

outstanding is not established
- Confidence basis: text overlap 100%; passage match 47%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Verify that the source explicitly establishes the claimed causal relationship.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Unfavorable publicity and allegations related to previously disclosed Audit Committee investigation explicitly cited as factors that 'may have a negative impact on the terms of any necessary financing, if available,' and as contributing to loss of confidence among users, suppliers, securities analysts, and other parties.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (96%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 96%; passage match 37%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

the Company discloses that information was shared between the Company U.S. and the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners in a manner that is under CFIUS investigation for potential NSA violations, raising national security and reputational concerns.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (94%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 94%; passage match 18%; source frames this as possible, not actual
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

In April 2022, an accident involving one of the Company's trucks triggered an FMCSA investigation and resulted in 'negative publicity about the safety of our autonomous driving technology,' per the filing's own disclosure.

LIVE REGULATORY ACTION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: not traced to a passage in the document that supports it; claims a cause or consequence the document does not state; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 43%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Verify that the source explicitly establishes the claimed causal relationship.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

SEC subpoenas issued to the Company and certain current and former directors and officers in connection with the Audit Committee's internal investigation into the related party transaction with {Related Entity B}, Inc., disclosed via Form 8-K on November 7, 2022, creating significant public reputational exposure. (×2 restatements)

LIVE REGULATORY ACTION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 55%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Audit Committee internal investigation into related party transaction with {Related Entity B} disclosed via Form 8-K on November 7, 2022, finding that confidential information and proprietary technology was shared with {Related Entity B} without Board approval.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established

- Confidence basis: text overlap 100%; passage match 9%; source places this in a prior period
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

CEO the CEO was separated in March 2022 and reappointed in November 2022 during an active SEC investigation into a related-party transaction, creating significant governance and reputational risk for the Company.

LIVE REGULATORY ACTION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, CONTROL, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 40%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Ongoing Audit Committee internal investigation disclosed via Form 8-K on October 31, 2022 into unauthorized use of Company employee paid hours for {Related Entity B} and unauthorized sharing of confidential information with {Related Entity B} before NDAs were in place - publicly disclosed governance failure.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, CONTROL, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 98%; passage match 27%; source places this in a prior period
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

Company has been 'the subject of media coverage regarding the safety of our technology, our senior management, including turnover of executive officers and the board of directors, litigation and regulatory or government actions, inquiries, and investigations,' with adverse effects acknowledged as having occurred 'to varying degrees from time to time.'

ACTUAL EVENT | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 98%; passage match 41%; source frames this as possible, not actual
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.

Exploration of strategic alternatives for U.S. business publicly announced, contributing to significant employee attrition and potential negative perception among users, suppliers, and investors.

ACTUAL EVENT | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: INTEGRATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 97%; passage match 35%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.

Multiple securities class actions and shareholder derivative actions filed in 2022-2023 allege that named executives (the former CEO/CTO, the Executive Chairman, the CEO, the former CFO, the former Chief Administrative and Legal Officer, the CFO) made materially false or misleading statements regarding the Company's autonomous driving technology and related party transactions with {Related Entity B}, Inc.

ACTUAL EVENT | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 39%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Multiple shareholder derivative actions allege that named directors and officers (including the former CEO/CTO, the Executive Chairman, a former independent director, a former independent director, a former independent director) breached fiduciary duties in connection with the {Related Entity B} related party transaction and Board restructuring, with consolidated complaint filed July 24, 2023 also naming {Related Entity B} as a defendant.

ACTUAL EVENT | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 99%; passage match 33%; source places this in a prior period
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company experienced five senior executive departures within a single fiscal year (2022), including two CEO transitions, a forced CTO termination, and CFO and CALO resignations, creating significant reputational risk regarding management stability and corporate governance.

ACTUAL EVENT | Source support: UNSUPPORTED (96%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 96%; passage match 21%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.

Business partners have raised concerns about the Company's unfavorable media coverage and the allegations made therein, which has 'undermined their confidence to continue doing business with us.'

LEGAL CLAIM | Source support: DIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: the document reports this as an allegation, not an established fact
- Confidence basis: text overlap 100%; passage match 100%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

Shareholder derivative action Shareholder Derivative Action II et al., {Case No. Redacted} (Del. Ch.) specifically alleges inadequacy of the Company's internal controls and concerns regarding the safety of the Company's technology, creating reputational risk regarding core product safety claims.

LEGAL CLAIM | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 43%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Removal of the Company's security director from the Board in November 2022 is alleged to have violated the terms of the National Security Agreement with the U.S. government, triggering CFIUS inquiry.

LEGAL CLAIM | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 97%; passage match 26%; source frames this as possible, not actual
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

the Company is classified as a 'well-known seasoned issuer: No' and has failed to timely file required SEC periodic reports, which may result in Nasdaq delisting of Class A common stock (ticker redacted), creating material reputational and market access risk.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.

- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite
- Confidence basis: text overlap 94%; passage match 3%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Changes to Board and senior management, including removal of all independent directors and dissolution of Audit Committee in November 2022, cited as reputational risk adversely impacting ability to attract and retain qualified personnel and business partners.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 4%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Audit Committee's ongoing internal investigation revealed that Company employees performed paid work for {Related Entity B} (a company controlled by Executive Chairperson the Executive Chairman) without Audit Committee approval, and that confidential Company information was shared with {Related Entity B} and its partners without NDAs in place, creating significant reputational exposure regarding corporate governance failures.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 97%; passage match 0%; source states the opposite; source places this in a prior period
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

the Company's prior independent registered public accounting firm resigned on November 17, 2022, a highly unusual event that raises significant questions about the integrity of financial reporting and auditor-management relations.

MODEL INFERENCE | Source support: UNSUPPORTED (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 35%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Unfavorable media coverage and publicity negatively affects the Company's business from time to time; strategic opportunities are impacted by reputation and unfavorable publicity, and the confidence of business partners in the business.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 38%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

On October 30, 2022, the Board terminated the former CEO/CTO (co-founder, CEO, President, and CTO) - public termination of a founder-CEO and CTO simultaneously, followed by a contested board reconstitution, creating significant reputational and governance controversy.

MODEL INFERENCE | Source support: UNSUPPORTED (85%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it

is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 85%; passage match 0%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On November 10, 2022, a stockholder group ({Chairman's Holding Entity}, {Chairman's Holding Entity}, {Chairman's Holding Entity B}, {Chairman's Holding Entity C}, {Chairman's Holding Entity D}) holding a majority of voting power removed four independent directors (a former independent director, a former independent director, a former independent director, a former independent director) and reconstituted the board - public perception of a hostile insider takeover of governance.

MODEL INFERENCE | Source support: INDIRECT (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 49%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Named executives the former CEO/CTO (founder/director), the Executive Chairman (founder/director), the CEO (officer), the former CFO (officer), the former Chief Administrative and Legal Officer (officer), and the CFO (officer) are defendants in two consolidated securities class action lawsuits alleging materially false or misleading statements regarding the Company's autonomous driving technology and related party transactions with {Related Entity B}.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 11%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

All independent directors including all Audit Committee members were removed in November 2022 by controlling shareholders, an event that drew public attention and is directly cited as a cause of material weaknesses in internal controls, damaging the Company's governance reputation.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 52%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Board terminated CTO and former CEO the former CEO/CTO on October 30, 2022 - an involuntary termination of a co-founder/key technical executive - which, combined with the simultaneous departure of the CFO and CALO, signals a severe governance and leadership crisis during fiscal year 2022.

MODEL INFERENCE | Source support: UNSUPPORTED (91%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 91%; passage match 14%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the CEO resigned as President and CEO in March 2022 under a 'transition and separation agreement dated March 2, 2022,' and was rehired as CEO on November 10, 2022 under a new Letter Agreement dated December 14, 2022 - the public resignation and rehiring of the CEO within the same fiscal year reflects significant governance instability.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 36%

- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former CEO/CTO (former CEO and CTO) resigned from the Company's Board on March 9, 2023, with 250,000 unvested options cancelled and 150,000 vested options expiring unexercised on June 9, 2023 - departure of a Founder-level technical executive from the Board shortly after fiscal year end.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 45%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Failure to successfully complete a Potential Transaction could result in reputational harm including relationships with customers and business partners due to adverse perception of any failure to successfully complete a Potential Transaction.

MANAGEMENT RISK FACTOR | Source support: DIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 94%
- Unresolved: Source describes a possibility rather than an established event.

Labor unions have raised and may continue to raise concerns about autonomous semi-trucks displacing drivers, which 'has in the past resulted, and could in the future result, in negative publicity, lobbying efforts to U.S. local, state, and federal lawmaking authorities... or boycotts of us or our users.'

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 39%
- Unresolved: Source describes a possibility rather than an established event.

the Company's removal of its security director from the Board in November 2022 is cited as a potential violation of the NSA terms and is subject to CFIUS inquiry, creating significant reputational and governance risk.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, CONTROL

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 55%
- Unresolved: Source describes a possibility rather than an established event.

Litigation and regulatory proceedings are disclosed as potentially resulting in 'harm to our reputation and brand' and could result in 'sanctions, consent decrees, injunctions, or other orders against the Company and/or our current and/or former directors and officers requiring a change in our business practices.'

MANAGEMENT RISK FACTOR | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY, REGULATORY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 78%
- Unresolved: Source describes a possibility rather than an established event.

Dual class share structure (Class B: 10 votes per share; Class A: 1 vote per share) renders the Company ineligible for inclusion in FTSE Russell and Standard & Poor's indices under policies announced in July 2017 restricting newly public companies with dual/multi-class capital structures; exclusion from indices could preclude investment by passive index-tracking funds and adversely affect market price of Class A common stock.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 97%; passage match 39%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

On November 10, 2022, Founders (the Executive Chairman and the former CEO/CTO) consented via written consent to the removal of four Board members, including all GSC members; this action triggered CFIUS intervention and generated adverse publicity risk regarding governance and national security compliance.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, CONTROL

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; the document supports a narrower claim than the finding makes; a past event; whether it is still outstanding is not established; the document also discloses a mitigating fact
- Confidence basis: text overlap 100%; passage match 4%
- Unresolved: Source describes a possibility rather than an established event.
- Mitigating: The source states this was disclosed.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company acknowledges it is subject to risks from short seller reports, coordinated trading activities, large derivative positions, and potential 'short squeeze' events in Class A common stock, which could cause stock price volatility and adverse publicity.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, VALUATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 46%
- Unresolved: Source describes a possibility rather than an established event.

On June 28, 2023, the Company publicly announced it is evaluating strategic alternatives for its U.S.-based business - public disclosure of a strategic alternatives process signals potential distress and may accelerate customer, partner, and employee attrition.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (95%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, INTEGRATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 95%; passage match 43%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company received a Nasdaq delisting determination notice in May 2023 for failure to timely file multiple SEC reports (10-Q for Q3 2022, 10-K for FY2022, 10-Q for Q1 2023), creating significant public reputational damage and investor confidence risk.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 38%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the CEO, the Company's CEO, departed on March 3, 2022 and re-joined as CEO on November 10, 2022, with the Company entering into a separation agreement, consulting agreement, and then a new Letter Agreement and Severance and CIC Agreement - the revolving-door CEO arrangement may raise governance and reputational concerns with investors.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (95%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, CONTROL

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 95%; passage match 29%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Four C-suite executives departed the Company ({TICKER REDACTED}) within fiscal year 2022: CEO the former CEO/CTO (terminated October 30, 2022), interim CEO/President the former interim CEO (removed by Board November 25, 2022), CFO the former CFO (resigned July 7, 2022), and Chief Legal and Administrative Officer the former Chief Administrative and Legal Officer (resigned September 30, 2022) - the scale and pace of senior leadership turnover within a single fiscal year at a publicly traded autonomous trucking company creates significant reputational risk with investors, customers, and regulators.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 4%; source places this in a prior period
- Unresolved: Source describes a possibility rather than an established event.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Multiple senior executive departures in 2022 - including the CEO (the CEO, March 2022), CFO (the former CFO, June 2022), the former Chief Administrative and Legal Officer (September 2022), and the former interim CEO (November 2022) - signal significant leadership instability that may be perceived negatively by investors, customers, and regulators.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 36%
- Unresolved: Source describes a possibility rather than an established event.

The Company's market capitalization declined sufficiently between October 2021 and August 2022 to require a downward revision of the peer group market cap range from $4.1-$17.3 billion to $700 million-$6 billion, representing a reduction of the lower bound by approximately 83% and signaling severe market value destruction during fiscal year 2022.

FINANCIAL METRIC | Source support: UNSUPPORTED (91%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 91%; passage match 32%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

HR / Labour Compliance

Company forgave principal and accrued interest on a partial-recourse promissory note issued by the CEO in connection with his exercise of an option to purchase 2,125,000 shares of Class A Common Stock in March 2020, resulting in $988,947 of income to the CEO recognized in December 2020.

ACTUAL EVENT | Source support: DIRECT (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 90%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Employees subject to the 60-day WARN relief program were included in the December 31, 2022 headcount of approximately 1,450 and June 30, 2023 headcount of approximately 1,058, indicating active workforce reduction with WARN Act obligations triggered.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 35%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Workforce reduced by approximately 350 employees (25% of global workforce) per December 15, 2022 Board authorization, followed by an additional reduction of approximately 300 employees (30% of global workforce) per May 16, 2023 Board authorization - aggregate reductions of approximately 650 employees with no assurance against further restructuring plans.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 6%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

December 2022 restructuring included a 25% global workforce reduction; the operational highlights table notes that global FTE count as of December 31, 2022 (~1,450) includes U.S. employees employed under the 60-day Worker Adjustment and Retraining Notification (WARN) relief program - WARN Act obligations triggered, indicating potential liability for non-compliant notice periods.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 39%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

As of December 31, 2022, $144.7 million of unrecognized stock-based compensation expense related to RSUs and SVAs remains outstanding, to be recognized over a weighted-average service period of 2.47 years, representing a significant future compensation obligation contingent on employee retention.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: INTEGRATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 41%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the CEO resigned as President and CEO in March 2022 (transition and separation agreement dated March 2, 2022), was rehired as CEO from November 10, 2022; the CEO role was vacant or in transition for approximately 8 months during fiscal year 2022.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 35%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former CEO/CTO served as CEO in addition to CTO from March 2022 but is listed as 'Former Chief Technology Officer and Chief Executive Officer' with $0 bonus for 2022, indicating departure during or after fiscal year 2022.

MODEL INFERENCE | Source support: INDIRECT (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 45%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former CFO (Former CFO) notified the Company of his resignation in June 2022; the Company waived repayment of the $500,000 Special Cash Bonus in exchange for advisory services following termination.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 48%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the former Chief Administrative and Legal Officer (Former Chief Administrative and Legal Officer) separated in September 2022; the Company waived repayment of the $500,000 Special Cash Bonus in consideration of the former Chief Administrative and Legal Officer's release of claims against the Company.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 52%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former interim CEO served as Interim CEO during 2022 and is listed as 'Former Interim Chief Executive Officer', indicating further leadership instability at the C-suite level.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 44%
- Unresolved: The wording is primarily inferential rather than explicitly supported.

- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the CFO served in three different roles during 2022 (VP Global Controller through July 6, 2022; Interim CFO July 7 - November 30, 2022; CFO from December 1, 2022), reflecting prolonged CFO vacancy and instability.

MODEL INFERENCE | Source support: INDIRECT (92%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 92%; passage match 45%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the CEO departed as CEO on March 3, 2022 and re-joined as CEO on November 10, 2022, representing a CEO vacancy/transition period of approximately 8 months during fiscal year 2022.

MODEL INFERENCE | Source support: UNSUPPORTED (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 38%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former CEO/CTO served as CEO and CTO from March 4, 2022 to October 30, 2022, then resigned from the Company's Board on March 9, 2023, resulting in cancellation of 250,000 unvested options and expiration of 150,000 vested options on June 9, 2023.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 50%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former interim CEO served as interim CEO from October 31, 2022 to November 10, 2022 only, then departed; received severance of $340,800 under letter agreement dated November 15, 2022.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 47%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former CFO served as CFO from January 1, 2022 until July 7, 2022 - CFO departure mid-fiscal-year 2022; received $500,000 retention bonus under letter dated April 11, 2022, with Company waiving repayment rights under letter dated June 15, 2022.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: INTEGRATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 36%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former Chief Administrative and Legal Officer served as Chief Administrative and Legal Officer from January 1, 2022 until September 30, 2022 - departure of Chief Legal Officer mid-fiscal-year; received $500,000 retention bonus under letter dated April 11, 2022, with Company waiving repayment rights, plus $95,192 severance under letter agreement dated September 2022.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: INTEGRATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a

statement in the document
- Confidence basis: text overlap 98%; passage match 39%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the CFO served as interim CFO from July 7, 2022 to December 14, 2022 and was only formally appointed CFO on December 15, 2022, meaning the Company operated without a permanent CFO for approximately 5 months in 2022.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 0%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company paid $535,371 for 'legal, trust, and tax planning related service fees' on behalf of the former CEO/CTO (CEO/CTO) in 2022 - unusual personal expense reimbursement for a named executive officer.

MODEL INFERENCE | Source support: INDIRECT (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 48%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the CEO (former CEO) departed March 3, 2022 and received a consulting agreement entitling him to an annualized payment of $450,000 during the one-year term following March 3, 2022, representing a significant post-departure obligation.

MODEL INFERENCE | Source support: INDIRECT (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 44%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former CEO/CTO (former CEO) employment terminated effective October 30, 2022; no severance or termination-related payments received - potential for future claims not fully extinguished.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 0%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former interim CEO (former interim CEO and President) removed by Board effective November 25, 2022 via separation agreement dated November 15, 2022, providing: (i) lump sum payment of $340,800 (80% of annual base salary), (ii) subsidized COBRA coverage for up to eighteen months, and (iii) additional six months vesting of outstanding equity awards with performance goals deemed satisfied.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 52%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Multiple C-suite departures within fiscal year 2022: CEO (the former CEO/CTO, terminated October 30, 2022), interim CEO/President (the former interim CEO, removed November 25, 2022), CFO (the former CFO, resigned July 7, 2022), and Chief Legal and Administrative Officer (the former Chief Administrative and Legal Officer, resigned September 30, 2022) - four senior executive departures within a single fiscal year representing a critical leadership vacuum during the deal period.

MODEL INFERENCE | Source support: UNSUPPORTED (99%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 99%; passage match 4%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former CFO (former CFO) resigned effective July 7, 2022; separation agreement dated June 15, 2022 included: (i) transition advisory services until October 17, 2022, (ii) continued RSU and option vesting through transition period, (iii) option exercisability extended to earlier of two-year anniversary of October 17, 2022 or corporate transaction termination date, (iv) Company waived repayment of $500,000 retention bonus previously granted April 11, 2022, and (v) reimbursement of up to $10,000 in legal fees.

HISTORICAL EVENT | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Potentially material | Deal specificity: LOW | Transaction impact: INDIRECT, TIMING, INTEGRATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Is anything from this prior-period event still open, and does it survive the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 57%
- To verify: Confirm whether this remains open, and whether anything has changed since the document's date.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the former Chief Administrative and Legal Officer (former Chief Legal and Administrative Officer) resigned effective September 30, 2022; separation agreement dated August 31, 2022 included: (i) continuation of base salary for twelve months and up to twelve months subsidized COBRA coverage, (ii) continued RSU and option vesting for twelve months, (iii) option exercisability extended to earlier of September 30, 2024 or corporate transaction termination date, and (iv) Company waived repayment of $500,000 retention bonus previously granted April 11, 2022.

HISTORICAL EVENT | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Potentially material | Deal specificity: LOW | Transaction impact: INDIRECT, TIMING, INTEGRATION

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Is anything from this prior-period event still open, and does it survive the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 56%
- To verify: Confirm whether this remains open, and whether anything has changed since the document's date.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Company depends on experience and expertise of senior management team, engineers, and qualified employees; inability to recruit and retain executive officers, engineers, and qualified employees could harm business, operating results, and financial condition; management team has limited experience managing a public company.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 58%
- Unresolved: Source describes a possibility rather than an established event.

Company discloses ongoing difficulty in hiring and retaining employees with appropriate qualifications, with competition from better-resourced companies offering more attractive compensation packages, and risk that former employers of hired employees may assert legal obligations claims resulting in litigation.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (95%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 95%; passage match 35%
- Unresolved: Source describes a possibility rather than an established event.

May 2023 restructuring announced a further 30% global workforce reduction; combined with December 2022 reduction, total headcount declined by more than 40% from December 31, 2021 levels to approximately 800 employees as of June 30, 2023 - scale of reductions may trigger additional WARN Act or equivalent foreign jurisdiction notice obligations.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 28%

- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

IP & Licensing

As of December 31, 2022, the Company had 519 issued patents and approximately 1,025 pending patent applications globally; as of June 30, 2023, approximately 590 issued patents and approximately 1,170 pending patent applications - a significant portion of the IP portfolio remains in pending status with no guarantee of issuance.

ACTUAL EVENT | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Established | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 50%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.

There is 'a risk of other potential disputes with partners in the future, including with respect to intellectual property rights,' with no specific IP ownership or assignment framework disclosed for jointly developed technology.

LEGAL CLAIM | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact
- Confidence basis: text overlap 97%; passage match 56%
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

November 2022 securities class action (Securities Class Action II v. the Company, et al., {Case No. Redacted}) alleges the Company shared confidential information and proprietary technology with related party {Related Entity B} without Board approval; this represents an alleged unauthorized transfer of core proprietary technology to a related party, with unquantified exposure and ongoing litigation risk.

LEGAL CLAIM | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 97%; passage match 20%; source places this in a prior period
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.

Shareholder derivative actions and securities class actions allege that the Company shared confidential information and proprietary technology with {Related Entity B} without Board approval; the Audit Committee's internal investigation confirmed these initial findings as disclosed in the Form 8-K filed November 7, 2022; the scope and recoverability of the shared proprietary technology is not quantified in this filing.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 1%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Confidential information shared with {Related Entity B} and its partners prior to execution of a non-disclosure agreement; company cannot determine whether {Related Entity B} shared or publicly disclosed the information before the NDA was signed, leaving core proprietary technology potentially exposed without legal protection during that period.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 0%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

the Company acknowledges it cannot assure that it is not infringing or violating, and has not infringed or violated, any third-party intellectual property rights, and cannot assure it will not be held to have done so in the future.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 56%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company uses open-source software in its products and services; some open-source licenses require public disclosure of all or part of proprietary source code or making available modifications/derivative works on unfavorable terms or at no cost, risking exposure of proprietary software.

MODEL INFERENCE | Source support: PARTIAL (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 63%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

November 2022 securities class action (Securities Class Action II, {Case No. Redacted}) and consolidated shareholder derivative complaint allege that the Company shared confidential information and proprietary technology with {Related Entity B}, Inc. without board approval; if confirmed, this represents an unauthorized transfer of core proprietary technology to a related party, potentially compromising IP ownership and exclusivity.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 43%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Intangible assets consist solely of patents carried at cost and amortized over 20 years, presented within other assets - no disclosure of patent ownership verification, assignment status from inventors, or freedom-to-operate analysis in the section reviewed; patent portfolio value and scope are unquantified.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 40%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Under the JDA with {OEM Partner} (now a {OEM Partner's Parent Company} subsidiary), the parties granted each other rights to their background intellectual property to permit R&D activities; following the December 5, 2022 termination of the JDA, the scope of any surviving IP cross-licenses, ownership of jointly developed IP, and any residual IP obligations are not disclosed in the section reviewed.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 31%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Confidential information was shared with {Related Entity B} and its partners prior to execution of NDAs or cooperation agreements; the Company states the information 'was not source code' and 'was not the confidential information of our partners or suppliers,' but the internal review is ongoing and the full scope of IP or trade secret exposure has not been confirmed.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 45%
- Unresolved: The wording is primarily inferential rather than explicitly supported.

- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Joint Development Agreement with {OEM Partner} ({XBRL}:{OEM Partner}, {XBRL}:JointDevelopmentAgreementMember) active from July 2020 through fiscal year 2022 - IP ownership, licensing terms, and change-of-control provisions under this agreement are not specified in the section reviewed, creating potential IP assignment and termination-on-change-of-control risk.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (94%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 94%; passage match 4%; source places this in a prior period
- Unresolved: Source describes a possibility rather than an established event.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company's success depends 'in part on our ability to operate without infringing, misappropriating, or otherwise violating the intellectual property and proprietary rights of others,' with a comprehensive risk discussion referenced under 'Risks Related to Our Intellectual Property, Information Technology, and Data Privacy' in Item 1A, indicating acknowledged but unquantified IP infringement exposure.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 97%; passage match 47%
- Unresolved: Source describes a possibility rather than an established event.

Company may be unable to adequately establish, maintain, protect, and enforce its intellectual property and proprietary rights or prevent third parties from making unauthorized use of its technology and other intellectual property rights, which could adversely affect business.

MANAGEMENT RISK FACTOR | Source support: DIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 87%
- Unresolved: Source describes a possibility rather than an established event.

Partner agreements 'had in the past and may in the future contain certain exclusivity provisions which, if triggered, could preclude us from working with other businesses with superior technology or with whom we may prefer to partner for other reasons,' creating IP partnership lock-in risk.

MANAGEMENT RISK FACTOR | Source support: DIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 91%
- Unresolved: Source describes a possibility rather than an established event.

Company relies on patents, trademarks, copyrights, trade secrets, and contractual rights to protect IP but discloses that 'intellectual property laws and our procedures and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated.'

MANAGEMENT RISK FACTOR | Source support: PARTIAL (96%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 96%; passage match 63%
- Unresolved: Source describes a possibility rather than an established event.

the Company has received letters from third parties identifying patents owned by those third parties and inviting the Company to obtain licenses; the company acknowledges it may not be able to obtain a commercially reasonable license, and any license obtained may not entirely resolve potential infringement risks.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (94%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, REGULATORY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 94%; passage match 46%
- Unresolved: Source describes a possibility rather than an established event.

the Company acknowledges it cannot be sure that all open-source software is identified or submitted for approval prior to use in its products and services, creating an unquantified SBOM gap and potential copyleft contamination risk.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (86%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?

- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 86%; passage match 57%
- Unresolved: Source describes a possibility rather than an established event.

Third-party manufacturers and suppliers have access to the Company's protected intellectual property and trade secrets; the Company has limited control over protection of those trade secrets, and unauthorized disclosure could occur.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 62%
- Unresolved: Source describes a possibility rather than an established event.

the Company cannot guarantee it has entered into confidentiality or non-disclosure agreements with each party that has or may have had access to its trade secrets or proprietary information, and even where entered, such agreements may be breached or fail to prevent disclosure.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 80%
- Unresolved: Source describes a possibility rather than an established event.

Regulatory / Merger Control

SEC investigation is active: following Audit Committee's internal investigation findings disclosed November 7, 2022 via Form 8-K, the Company proactively reached out to the SEC; the Company and certain current and former directors and officers received subpoenas from the SEC requesting production of Company documents; Company states it is 'unable to estimate the likelihood of a negative outcome or the potential loss or range of loss associated with this matter' and that the potential loss 'could be material.'

LIVE REGULATORY ACTION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 42%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

Potential Transaction (strategic alternatives for U.S. business announced June 28, 2023) requires all required approvals to be obtained and all closing conditions to be satisfied; no assurance provided that approvals will be obtained or closing conditions satisfied or waived.

ACTUAL EVENT | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 58%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

CFIUS review of the 2017 Transaction (acquisition of U.S. business of the Company's predecessor U.S. business by the Company's Cayman predecessor entity) was initiated at CFIUS's direction on March 1, 2021 and concluded February 18, 2022 with a National Security Agreement ('NSA'); ongoing NSA compliance obligations constitute a continuing regulatory condition on the company's operations.

ACTUAL EVENT | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 31%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- Unresolved: This is reported as an event that occurred, but the cited passage does not establish it. The occurrence is unverified against the supplied source.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm from the primary document that this event actually occurred, and establish what exposure survives to the buyer.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

CFIUS has imposed conditions including: {Related Entity A} agreed not to nominate replacement candidates or increase its current shareholdings; two {Related Entity A} directors were not nominated for re-election at the 2022 annual meeting; the Company must maintain a security director and a reconstituted Government Security Committee (GSC).

CONTRACTUAL CONDITION | Source support: UNSUPPORTED (96%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: CLOSING_CONDITION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.

- Question for review: Who controls whether this condition is satisfied, and what happens if it is not?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified)
- Confidence basis: text overlap 96%; passage match 0%; source frames this as possible, not actual
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Verify condition status and identify whether the condition is actually at risk of failure.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

The Company operates under a National Security Agreement ('NSA') with the Committee on Foreign Investments in the United States ('CFIUS'); a former security director served as the Company's security director under the NSA in 2022, and a former independent director also served as security director under the NSA from April 23, 2022 to November 10, 2022 - an active CFIUS NSA imposes ongoing national security compliance obligations that would be a condition of any change-of-control transaction.

CONTRACTUAL CONDITION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: CLOSING_CONDITION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Who controls whether this condition is satisfied, and what happens if it is not?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 48%
- To verify: Verify condition status and identify whether the condition is actually at risk of failure.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

CFIUS has determined that the Company's security director cannot be compensated in equity of the Company and must be compensated in cash only - this CFIUS-imposed restriction on equity compensation for a board-level security director reflects the ongoing and active nature of CFIUS oversight under the NSA.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite
- Confidence basis: text overlap 98%; passage match 0%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

Only 29 of 44 U.S. states that allow autonomous semi-truck testing also allow commercial deployment; the remaining 15 states with testing permissions but no commercial deployment authorization create a fragmented regulatory patchwork that limits addressable market and increases legal complexity.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 0%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

The Japanese government has set targets for commercial operation of SAE Level 4 fully autonomous trucks by 2026, and plans to launch a self-driving lane on sections of the New Tomei Expressway by 2024 (Tokyo-Nagoya), but these are government targets, not guaranteed regulatory clearances, leaving commercialization timeline uncertain.

MODEL INFERENCE | Source support: UNSUPPORTED (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: TIMING

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 39%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

August 2023 U.S. executive order seeks to restrict or require notification of new investments by U.S. persons into certain national security technologies and products in China, with implementation expected in 2024, potentially affecting the Company's cross-border investment and operational structure.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?

- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 29%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

On November 10, 2022, all four directors on the Board who were members of the Government Security Committee (GSC) were removed, causing CFIUS to require the Company to appoint a security director and reconstitute the GSC; company is subject to ongoing National Security Agreement (NSA) requirements and restrictions.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 46%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

the Company periodically receives inquiries from CFIUS regarding compliance with the terms of the NSA; company has agreed under the NSA to limit access to certain data, adopt a technology control plan, appoint a security officer and security director, establish a GSC chaired by the security director, and periodically meet with and report to CFIUS monitoring agencies.

MODEL INFERENCE | Source support: PARTIAL (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 77%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

the Company has incurred and expects to incur substantial costs to comply with NSA requirements; exact amount of time and resources needed is unknown; management and GSC members have devoted and will continue to devote substantial time and attention to NSA compliance.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 50%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

The Company has established a Government Security Committee (GSC) whose primary responsibility is to oversee implementation and adherence to the terms of a National Security Agreement ('NSA'), indicating the Company is subject to an active CFIUS-related NSA with ongoing compliance obligations.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 38%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

There are currently no federal U.S. regulations expressly pertaining to the safety of autonomous driving systems for trucks; NHTSA and FMCSA retain authority to take enforcement action should an automated driving system 'pose an unreasonable risk to safety,' creating unquantified regulatory intervention risk.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 48%
- Unresolved: Source describes a possibility rather than an established event.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

In China, autonomous vehicle testing activities are regulated by local governments and companies must obtain approval and licenses from local governments to conduct fully driverless testing and commercial operation on public roads, creating jurisdiction-by-jurisdiction approval risk.

MANAGEMENT RISK FACTOR | Source support: DIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 87%
- Unresolved: Source describes a possibility rather than an established event.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

Investments in the Company have been and may be subject to U.S. foreign investment regulations (CFIUS) which may impose conditions or limitations on certain investors, including limits on purchasing common stock, limits on information sharing, requiring a voting trust, governance modifications, or forced divestiture.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, CONTROL

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 79%
- Unresolved: Source describes a possibility rather than an established event.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

Company is subject to substantial regulations governing autonomous vehicles; unfavorable changes to or failure to comply with these regulations could substantially harm business and operating results.

MANAGEMENT RISK FACTOR | Source support: DIRECT (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 97%; passage match 100%
- Unresolved: Source describes a possibility rather than an established event.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

Lawmakers or governmental agencies 'could pass laws or adopt regulations that limit the use of autonomous trucking technology or increase liability associated with its use,' representing an unquantified but material regulatory risk to the core business model.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 67%
- Unresolved: Source describes a possibility rather than an established event.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

Labor unions have engaged in and may continue to engage in 'lobbying efforts to U.S. local, state, and federal lawmaking authorities, or equivalent authorities in the foreign jurisdictions in which we seek to do business, to implement legislation or regulations that make it more difficult to operate our business,' creating regulatory headwind risk.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 63%
- Unresolved: Source describes a possibility rather than an established event.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

Under the NSA, CFIUS can elect to require the Company to appoint a third-party monitor at any time; failure to comply with NSA obligations, including governance requirements, could result in monetary penalties and/or appointment of a third-party monitor, and could materially and adversely impact the company's ability to operate its business by limiting the scope of future business activities.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, CONTROL

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 74%
- Unresolved: Source describes a possibility rather than an established event.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

CFIUS is conducting an active inquiry into the Company's compliance with the National Security Agreement ('NSA') entered into with the U.S. government, concerning information shared by the Company U.S. with the Company's China-based businesses ('the Company's China operations'), {Related Entity B}, and {Related Entity B}'s partners; if CFIUS concludes information was shared in violation of the NSA, it may impose a civil penalty; Company states it is 'unable to estimate the likelihood of a negative outcome or the potential loss or range of loss associated with this matter' and that the potential loss 'could be material.'

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 39%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

CFIUS is conducting an active inquiry into the Company's compliance with its National Security Agreement ('NSA') with the U.S. government regarding information shared with the Company's China-based businesses, {Related Entity B}, and {Related Entity B}'s partners; CFIUS may impose civil penalties; the Company is unable to estimate the likelihood of a negative outcome or the potential loss or range of loss, which 'could be material'; this represents a national security regulatory risk that could affect any change-of-control transaction.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 28%
- Unresolved: Source describes a possibility rather than an established event.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

On June 28, 2023, the Company announced evaluation of strategic alternatives for its U.S.-based business with {Financial Advisor} engaged as financial advisor; any resulting transaction involving the Company's U.S. autonomous trucking technology assets may require CFIUS review given the Company's Chinese-affiliated investor base, cross-border data flows, and the appointment of a security director (a CFIUS specialist) to the Board in March 2023 - though no specific filing or regulatory objection is disclosed in the section reviewed.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 29%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.
- Suggested category: Foreign Investment / CFIUS (not applied - the scorer's category is authoritative)

The GSC met only four times in 2022, raising questions about the adequacy of oversight of the NSA compliance obligations, which could constitute a breach of the NSA terms and trigger regulatory consequences.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (95%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 95%; passage match 9%
- Unresolved: Source describes a possibility rather than an established event.
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

the Company's Driver Out operations in China were conducted on public roads approved by the Shanghai government in June 2023, and future expansion of Driver Out operations is explicitly conditioned on 'alignment with the regulatory environment' in both the U.S. and APAC, indicating material regulatory approval dependencies that could delay or block commercialization in key markets.

TRANSACTION MECHANIC | Source support: UNSUPPORTED (94%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: LOW | Transaction impact: TIMING

Disposition: SCREENING SIGNAL

- Why not higher: Ordinary closing machinery. It appears in transactions that complete without incident and establishes no risk by itself.
- Question for review: Is anything about how this mechanic is drafted unusual for a deal of this type?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 94%; passage match 34%
- Suggested category: Merger Control / Regulatory Clearance (not applied - the scorer's category is authoritative)

Anti-Bribery, Sanctions & AML

the Company explicitly identifies compliance with the Foreign Corrupt Practices Act (FCPA) and the U.K. Anti-Bribery Act as a risk factor for its international operations, noting that 'violations of which could lead to significant fines, penalties, and collateral consequences for our company'; no specific violation or investigation is disclosed in the section reviewed.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (95%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 95%; passage match 39%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

SEC proactively contacted by the Company on November 7, 2022 following Audit Committee internal investigation findings regarding the related party transaction with {Related Entity B}; the Company received an initial request for information from the SEC; the investigation relates to sharing of confidential information and proprietary technology with {Related Entity B} without Board approval and potential securities law violations; the Company is unable to estimate the potential loss or range of loss, which 'could be material'.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established

- Confidence basis: text overlap 99%; passage match 10%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Cybersecurity

Company discloses vulnerability to break-ins, technology platform failures, internet failures, and loss or corruption of data, with no assurance that backup systems will be adequate to protect against these events.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 50%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company's IT systems and networks include systems managed by third-party service providers not under the Company's direct control, with multiple third-party service providers potentially having access to confidential information.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 74%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Unauthorized control or manipulation of systems in autonomous semi-trucks may cause them to operate improperly or not at all, or compromise their safety and data security, which could result in loss of confidence in the Company and its products and services, termination of contracts with certain partners, and harm to business.

MANAGEMENT RISK FACTOR | Source support: DIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 94%
- Unresolved: Source describes a possibility rather than an established event.

Backup system does not capture data on a real-time basis; company states it 'may be unable to recover certain data in the event of a server failure,' with servers hosted in an offsite location but no real-time data protection.

MANAGEMENT RISK FACTOR | Source support: DIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 86%
- Unresolved: Source describes a possibility rather than an established event.

the Company discloses it has experienced data breaches, cyber-attacks, and attempts to breach its systems, characterizing none as material to date, but acknowledges future cyber incidents could materially disrupt operations, result in loss of trade secrets, compromise personally identifiable information, and jeopardize facility security.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (95%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 95%; passage match 47%
- Unresolved: Source describes a possibility rather than an established event.

the Company's L4 autonomous semi-trucks contain complex IT systems with built-in data connectivity; hackers may attempt to gain unauthorized access to modify functionality, user interface, and performance characteristics, or access data stored in or generated by the vehicles.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 71%
- Unresolved: Source describes a possibility rather than an established event.

the Company acknowledges it may be unable to anticipate attack techniques or implement adequate preventative measures, and that cybersecurity breach incidents may remain undetected for an extended period.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, TIMING

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 97%; passage match 41%
- Unresolved: Source describes a possibility rather than an established event.

the Company cites increased likelihood of cyber-attacks or cybersecurity incidents due to political uncertainty involving Russia and Ukraine, which could directly or indirectly impact operations.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 97%; passage match 84%
- Unresolved: Source describes a possibility rather than an established event.

Supply Chain & Geopolitical

the Company's operations involve the Company's China operations and {Related Entity B} as related entities; information sharing between the Company U.S. and the Company's China operations, {Related Entity B}, and {Related Entity B}'s partners is under CFIUS investigation for potential NSA violations, indicating material China-nexus geopolitical risk.

LIVE REGULATORY ACTION | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: TIMING, CLOSING_CONDITION, REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: A regulatory matter is disclosed, but nothing in the source ties it to this transaction, so closing impact is not established.
- Question for review: Does this regulatory matter gate the transaction itself - a condition, consent or filing - or is it ordinary business regulation of the target?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 33%
- Unresolved: A regulatory matter is disclosed, but nothing in the supplied source ties it to this transaction. Closing impact is not established.
- To verify: Obtain current regulator status, filings, correspondence and remedy discussions.
- To verify: Establish whether this regulatory matter bears on the transaction itself - a condition, a consent, or a filing it gates - or is ordinary business regulation of the target.

Remittances from China in currencies other than RMB must be processed through the People's Bank of China (PBOC) or other China foreign exchange regulatory bodies, requiring certain supporting documentation; the value of RMB is subject to changes in central government policies and international economic and political developments affecting supply and demand of RMB in the PRC foreign exchange trading system market.

CONTRACTUAL CONDITION | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: CLOSING_CONDITION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Who controls whether this condition is satisfied, and what happens if it is not?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 54%
- To verify: Verify condition status and identify whether the condition is actually at risk of failure.

the Company operates L4 autonomous semi-trucks in China (Shanghai Donghai Bridge port-to-terminal testing, Yangshan Deep-water Port) and Japan (Tomei Expressway, Tokyo-Osaka route), with APAC operations denominated in CNY (Chinese Renminbi), exposing the company to Chinese regulatory, geopolitical, and currency risks.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 34%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company's APAC operations include R&D facilities in Beijing, Shanghai, and Tangshan (Hebei Province), China, creating concentration of critical technology development assets in a jurisdiction subject to Chinese data security laws, export control risks, and potential government access to proprietary autonomous driving technology.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 25%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company's sensor suite and hardware components (LiDAR, radar, GPS, ultrasonic sensors, and hardware components including AVCG, VCU, RCU) are sourced from third-party vendors and built by third-party suppliers; no disclosure of geographic sourcing concentration or export control compliance status for these components is provided, creating potential EAR/ITAR exposure given the autonomous vehicle and dual-use technology context.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: REGULATORY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the model's inference, not a statement in the document
- Confidence basis: text overlap 99%; passage match 0%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

Company faces risks associated with international operations and expansion to new markets, including unfavorable regulatory, political, tax, and labor conditions.

MODEL INFERENCE | Source support: PARTIAL (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 63%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Company depends on sole or limited-source actuation suppliers for steering, braking, and engine transmission redundancy; no alternate sourcing disclosed, and developing alternates described as 'time-consuming, difficult, and costly.'

MODEL INFERENCE | Source support: UNSUPPORTED (92%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 92%; passage match 3%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Company is dependent on suppliers' production timelines for automotive-grade LiDAR at scale, with no disclosed backup supplier.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 64%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Subsidiary operations denominated in CNY (Chinese Renminbi) per global context; company references plans to continue expanding international operations, exposing it to geopolitical and currency risks including foreign investment reviews as a factor affecting ability to raise additional capital.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 18%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company is subject to U.S. Department of Commerce Export Administration Regulations (EAR), including restrictions or prohibitions on the sale or supply of certain products and services to U.S. embargoed or sanctioned countries, and authorization requirements for export of products using encryption technology.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 42%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

U.S.-China political tensions have escalated, including increased trade barriers since 2018, U.S. tariffs on Chinese imports maintained in 2021, sanctioning of certain Chinese officials, blacklisting of dozens of Chinese companies, and expansion of the ban on American investment in Chinese firms with ties to the military - all directly affecting the Company's dual-country operations.

MODEL INFERENCE | Source support: UNSUPPORTED (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.

- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 39%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company's subsidiaries in China hold RMB-denominated cash subject to PRC government controls on currency convertibility; cash denominated in RMB subject to such controls amounted to RMB 168.4 million (equivalent to $24.2 million) as of December 31, 2022, up from RMB 49.2 million (equivalent to $7.7 million) as of December 31, 2021 - a 242% increase in trapped cash exposure.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 58%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company (CIK: {REDACTED}) has subsidiary operations denominated in CNY (Chinese Renminbi) with Asia-Pacific segment revenue and long-lived assets reported separately as of December 31, 2021 and December 31, 2022 - indicating material China operational exposure subject to cross-border regulatory, currency, and geopolitical risk.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 97%; passage match 0%; source places this in a prior period
- Unresolved: Source describes a possibility rather than an established event.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

{OEM Partner} ({XBRL}:{OEM Partner}) is a key commercial partner under a Joint Development Agreement ({XBRL}:JointDevelopmentAgreementMember) active from July 2020 through fiscal year 2022, and also a Series E Convertible Preferred Stock investor (March 2021) - concentration of both commercial and investor relationship in a single counterparty creates dependency risk.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (94%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 94%; passage match 26%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company's the Company's proprietary compute platform is being developed by its APAC team in partnership with NVIDIA; concentration of a safety-critical compute platform development in China-based operations creates geopolitical risk given U.S.-China technology export control tensions.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, REGULATORY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 1%; source places this in a prior period
- Unresolved: Source describes a possibility rather than an established event.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Operations in China are subject to significant government regulation and a variety of legal, political, and economic risks; if the Chinese government modifies laws and regulations or interprets and enforces them adversely, consolidated business and results of operations may be materially harmed.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 56%
- Unresolved: Source describes a possibility rather than an established event.

Subsidiary operations are denominated in CNY (Chinese Renminbi), exposing the company to currency risk in addition to geopolitical risk from China operations.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (96%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 96%; passage match 42%
- Unresolved: Source describes a possibility rather than an established event.

Supply chain interruptions 'could be exacerbated by global political tensions, such as the situation in Ukraine,' with the Russia-Ukraine conflict explicitly cited as a factor that 'may impact our users' ability to use our services or purchase our trucks.'

MANAGEMENT RISK FACTOR | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 57%
- Unresolved: Source describes a possibility rather than an established event.

Company has alliances and partnerships with companies 'in the trucking and automotive industry in Asia,' creating geopolitical concentration risk, with CNY-denominated subsidiary operations noted in the filing context.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 39%
- Unresolved: Source describes a possibility rather than an established event.

Company depends on third-party suppliers for parts and components for L4 autonomous semi-trucks; any interruption or delay in supply, or inability to obtain components from alternate sources at acceptable prices and within a reasonable time, may adversely affect ability to meet scheduled product deliveries.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, TIMING

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 76%
- Unresolved: Source describes a possibility rather than an established event.

the Company's third-party manufacturers and suppliers have access to protected intellectual property and trade secrets, and the Company has limited control over protection of those trade secrets in foreign jurisdictions where IP laws may afford little or no protection.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 46%
- Unresolved: Source describes a possibility rather than an established event.

Many components for outfitting the Company's trucks are sourced from international third-party suppliers; new U.S. export control regulations have and could continue to adversely affect the international automotive markets and the Company's ability to access key components such as semiconductor chips, described as 'an important component of our trucks.'

MANAGEMENT RISK FACTOR | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, REGULATORY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 71%
- Unresolved: Source describes a possibility rather than an established event.

the Company's the Company's proprietary compute platform is specifically identified as a key component subject to supply chain risk from U.S.-China trade restrictions and export control regulations.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, REGULATORY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 31%
- Unresolved: Source describes a possibility rather than an established event.

Various countries regulate the import of certain artificial intelligence technology, including through import permitting and licensing requirements, which could limit the Company's ability to distribute its autonomous driving services in those countries.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 78%
- Unresolved: Source describes a possibility rather than an established event.

Company has operations in the Asia-Pacific (APAC) region with subsidiary financials denominated in CNY (Chinese Renminbi), creating exposure to Chinese regulatory, geopolitical, and currency risk - specific APAC revenue and asset concentration not quantified in the section reviewed.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 20%
- Unresolved: Source describes a possibility rather than an established event.

Amounts due to joint development partners of $5,753 thousand as of December 31, 2022 (down from $7,394 thousand in 2021) - joint development partner identities, geographic location, and concentration risk not disclosed in the section reviewed.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 97%; passage match 33%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company's APAC operations are subject to Chinese government regulatory approval requirements for autonomous vehicle testing and commercial operation on public roads, with local government licensing required on a city-by-city basis, creating geopolitical and regulatory concentration risk in China.

TRANSACTION MECHANIC | Source support: INDIRECT (100%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: LOW | Transaction impact: NONE

Disposition: SCREENING SIGNAL

- Why not higher: Ordinary closing machinery. It appears in transactions that complete without incident and establishes no risk by itself.
- Question for review: Is anything about how this mechanic is drafted unusual for a deal of this type?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 46%

AI & Tech Governance

Securities class action Securities Class Action I v. the Company et al., {Case No. Redacted} (S.D. Cal.) alleges the Company made materially false or misleading statements regarding the Company's autonomous driving technology; shareholder derivative action Shareholder Derivative Action II et al., {Case No. Redacted} (Del. Ch.) additionally asserts claims regarding the safety of the Company's technology, indicating potential misrepresentation of L4 autonomous driving capabilities to investors and the public.

LEGAL CLAIM | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The source establishes that this is claimed, not that it is true; an allegation cannot act as its own adjudication.
- Question for review: What exactly is alleged, what has actually been adjudicated, and what is the current procedural posture?
- Review reasons: not traced to a passage in the document that supports it; the document reports this as an allegation, not an established fact; the document frames it differently (as possible, as past, or qualified); a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 97%; passage match 6%; source places this in a prior period
- Unresolved: The source establishes that this is claimed, not that it is true. Nothing here establishes liability or an outcome.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Obtain the pleading and any answer, and establish the current procedural posture, quantum claimed and any reserve or coverage.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company's L4 autonomous driving technology for U.S. and APAC segments is being developed independently with separate software code bases, hardware, and infrastructure, creating bifurcated AI/ADS governance with no unified model oversight or cross-segment validation framework disclosed.

MODEL INFERENCE | Source support: UNSUPPORTED (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: CONTROL

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 30%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company entered into a partnership with NVIDIA in 2022 to develop the the Company's proprietary compute platform, a proprietary autonomous driving compute solution; this creates a critical foundation-model/compute dependency on NVIDIA with no disclosed termination-on-change-of-control clause or alternative compute vendor identified.

MODEL INFERENCE | Source support: INDIRECT (95%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 95%; passage match 41%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Autonomous driving technology is highly dependent on internally-developed software and partnerships with third-party OEMs and Tier 1 suppliers; no assurance that algorithms, data analysis and processing, and artificial intelligence technology will achieve necessary reliability for L4 autonomy at commercial scale.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 20%; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Technology still being improved for handling non-compliant driving behavior, low reflectivity objects, and extreme weather conditions such as snow or heavy fog; no assurance that data analytics and AI can predict every potential issue during operation of L4 autonomous semi-trucks.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 55%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Autonomous driving technology is described as 'still unproven' at commercial scale for L4 semi-trucks, with no disclosed conformity assessment, regulatory type-approval, or safety certification framework for the AI system.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 30%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Company's L4 autonomous semi-trucks use 'a substantial amount of software to operate which will require modification and updates over the life of the vehicle'; software products are described as 'inherently complex and often contain defects and errors when first introduced,' with no assurance that defects in hardware or software will be detected prior to user sales or during the life of the trucks - creating unquantified liability exposure for autonomous driving AI systems.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: LIABILITY

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 99%; passage match 0%; source states the opposite; source frames this as possible, not actual
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- Unresolved: The finding describes an event as having occurred; the closest matching passage raises it only as a possibility.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

The Company currently operates approximately 70 L4 autonomous semi-trucks (35 U.S., 35 APAC) in 'Driver In' mode with a safety driver and safety engineer in the cabin - full L4 driverless deployment has not been achieved; commercialization of autonomous driving technology remains unproven at scale.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 28%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The Company states that 'current development priorities and testing activities are focused on further refining our L4 autonomous driving technology to prepare them for scaled deployment and commercialization' - technology is not yet commercially deployable, representing a material gap between current capability and the {Freight Network} business model.

MODEL INFERENCE | Source support: INDIRECT (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.

- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 55%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Technological feasibility for the Company's L4 autonomous driving technology has not been established as of December 31, 2022, per the Company's own assessment; all related software development costs are expensed as incurred, indicating the core autonomous driving product remains pre-commercial and technologically unproven.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 37%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

The Company's iterative development process and short development cycles result in internal-use software development costs between the application development stage and productive use being immaterial and expensed as incurred, indicating limited capitalized technology asset base supporting the autonomous driving platform.

MODEL INFERENCE | Source support: UNSUPPORTED (98%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 98%; passage match 32%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company's perception and motion planning AI systems are trained on over 10 million road miles of semi-truck specific driving data; no disclosure is made regarding data licensing, chain of custody, or third-party data rights for this training dataset, creating potential training data provenance risk.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (92%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 92%; passage match 27%
- Unresolved: Source describes a possibility rather than an established event.

the Company's machine learning infrastructure and simulation capabilities (simulating 'equivalent of over 10,000 trucks on the road') are described as proprietary and in-house; no AI bill of materials, model drift monitoring framework, or conformity assessment status under evolving AI regulations (e.g., EU AI Act for high-risk autonomous vehicle systems) is disclosed.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (97%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 97%; passage match 24%
- Unresolved: Source describes a possibility rather than an established event.

Unauthorized control or manipulation of systems in autonomous semi-trucks may cause them to operate improperly or not at all, or compromise safety and data security, which could result in loss of confidence and termination of contracts with partners.

MANAGEMENT RISK FACTOR | Source support: DIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 100%
- Unresolved: Source describes a possibility rather than an established event.

Company's 'proprietary artificial intelligence (AI) and machine vision capabilities' powering L4 autonomous semi-trucks have 'in the past and may in the future experience defects, errors, or bugs at various stages of development,' with undetected errors possible post-deployment.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 42%
- Unresolved: Source describes a possibility rather than an established event.

Company acknowledges that 'errors or defects in our products may only be discovered after they have been tested, commercialized, and deployed,' indicating absence of comprehensive pre-deployment AI validation or monitoring regime.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 98%; passage match 59%
- Unresolved: Source describes a possibility rather than an established event.

Driver Out operations in the U.S. were conducted on an 80+ mile freight route in Arizona in late 2021 through mid-2022, and in China on a 40+ mile route in June 2023, but commercial deployment of fully autonomous (Driver Out) operations remains subject to regulatory environment alignment, with no confirmed regulatory approval for commercial Driver Out freight operations disclosed.

TRANSACTION MECHANIC | Source support: UNSUPPORTED (96%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: LOW | Transaction impact: NONE

Disposition: SCREENING SIGNAL

- Why not higher: Ordinary closing machinery. It appears in transactions that complete without incident and establishes no risk by itself.
- Question for review: Is anything about how this mechanic is drafted unusual for a deal of this type?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 96%; passage match 27%

Gross loss margins for revenue operations in 2021 and 2022 'exceeded 100% of revenue given their developmental nature, including having a driver and test engineers in the trucks' - the core autonomous technology is not sufficiently mature to operate without human safety oversight, undermining the economic model of the {Freight Network}.

FINANCIAL METRIC | Source support: INDIRECT (96%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; a figure on its own, with no stated consequence
- Confidence basis: text overlap 96%; passage match 55%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Tax

Valuation allowance of $289,901 thousand recorded against gross deferred tax assets of $296,232 thousand as of December 31, 2022, reflecting conclusion that U.S. federal, state, and other local jurisdiction deferred tax assets are 'more likely than not' not realizable.

DILIGENCE GAP | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Is the cited passage a definitional carve-out requiring the ABSENCE of this thing, or an actual disclosure of it?
- Review reasons: the matching passage in the document states the opposite; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 95%; passage match 0%; source states the opposite
- Unresolved: The supplied source does not establish the underlying fact.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- To verify: Obtain the missing primary document, schedule, agreement, order or supporting evidence.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company (CIK: {REDACTED}) has tax jurisdictions including IRS (us-gaap:InternalRevenueServiceIRSMember) for fiscal years 2020, 2021, and 2022, Cayman Islands Tax Information Authority (us-gaap:CaymanIslandsTaxInformationAuthorityMember) for fiscal years 2020, 2021, and 2022, domestic state/local (including California, stpr:CA), and foreign country jurisdictions - multi-jurisdictional tax exposure with net operating loss carryforwards referenced (us-gaap:DomesticCountryMember, us-gaap:StateAndLocalJurisdictionMember, us-gaap:ForeignCountryMember as of December 31, 2022); exact NOL amounts and DTA valuation allowance not specified in the section reviewed.

MODEL INFERENCE | Source support: UNSUPPORTED (90%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 90%; passage match 22%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Due to the Company's lack of earnings history, net deferred tax assets have been fully offset by a valuation allowance as of December 31, 2022; exact DTA quantum not disclosed in the section reviewed, but full offset signals sustained pre-tax losses with no near-term expectation of taxable income.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 41%
- Unresolved: The wording is primarily inferential rather than explicitly supported.

- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Federal NOL carryforwards of $659.3 million ($652.3 million indefinite; $7 million expiring 2037) and state NOL carryforwards of $249.3 million (beginning to expire 2037) subject to Section 382 IRC limitations upon ownership change.

MODEL INFERENCE | Source support: INDIRECT (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 43%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

$40.3 million of California state net operating losses assessed as 'not more-likely-than-not to be sustained upon examination by the relevant taxing authority.'

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the document frames it differently (as possible, as past, or qualified); the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 69%; source places this in a prior period
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The finding reads as current; the closest matching passage places it in a prior period.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Unrecognized tax benefits of $9,815 thousand as of December 31, 2022 (up from $6,900 thousand at end of 2021); $8.5 million would impact effective tax rate if recognized; Company subject to examination in U.S. federal, state, and other local jurisdictions for tax years 2016 to present.

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 40%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

The Company's NOL and tax credit carryforwards are subject to Section 382 IRC limitations due to multiple ownership changes; an ownership change occurs if aggregate share ownership of certain stockholders increases by more than 50 percentage points over the testing period. Full valuation allowance maintained against all federal, state, and other local NOL carryforwards not expected on a more-likely-than-not basis to be realized.

MODEL INFERENCE | Source support: CONTRADICTED (45%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: VALUATION

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: The supplied source does not establish this finding as written, so nothing here can be treated as material until an exact supporting passage is located.
- Question for review: Does the primary source explicitly establish the claimed causal link, or is that step the model's rather than the document's?
- Review reasons: the matching passage in the document states the opposite; claims a cause or consequence the document does not state; the document supports a narrower claim than the finding makes; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 0%; source states the opposite
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- Unresolved: The closest matching passage appears to state the opposite of this finding - commonly a definitional carve-out (e.g. a closing condition requiring the ABSENCE of the thing described) rather than a disclosure.
- Unresolved: The finding asserts a causal link the closest matching passage does not make - the source reports the facts without connecting them.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Locate and cite an exact supporting passage in the primary document.
- To verify: Re-read the cited passage: it appears to state the opposite of this finding. Confirm whether this is a definitional carve-out or an actual disclosure.

PRC subsidiaries subject to Corporate Income Tax at 25% under the CIT Law; certain subsidiaries qualify for the High and New-Technology Enterprise preferential CIT rate of 15%, but this preferential status is subject to renewal and qualification conditions not detailed in the section reviewed.

MODEL INFERENCE | Source support: UNSUPPORTED (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 35%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Cayman Islands tax authority (us-gaap:CaymanIslandsTaxInformationAuthorityMember) is a registered tax jurisdiction for the Company across fiscal years 2020-2022, indicating offshore holding structure with potential GILTI/BEAT exposure and transfer pricing risk between U.S., Cayman, and China entities - exact exposure amounts not specified in the section reviewed.

MANAGEMENT RISK FACTOR | Source support: UNSUPPORTED (94%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 94%; passage match 17%
- Unresolved: Source describes a possibility rather than an established event.

Foreign NOL carryforwards of $301.7 million begin to expire between 2023 and 2032; near-term expiration of a portion of these carryforwards creates risk of permanent loss.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 100%; passage match 56%
- Unresolved: Source describes a possibility rather than an established event.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

Data Privacy

Concerns regarding data security and privacy are identified as challenges to L4 autonomous driving adoption; company acknowledges risks related to data security and privacy in the context of autonomous vehicle operations without specifying current compliance status or breach history in the section reviewed.

MODEL INFERENCE | Source support: UNSUPPORTED (96%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 96%; passage match 38%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company acknowledges new privacy and cybersecurity laws have come into effect in China, creating additional compliance obligations for its Chinese operations.

MODEL INFERENCE | Source support: INDIRECT (97%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 97%; passage match 53%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

If the Company is deemed a Critical Information Infrastructure Operator (CIIO) under China's Cyber Security Law, it would be required to store personal information and important data collected and generated during operations within China locally on servers in China; the interpretation of which network operators qualify as CIIOs is described as 'unclear.'

MODEL INFERENCE | Source support: INDIRECT (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: not traced to a passage in the document that supports it; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 53%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

the Company is subject to a variety of U.S. and international data privacy and consumer protection laws; failure to comply could result in regulatory or litigation-related actions, legal liability, fines, damages, ongoing audit requirements, and other significant costs.

MANAGEMENT RISK FACTOR | Source support: PARTIAL (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, ECONOMIC, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 100%; passage match 85%
- Unresolved: Source describes a possibility rather than an established event.

the Company acknowledges that certain emerging privacy laws are still subject to a high degree of uncertainty as to their interpretation, application, and impact, and may require extensive system and operational changes, increase operating costs, or result in adverse publicity.

MANAGEMENT RISK FACTOR | Source support: DIRECT (98%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Confidence basis: text overlap 98%; passage match 92%
- Unresolved: Source describes a possibility rather than an established event.

the Company is subject to China's PRC Cyber Security Law (effective June 1, 2017), which requires network operators to safeguard personal information against unauthorized access, alteration, disclosure, or loss; violations may subject the Company to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites, or criminal liabilities.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW

| Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 49%
- Unresolved: Source describes a possibility rather than an established event.

The transfer of information out of China is described as 'complex' with 'a lack of clear guidance provided under the existing rules,' creating material cross-border data transfer compliance risk for the Company's China operations.

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 57%
- Unresolved: Source describes a possibility rather than an established event.

ESG & Environmental

The Company recorded other comprehensive loss of $1.3 million for the year ended December 31, 2022 related to foreign currency translation adjustment (CNY/USD), compared to other comprehensive income of $0.4 million in 2021, reflecting growing exposure from APAC (China) operations with no hedging strategy in place.

ACTUAL EVENT | Source support: INDIRECT (98%) | Potential severity: MEDIUM | Established materiality: Potentially material | Deal specificity: MEDIUM | Transaction impact: UNKNOWN

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: What was the outcome of this event, and what exposure survives to the buyer?
- Review reasons: not traced to a passage in the document that supports it; a past event; whether it is still outstanding is not established
- Confidence basis: text overlap 98%; passage match 50%
- Unresolved: The source establishes that this occurred but not its scale, scope or current status.
- To verify: Obtain the underlying record - incident log, filing, order or correspondence - and establish scope, quantum and current status.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company's operations in the U.S. and APAC are subject to 'various international, federal, state, and local laws and regulations governing pollution and protection of the environment, the use, generation, storage, management, discharge, transportation, disposal, and release of, and human exposure to, hazardous and toxic materials'; no specific enforcement actions, penalties, or remediation obligations are disclosed in the section reviewed.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 71%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.

Foreign currency translation adjustment loss of $1,338 thousand in 2022 and unrealized net loss on available-for-sale securities of $2,298 thousand in 2022 contributed to accumulated other comprehensive loss of $3,559 thousand as of December 31, 2022, compared to accumulated other comprehensive income of $77 thousand as of December 31, 2021.

MODEL INFERENCE | Source support: PARTIAL (100%) | Potential severity: UNKNOWN | Established materiality: Unknown | Deal specificity: NOT ESTABLISHED | Transaction impact: NONE

Disposition: HIGH-PRIORITY VERIFICATION

- Why not higher: Human verification is required before materiality or blocking status can be established.
- Question for review: Which of the premises behind this inference does the source actually establish?
- Review reasons: a past event; whether it is still outstanding is not established; the model's inference, not a statement in the document
- Confidence basis: text overlap 100%; passage match 70%
- Unresolved: The wording is primarily inferential rather than explicitly supported.
- To verify: Rewrite against an exact source passage or downgrade to a diligence gap.
- To verify: Confirm whether the exposure remains outstanding or has surviving consequences.

the Company is subject to international, federal, state, and local laws and regulations governing pollution, protection of the environment, and occupational health and safety, including those related to use, generation, storage, management, discharge, transportation, disposal, and release of hazardous and toxic materials; the filing notes such laws 'have tended to become more stringent over time' and that 'fines, penalties, costs, or liabilities associated with such existing or new regulations or laws, including as a result of our failure to comply, could be substantial and in certain cases joint and several.'

MANAGEMENT RISK FACTOR | Source support: INDIRECT (100%) | Potential severity: MEDIUM | Established materiality: Not established | Deal specificity: LOW | Transaction impact: INDIRECT, LIABILITY

Disposition: SCREENING SIGNAL

- Why not higher: No affirmative blocking event is established; the finding is a screening signal rather than a transaction risk.
- Question for review: Has this stated risk actually materialised, and if so what is the quantified exposure?
- Review reasons: not traced to a passage in the document that supports it
- Confidence basis: text overlap 100%; passage match 51%
- Unresolved: Source describes a possibility rather than an established event.

The Company's cost of revenue includes fuel costs as a primary component, and gross loss margin deteriorated in 2022 partly due to 'increased fuel costs' - the business model is currently dependent on fossil fuel consumption with no disclosed transition plan, creating potential ESG exposure as autonomous freight scales.

FINANCIAL METRIC | Source support: UNSUPPORTED (93%) | Potential severity: LOW | Established materiality: Not established | Deal specificity: MEDIUM | Transaction impact: ECONOMIC

Disposition: SCREENING SIGNAL

- Why not higher: A figure with no basis, period or comparison in evidence. It is worth reading; it does not establish exposure.
- Question for review: Which period, trend and comparison make this figure material to the transaction?
- Review reasons: not traced to a passage in the document that supports it; a figure on its own, with no stated consequence
- Confidence basis: text overlap 93%; passage match 23%
- Unresolved: A figure on its own does not establish materiality - the basis, period and comparison are not in evidence here.
- To verify: Establish the basis, period and comparative for this figure, and what it is being measured against.

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