

Risk Factors Comparison 2025-03-28 to 2024-02-28 Form: 10-K

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Investing in our securities involves a high degree of risk. You should carefully consider all information in this ~~Annual Report on~~ Form 10-K, including our consolidated financial statements and related notes appearing elsewhere in this Form 10-K and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," before purchasing our securities. These risks are discussed more fully in the section titled "Risk Factors." These risks and uncertainties include, but are not limited to, the following:

- our history of losses and our expectation that we will continue to incur significant expenses, including substantial R & D costs, and continuing losses for the foreseeable future, as well as our limited operating history which makes it difficult to evaluate our future prospects and the risks and challenges we may encounter;
- our strategic initiatives which may prove more costly than we currently anticipate and potential failure to increase our revenue to offset these initiatives;
- whether our LiDAR products are or will continue to be selected for inclusion in autonomous driving or ADAS systems by automotive OEMs or their suppliers, and whether we will be de-selected by any customers, and end customer adoption rates and demand for our products;
- the lengthy period of time from a major commercial win to implementation and the risks of cancellation or postponement of the contract or unsuccessful implementation;
- potential inaccuracies in our forward - looking metrics and estimates, including our "Order Book," and our future cost of goods sold (COGS) and bill of materials (BOM) and total addressable market;
- the discontinuation, lack of success of our customers in developing and commercializing products using our solutions or loss of business with respect to a particular vehicle model or technology package and whether end automotive consumers will demand and be willing to pay for such features;
- our ability to successfully fund our growth if there are considerable delays in product introductions by us or our customers or difficulties our automotive original equipment manufacturers customers ("OEMs") may face with their products;
- our inability to reduce and control the cost of the inputs on which we rely, which could negatively impact the adoption of our products and our profitability;
- the effect of continued pricing pressures, competition from other LiDAR manufacturers, ~~automotive original equipment manufacturers ("OEMs")~~ cost reduction initiatives by OEMs and the ability of ~~automotive~~ OEMs to re-source or cancel vehicle or technology programs which may result in lower than anticipated margins, or losses, which may adversely affect our business;
- the effect of general economic conditions, including inflation, recession risks and rising interest rates, generally and on our industry and us in particular, including the level of demand and financial performance of the autonomous vehicle industry and LiDAR industry and the decline in fair value of available-for-sale debt securities in a rising interest rate environment;
- specific economic and market uncertainty regarding the autonomous vehicle industry and LiDAR industry as a result of competitor failures, mergers, and delays;
- market adoption of LiDAR as well as developments in alternative technology and the increasingly competitive environment in which we operate, which includes established competitors and market participants that have substantially greater resources;
- our ability to achieve technological feasibility and commercialize our software products and the requirement to continue to develop new products and product innovations due to rapidly changing markets and government regulations of such technologies;
- our ability to build, launch, receive regulatory approval, sell, and service insurance products as well as market and differentiate the benefits of LiDAR-based ADAS to consumers;
- our ability to manage our growth and expand our business operations effectively, including into international markets, such as China, which exposes us to operational, financial, regulatory and geopolitical risks;
- changes in our government contracts business and our defense customers' business due to political change and global conflicts;
- the nature of our sales , which have been primarily to despite our start of series production for certain customers making purchases, still include a significant amount of sales to customers for R & D projects and project-based orders , which may cause potentially significant fluctuations in our quarterly and annual results of operations;
- adverse impacts due to limited availability and quality of materials, supplies, and capital equipment, or dependency on third-party service providers and single source suppliers;
- whether we will be able to successfully transition our engineering designs into high volume manufacturing, including our ability to transition to an outsourced manufacturing business model and whether we and our outsourcing partners and suppliers can successfully operate complex machinery;
- our ability to establish and maintain confidence in our long-term business prospects among customers and analysts and within our industry and whether we are subject to negative publicity;
- whether we can successfully select, execute or integrate our acquisitions;
- whether any defects, errors, lack of reliability or the other complexity of issues with our products and new mass production introduction results in undetected defects and reliability issues which could reduce market adoption of our products, limit our ability to manufacture, damage our reputation and expose us to product liability, warranty and other claims;
- our ability to maintain and adequately manage our inventory;
- our ability to maintain an effective system of internal control over financial reporting;
- our ability to protect and enforce our intellectual property rights;
- availability of qualified personnel, loss of highly skilled personnel and dependence on Austin Russell, our Founder, President and Chief Executive Officer;
- the impact of inflation and our stock price on our ability to hire and retain highly skilled personnel;
- the amount and timing of future sales and whether the average selling prices of our products could decrease rapidly over the life of the product as well as our dependence on a few key customers, who are often large corporations with substantial negotiating power;
- interruption or failure of our information technology and communications systems and cybersecurity risks to our operational systems, security systems, infrastructure, and integrated software in our LiDAR solutions;
- strict government regulation that is subject to amendment, repeal or new interpretation and our ability to comply with modified or new laws and regulations applying to our business;
- changing government regulations relating to vehicle safety and autonomous vehicles that could prevent, delay or negatively affect the quality of ADAS and autonomy systems introduced by our OEM customers;

market instability exacerbated by geopolitical conflicts, including the Israel- Hamas war and the conflict between Russia and Ukraine; • growing trade and national security disputes, particularly with China, including the effect of sanctions, tariffs and other trade restrictions that may affect supply chain or sales opportunities in the United States, Europe, and China; • whether the concentration of our stock ownership and voting power limits the ability of our stockholders to influence corporate matters; and • risks related to the amount of our outstanding indebtedness and our ability to comply with covenants contained in the agreements governing our indebtedness; • our ability to access sources of capital to pay our indebtedness, and finance operations and growth; and • our ability to maintain compliance with the Nasdaq continued listing standards for the listing of our Class A common stock.

Risks Related to Our Business and Industry We are an early stage company with a history of losses, and we expect to incur significant expenses and continuing losses for the foreseeable future. We have incurred net losses on an annual basis since our inception. We incurred net losses of \$ 273. 1 million, \$ 571. 3 million, and \$ 445. 9 million and \$ 238. 0 million for the years ended December 31, 2024, 2023, and 2022 and 2021, respectively. We believe that we will continue to incur operating and net losses each quarter until at least the time we begin high volume commercial deliveries of our LiDAR- based products, which are not expected to begin until the second half of 2024 and may occur later than we anticipate or not at all as we face challenges setting up outsourced manufacturing. Even if we successfully develop and sell our LiDAR and software solutions, there can be no assurance that they will be commercially successful. Our potential profitability is dependent upon the successful development and successful commercial introduction and acceptance of our LiDAR solutions, which may not occur. We expect the rate at which we will incur losses to be remain high in future periods as we:

- expand our software development **production capabilities to produce our LiDAR solutions, including costs associated with outsourcing the production of our LiDAR solutions**;
- continue to utilize our third- party partners for design, testing and commercialization ;
- expand our production capabilities to produce our LiDAR solutions, including costs associated with outsourcing the production of our LiDAR solutions;
- expand our design, development, installation and servicing capabilities to address production of more products for more customers in more countries;
- build up inventories of parts and components for our LiDAR solutions;
- produce an inventory of our LiDAR solutions ;
- continue to invest in our software development ;

and

- increase our sales and marketing activities and develop our distribution infrastructure.

Because we will incur the costs and expenses from these efforts before we receive incremental revenues with respect thereto, our losses in future periods will be significant. In addition, we may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses. Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter. We have been focused on developing LiDAR products for autonomous driving systems and driver assistance systems since 2012. This relatively limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter. Risks and challenges we have faced or expect to face include our ability to:

- produce and deliver LiDAR and software products of acceptable performance, volume, cost, and quality;
- forecast our revenue and budget for and manage our expenses;
- attract new customers and retain existing customers in the automotive supply chain where sourcing and volume production targets are not guaranteed;
- comply with existing and new or modified laws and regulations applicable to our business;
- plan for and manage capital expenditures for our current and future products, and manage our supply chain and supplier relationships related to our current and future products;
- anticipate and respond to macroeconomic changes and changes in the markets in which we operate;
- maintain and enhance the value of our reputation and brand;
- effectively manage our growth and business operations;
- develop and protect intellectual property;
- hire, integrate, and retain talented people at all levels of its organization; and
- successfully develop new solutions to enhance the experience of customers and consumers.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above as well as those described elsewhere in this “ Risk Factors ” section, our business, financial condition, and results of operations could be adversely affected. Further, because we have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition, and results of operations could be adversely affected. We continue to implement strategic initiatives designed to grow our business. These initiatives may prove more costly than we currently anticipate, and we may not succeed in increasing our revenue in an amount sufficient to offset the costs of these initiatives and to achieve and maintain profitability. We continue to make investments and implement initiatives designed to grow our business, including:

- investing in R & D;
- investing in new applications and markets for our products;
- investing in our manufacturing processes and partnerships to scale production;
- expanding our sales and marketing efforts to attract new customers;
- investing in new applications and markets for our products;
- investing in our manufacturing processes and partnerships to scale production;
- protecting our intellectual property ;
- developing our insurance business ;
- acquiring businesses of strategic importance; and
- investing in legal, accounting, human resources, and other administrative functions necessary to support our operations as a public company.

These initiatives may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue, if at all, in an amount sufficient to offset these higher expenses and to achieve and maintain profitability. The market opportunities we are pursuing are at an early stage of development, and it may be many years before the end markets we expect to serve generate demand for our products at scale. Our revenue may be adversely affected for a number of reasons, including:

- the development and / or market acceptance of new technology that competes with our LiDAR products;
- if certain automotive OEMs or other market participants change their autonomous vehicle and driver assistance technologies;
- failure of our customers to commercialize autonomous systems that include our solutions, or delays thereof;
- our ability to create, validate, and manufacture at high volume, and as well as ship our

product ~~products~~ to customers; • our inability to effectively manage our inventory or manufacture ~~our~~ products at scale; • our inability to enter new markets or help our customers adapt our products for new applications; ~~or~~ • our failure to attract new customers or expand orders from existing customers; ~~;~~ or • increasing competition ~~from other LiDAR companies~~.

Furthermore, it is difficult to predict the size and growth rate of our target markets, customer demand for our products, commercialization timelines, developments in autonomous ~~vehicle~~ sensing and related technology, the entry of competitive products, or the success of existing competitive products and services. For these reasons, we do not expect to achieve profitability over the near term. If our revenue does not grow over the long ~~-~~ term, our ability to achieve and maintain profitability may be adversely affected, and the value of our business may significantly ~~decrease~~ ~~decline~~. If our LiDAR products are not selected for inclusion in ~~ADAS or~~ autonomous driving systems ~~or ADAS~~ by ~~more~~ automotive OEMs or their suppliers, our business will be materially and adversely affected. Automotive OEMs and their suppliers design and develop ~~ADAS and~~ autonomous driving ~~and ADAS~~ technology over several years. These automotive OEMs and suppliers undertake extensive testing ~~or and~~ qualification processes prior to placing orders for large quantities of products such as our LiDAR ~~products~~, because such products will function as part of a larger system or platform ~~over the duration of program life~~, and ~~often~~ must meet certain other specifications. We spend significant time and resources to have our products selected by automotive OEMs and their suppliers. We define the term “major win” or “major commercial win” to have occurred when (a) we have obtained a written agreement (e. g. non- binding expression of interest arrangement or an agreement for non- recurring engineering project) or public announcement with a major industry player, and (b) based on past experience in high volume production, leadership in autonomy, or market leadership of said major industry player, we expect to ultimately be awarded a significant commercial program, including ~~an~~ OEM series production ~~programs~~ ~~program~~. If we do not achieve a major commercial win with respect to a particular vehicle model, we may not have an opportunity to supply our products to the automotive OEM for that vehicle model for a period of many years. In many cases, this period can be as long as seven or more years. If our products are not selected by an automotive OEM or its suppliers for one vehicle model or if our products are not successful in that vehicle model, it is unlikely that our product will be deployed in other vehicle models of that OEM. If we fail to win a significant number of vehicle models from one or more ~~of~~ automotive OEMs or their suppliers, our business, results of operations ~~,~~ and financial condition will be materially and adversely affected. For more information about certain risks related to product selection, see the risk factor captioned “The period of time from a major commercial win to implementation is long ~~,~~ and we are subject to risks of cancellation or postponement of the contract or unsuccessful implementation.” Prospective customers, including those in the automotive industry, generally must make significant commitments of resources to test and validate our products and confirm that they can integrate with other technologies before including them in any particular system, product ~~,~~ or model. While certain customers have executed a non- binding expression of interest arrangement or engaged us for non- recurring engineering projects while they are evaluating our products, none of our customers make contractual commitments to use our LiDAR sensors or software until all test and validation activities have been completed, they have finalized plans for integrating our systems, have a positive expectation of the market demand for our features, and unrelated to us, have determined that their vehicle is ready for market and there is appropriate consumer demand. We expect that only after this point will our customers consider entering into definitive volume production agreements. Through the end of ~~2023~~ ~~2024~~, ~~we have entered into high volume series production with only one of our OEMs, and~~ although we have certain purchase orders ~~from others~~, none of our ~~other automotive OEM~~ customers have completed their on- going testing and validation with us ~~and~~, ~~there~~ ~~There~~ is no assurance or guarantee that any of our ~~other~~ customers, including any for which we have announced a “major win” or “major commercial win” ~~,~~ will ever complete such testing and validation or enter into a definitive volume production agreement with us or that we will receive any revenues forecasted in connection with such “major win” or “major commercial win”. The development cycles of our products with new customers varies widely depending on the application, market, ~~and~~ customer ~~and, as well as~~ the complexity of the product. In the automotive market, for example, this development cycle can be as long as seven or more years. The development cycle in certain other markets can be several months to a few years. These development cycles result in us investing our resources prior to realizing any revenue from ~~the~~ commercialization or obtaining any firm commitments of pricing, volume or timing of purchases of our products by our customers. Further, we are subject to the risk that customers cancel or postpone implementation of our technology, ~~or as well as~~ that we will not be able to integrate our technology successfully into a larger system with other sensing modalities. Additionally, our revenue could be materially less than forecasted estimates if the system, product ~~,~~ or vehicle model that includes our LiDAR ~~products~~ is unsuccessful, including for reasons unrelated to our technology. Long development cycles and product cancellations or postponements may adversely affect our business, results of operations and financial condition, and we cannot provide any assurance that we will be able to successfully fund our growth if there are considerable delays in product introductions by us or our customers. Thus, even if we have been successful in obtaining major commercial wins, long development cycles ~~and~~, product cancellations or postponements ~~,~~ and failures to successfully integrate our technology may materially and adversely affect our business, results of operations ~~,~~ and financial condition. Our forward ~~-~~ looking estimates of certain financial metrics may prove inaccurate. We use various estimates in formulating our business plans. We base our estimates upon a number of assumptions that are inherently subject to significant business and economic uncertainties and contingencies, many of which are beyond our control. These estimates include our assessment of whether a “major win” or “major commercial win” has occurred ~~,~~ ~~and previously included an estimate of “Order Book” as an alternative metric to measure our commercial progress and the opportunity for our business~~. Our estimates therefore may prove inaccurate, causing the actual amount to differ from our estimates. The factors which may cause actual amounts to differ from our estimates include, without limitation: • the extent to which customers who have selected Luminar for a major commercial win include our hardware and software products into their systems, products ~~,~~ or vehicle models, including the percentage or take rate within a vehicle configuration planned for production by our customers ~~,~~ which may change over time; • the extent to which Luminar meets contractual terms

and conditions, and whether there are any series production delays, whether caused by Luminar or unrelated to our technology; • the extent to which our technology is successfully integrated into our customers' vehicles products; • the timing of when our customers adopt our technology into their vehicles products on a commercial basis which could be delayed for regulatory, safety or reliability issues unrelated to our technology; • defects, undetected or unknown errors, defects or lack of reliability or other issues in our hardware or software which could reduce the market adoption of our products or delay or stop production; • loss of business with respect to, or the failure or lack of commercial success of, a vehicle model for which we are a significant supplier for reasons unrelated to our technology; For more information about certain risks related to discontinuation or loss of business, see the risk factor captioned "The discontinuation or lack of commercial success of, or loss of business with respect to, a particular vehicle model or technology package for which we are a significant supplier could reduce our sales and adversely affect our profitability;" • a decline, for any reason, in the production levels of our customers, particularly with respect to models which incorporate our technology; • customer cancellations of their contracts with us; • the extent to which end customers consumers select our products when purchasing a vehicle option package from vehicle manufacturers automotive OEMs; and • other risk factors set forth in this Annual Report Form 10-K. Our revenue estimate for 2023-2024, projected cash position at year end 2023-2024 and timing to achieve positive gross margin have differed from our actual results due to one or more factors mentioned above. If we fail to meet the financial estimates or targets we provide for 2025 and beyond, or if we find it necessary to revise such estimates or targets, the market value of our Class A common stock could be adversely affected.

In addition, we use "Order Book" as a metric to measure performance against anticipated achievement of planned key milestones of our business. Order Book is defined as the forward-looking cumulative billings estimate of Luminar's hardware and software products over the lifetime of given vehicle production programs which Luminar's technology is expected to be integrated into or provided for, based primarily on projected/actual contractual pricing terms and our good faith estimates of volume. Estimated volume is based on public market data or estimates from customers multiplied by the estimated percentage of the customer's vehicle volume that will be equipped with our products, known as a "take rate". The "take rates" are estimated at 100% where a customer has chosen our products as standard equipment and 25% where a customer has chosen our product as optional equipment. We estimate our Order Book as of the date of this filing to be approximately \$ 3.8 billion. We include "awarded programs" in our Order Book when we have obtained a written or verbal agreement, a nomination letter, non-binding expression of interest, or other reasonable expression of commitment with a major industry player that we expect to ultimately result in a significant commercial program. Our Order Book as of the date of this filing consists of greater than 25 vehicle lines and commercial programs, including 20 consumer production vehicle lines across automakers; the remaining including commercial programs with customers in the mobility, trucking, aerospace, and artificial intelligence industries. Our Order Book excludes any passenger vehicle programs for development contracts without a specific series production program identified and unawarded vehicle programs at existing customers. For the 20 awarded consumer production vehicle lines in our Order Book, we use estimates for start of production ("SOP") and end of production ("EOP") dates and annual production volumes from a leading third-party data source. For vehicle programs where this information is not available from a third party source, we use SOP and EOP dates and annual production vehicles as specified in the customer contract, with an incremental 20% discount applied to arrive at conservative volume estimates. For vehicle programs where our technology is not standardized, we assume a blanket take rate of 25%, which is based on estimates from our customers, as well as reviewing available market data and information from our customers and the industry at large. Our customers' estimates of take rate range from approximately 5% to approximately 50%. For reference, a 5% increase (or decrease) in the take rate assumption would increase (or decrease) our Order Book estimate by approximately \$ 400 million. For the "adjacent market" commercial programs, we make good faith estimates of the estimated life-time billings of these programs based on information provided by our customers. We limit the contribution for each of these programs to our Order Book to either \$ 50 million or contractual revenue over the next three years. We believe Order Book provides useful information to investors as a supplemental performance metric as many of our products are currently in a pre-production stage and therefore there are currently no billings or revenues from commercial grade product sales. OEMs customarily place non-cancelable purchase orders with their automotive component suppliers only shortly before or during production. Consequently, we use Order Book to inform investors about the progress of expected adoption of our technologies by OEMs because there is, in our view, no other better metric available at our stage. The Order Book estimate may be impacted by various factors as described in this Annual Report, including, but not limited to the following: • None of our customers make contractual commitments to use our LiDAR sensors and software until all test and validation activities have been completed, they have finalized plans for integrating our systems, have a positive expectation of the market demand for our features, and unrelated to us, have determined that their vehicle is ready for market and there is appropriate consumer demand. Consequently, there is no assurance or guarantee that any of our customers, including any programs which we included in our Order Book estimates will ever complete such testing and validation or enter into a definitive volume production agreement with us or that we will receive any billings or revenues forecasted in connection with such programs. • The development cycles of our products with new customers vary widely depending on the application, market, customer, and the complexity of the product. In the automotive market, for example, this development cycle can be as long as seven or more years. Variability in development cycles make it difficult to reliably estimate the pricing, volume or timing of purchases of our products by our customers. • Customers cancel or postpone implementation of our technology. • Our technologies may not be successfully integrated into a larger system with other sensing modalities and software. • The product or vehicle model that is expected to include our LiDAR products may be unsuccessful, including for reasons unrelated to our technology, such as, if optionally equipped, the success of technology or safety packages that include our technology may also include many other features and equipment not in demand by consumers. • The ultimate consumer take rate for our technology on vehicle programs where our technology is not standardized is still uncertain, and may be different than OEM guidance and what the current market data suggests. These risks and uncertainties may cause our future actual sales

to be materially different than that implied by the Order Book metric. The discontinuation or lack of commercial success of, or loss of business with respect to, a particular vehicle model or technology package for which we are a significant supplier and the absence of demand from end automotive consumers for our features, could reduce our sales and adversely affect our profitability. If we are able to secure major commercial wins and our solutions are included in **these ADAS and autonomous driving and ADAS products systems by automotive OEMs**, we expect to enter into supply agreements with **the those relevant customer customers**. Market practice dictates that these supply agreements typically require us to supply a customer's requirements for a particular vehicle model **ADAS** or autonomous driving **system or ADAS product**, rather than supply a set number of products **over a given period**. These requirement contracts can have short terms and / or can be subject to renegotiation, sometimes as frequently as annually, all of which may affect product pricing, and **these contracts** may **also** be terminated by our customers at any time. Moreover, end automotive consumers must demand and be willing to pay for our features **if our technology is not included as standard equipment on a vehicle program**. Therefore, even if we are successful in obtaining major commercial wins and the systems into which our products are built are commercialized, the discontinuation of, the loss of business with respect to, or a lack of commercial success of a particular vehicle model or technology package for which we are a significant supplier, and the absence of demand from end automotive consumers for our features, could mean that the expected sales of our products will not materialize, which would materially and adversely affect our business. Information concerning our future cost of goods sold (COGS) and bill of materials (BOM) estimates may prove inaccurate. We periodically provide estimates of future cost of goods sold and bill of materials which by necessity, are projections based on anticipated rates of future production of our customers and the timing of related expenditures, and there are uncertainties inherent in the creation and interpretation of such data. Pricing negotiated in our supply agreements for key components like ~~the~~ receiver, ASIC and laser are dependent on volume estimates which may not be realized. Most of our components are manufactured using technologies that are highly complex and consequently, estimates of BOM and **COGS cost of goods sold** may fluctuate due to many variable factors and assumptions, including but not limited to the following: • meeting certain volume estimates; • our reliance on key inputs and our ability to reduce and control the cost of such inputs. For more information about certain risks related to our reliance on key inputs and our inability to reduce and control the costs of such inputs, see the risk factor captioned " We are reliant on key inputs, and our ability to reduce and control the cost of such inputs could negatively impact the adoption of our products and our profitability; " • the risk of shortages and long lead times in the supply of key components and the risk that our suppliers discontinue or modify components used in **its our** products. For more information about certain risks related to reliance on third- party suppliers, see the risk factor captioned " We rely on third- party suppliers and because some of the raw materials and key components in our products come from limited or single source suppliers, we are susceptible to supply shortages, long lead times for components, and supply changes, any of which could disrupt our supply chain and could delay deliveries of our products to customers; " • consistency and adequate quality and quantity of piece parts, other raw materials, and other bill of materials items; • contract negotiations and the execution of firm supply agreements; • future versions of our product design incorporating new components meeting our customers' requirements and specifications. For more information about certain risks related to product selection, see the risk factor captioned " The period of time from a major commercial win to implementation is long, and we are subject to risks of cancellation or postponement of the contract or unsuccessful implementation; " • the qualification of new versions of our key components. For more information about certain risks related to qualification, see the risk factor captioned " If our LiDAR products are not selected for inclusion in **ADAS or** autonomous driving systems ~~or ADAS~~ by automotive OEMs or their suppliers, our business will be materially and adversely affected; " • defects in production processes (including system assembly) either within our facilities, **at** our contract manufacturers ², or at our suppliers ²; • any transitions or changes in our production process, planned or unplanned; and We are reliant on key inputs and our inability to reduce and control the cost of such inputs could negatively impact the adoption of our products and our profitability. The production of our **LiDAR** sensors is dependent on producing or sourcing certain key components and raw materials at acceptable price levels. If we are unable to adequately reduce and control the costs of such key components, we will be unable to realize manufacturing ~~costs-~~ **cost** targets, which could reduce the market adoption of our products, damage our reputation with current or prospective customers, and harm our brand, business, prospects, financial condition and operating results. Continued pricing pressures, automotive OEM cost reduction initiatives and the ability of automotive OEMs to re- source or cancel vehicle or technology programs may result in lower than anticipated margins, or **higher than anticipated** losses, which may adversely affect our business. Cost- cutting initiatives adopted by **many of our automotive** customers often result in increased downward pressure on pricing **for our products and competitive products**. We expect that our agreements with automotive OEMs may require step- downs in pricing over the term of the agreement or, if commercialized, over the period of production. In addition, our automotive OEM customers often reserve the right to terminate their supply contracts for convenience, which enhances their ability to obtain price reductions. Automotive OEMs also possess significant leverage over their suppliers, including us, because the automotive component supply industry is highly competitive, serves a limited number of customers and has a high fixed cost base. Accordingly, we expect to be subject to **continuing and** substantial ~~continuing~~ pressure from automotive OEMs and Tier 1 suppliers to reduce the price of our products. It is possible that pricing pressures beyond our expectations could intensify as automotive OEMs pursue restructuring, consolidation, and cost- cutting initiatives. If we are unable to generate sufficient production cost savings in the future to offset price reductions, our gross margin and profitability would be adversely affected. We expect to incur substantial R & D costs and devote significant resources to identifying and commercializing new products, which could significantly reduce our profitability and may never result in revenue to us. Our future growth depends on penetrating new markets, adapting existing products to new applications and customer requirements, and introducing new products that achieve market acceptance. We plan to incur substantial, and potentially increasing, R & D costs as part of our efforts to design, develop, manufacture and commercialize new products and enhance existing products. Our R & D expenses were \$ **231. 7 million, \$** 262. 2 million, ~~and~~ \$ 185. 3 million

and \$ 88.9 million for the years ended December 31, 2024, 2023, and 2022 and 2021, respectively, and are likely to grow in the future. Because we account for R & D as an operating expense, these expenditures will adversely affect our results of operations in the future. Further, our R & D program, including our software development efforts, may not produce successful results, and our new products may not achieve market acceptance, create additional revenue or become profitable. Market adoption of LiDAR is uncertain. Developments in alternative technology may adversely affect the demand for our LiDAR technology. If market adoption of LiDAR does not continue to develop, or develops more slowly than we expect, or our investments in educating our customers about the advantages of LiDAR fail, our business will be adversely affected. While our LiDAR-based ADAS and autonomous driving solutions can be applied to different use cases across end markets, nearly all the majority of our revenue is generated from automotive applications. Despite the fact that the automotive industry has engaged in considerable effort to research and test LiDAR products for ADAS and autonomous driving applications, the automotive industry may not introduce LiDAR products in commercially available vehicles. We continually study emerging and competing sensing technologies and methodologies and we may add new sensing modalities over time. However, LiDAR products remain relatively new to our targeted industries, and it is possible that other sensing modalities, or a new disruptive modality based on new or existing technology technologies, including a combination of technology, will achieve acceptance or leadership in the ADAS and autonomous driving industries space. For example, significant developments in alternative technologies, such as cameras and radar, may materially and adversely affect our business in ways we do not currently anticipate. Existing and other camera and radar technologies may emerge as customers' preferred alternative alternatives to our solutions. Any failure by us and our R & D efforts to develop new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay our development and introduction of new and enhanced products in the ADAS and autonomous vehicle driving industry, which could result in the loss of competitiveness of our LiDAR solutions, decreased revenue and a loss of market share to competitors. We As technologies change, we plan to upgrade or adapt our LiDAR solutions with the latest technology technologies; However however, our solutions may not compete effectively with alternative systems if we are not able to source and integrate the latest technology into our existing LiDAR solutions. Even if LiDAR products are used in initial generations of autonomous driving technology and certain ADAS products, we cannot guarantee that LiDAR products will be designed into or included in subsequent generations of such commercialized technology programs. Many automakers are now concentrating on improving consumer vehicle ADAS technology and creating new conditional automation systems; however, as these products and features are newly emerging, consumer acceptance and pricing desirability remains uncertain, and automakers may discontinue or decrease use in favor of cheaper vehicles without these technologies or systems, particularly if government regulations and safety ratings do not support ADAS technology. In addition, we expect that initial generations of fully autonomous vehicles will be focused on limited applications, such as robotaxis, and that mass market adoption of autonomous technology may lag behind these initial applications significantly. The speed of market growth for ADAS or autonomous vehicles is difficult, if not impossible, to predict, and it is more difficult to predict this market's future growth in light of geopolitical instability, rapid inflation, and potential recession. Educating customers about LiDAR, its advantages over other sensing technologies, and LiDAR's ability to convey value in different industries and deployments is also an integral part of developing new business and the LiDAR market generally and if. If customers have a negative perception of, or experience with, our LiDAR or a competitor's LiDAR products, they may be reluctant to adopt LiDAR in general or specifically our products. Our investments and efforts to educate potential customers and the market generally and to counter any adverse statements made by competitors or other market participants thus, may not be successful. Although we currently believe we are a leader in LiDAR-based systems for our targeted the autonomous vehicle market markets, by the time mass market adoption of ADAS and autonomous vehicle driving technology is achieved, we expect competition among providers of sensing technology based on LiDAR and other sensors modalities to increase substantially. If commercialization of LiDAR products is not successful, or not as successful as we or the market expects, or if other sensing modalities gain acceptance by developers of ADAS or autonomous driving systems or ADAS, automotive OEMs, regulators and safety organizations, or other market participants by the time autonomous vehicle technology achieves mass market adoption, our business, results of operations and financial condition will be materially and adversely affected. In addition to automotive markets, we are investing in and pursuing market opportunities in other markets, including in-but not limited to last mile delivery, aerospace, and defense, robotics, and aviation security. We believe that our future revenue growth, if any, will depend in part on our ability to expand within new markets such as these and to enter new markets as they emerge. Each of these markets presents distinct risks and, in many cases, requires us to address the particular requirements of that market. Addressing these the unique requirements of adjacent markets can be time-consuming and costly. The market for LiDAR technology outside of automotive applications is relatively new, rapidly developing, and unproven in many markets or industries. Many of our customers outside of the automotive industry remain are still in the testing and development phases; and we cannot be certain that they will commercialize products or systems with our LiDAR products or at all. We Additionally, we cannot be certain that LiDAR will be sold into these markets, or any market outside of the automotive market, at scale. Adoption of LiDAR products, including our products, outside of the automotive industry will depend on numerous factors, including: whether the technological capabilities of LiDAR and LiDAR-based products meet users-customers' current or anticipated needs; whether the benefits of designing LiDAR into larger sensing systems outweigh the costs, complexity and time needed to deploy such technology or replace or modify existing systems that may have used other modalities like such as cameras and radar; whether users-customers in other applications can move beyond the testing and development phases and proceed to commercializing systems supported by LiDAR technology; and whether LiDAR developers such as us can keep pace with rapid technological change in certain developing markets, and changes in the global economy or automotive industry caused by international relations. If LiDAR technology does not achieve commercial success outside of the automotive industry, or if the market develops at a pace slower than we expect, our business, results of operation, and financial condition will be

materially and adversely affected. We may experience difficulties in managing our growth and expanding our operations. We expect to experience significant growth in the scope and nature of our operations. Our ability to manage our operations and future growth will require us to continue to improve our operational, financial, and management controls, compliance programs, and reporting systems. We are currently in the process of strengthening our compliance programs, including our compliance programs related to export controls, privacy and cybersecurity and anti-corruption. We may not be able to implement improvements in an efficient or timely manner and may discover deficiencies in existing controls, programs, systems, and procedures, which could have an adverse effect on our business, reputation, and financial results. We rely on third-party suppliers, and because some of the raw materials and key components in our products come from limited or single source suppliers, we are susceptible to supply shortages, long lead times for components, and supply changes, any of which could disrupt our supply chain and could delay deliveries of our products to customers. Some of the components that go into the ~~manufacture~~ **manufacturing** of our ~~solutions~~ **products** are sourced from third-party suppliers. To date, we have ~~produced~~ **manufactured** our products in relatively limited quantities for use **primarily** in R & D programs. Although we do not have any experience in managing our supply chain to manufacture and deliver our products at scale, our future success will depend on our ability to manage our supply chain to manufacture and deliver our products at scale. Some of the key components used to manufacture our products come from limited or single source suppliers. We are therefore subject to the risk of shortages and long lead times in the supply of these components, ~~including integrated circuits which are in short supply in the near term~~, and the risk that our suppliers discontinue or modify components used in its products. We have a global supply chain, and health epidemics and outbreaks, ~~as well as~~ geopolitical events, and government trade restrictions, may adversely affect our ability to source components in a timely or cost effective manner from our third-party suppliers due to, among other things, work stoppages or interruptions. Increasing international tensions related to national security matters between China and the ~~United States~~ **U. S.** and its allies, as well as increasing tariffs or export or import restrictions, **including those contemplated by the new administration** also could disrupt our ~~critical~~ supply chain. For example, our products depend on ~~specific lasers~~ **laser technology**, and we currently consume a substantial portion of the available market. Any shortage of these lasers could materially and adversely affect our ability to manufacture our solutions. **Additionally** ~~In addition,~~ **China has imposed export bans to the U. S. on rare earth minerals; and while InGaAs, which is used in our critical photodiode technology, is considered a compound semiconductor not subject to export bans, the standalone elements indium and gallium are classified as rare earth metals, which introduces risk should such export bans be expanded.** The lead times associated with certain components **in our products** are lengthy and preclude rapid changes in quantities and delivery schedules. We have in the past experienced, and may in the future experience, component shortages and price fluctuations of certain key components and materials, and the predictability of the availability and pricing of these components may be limited. Component shortages or pricing fluctuations could be material in the future. In the event of a component shortage, supply interruption, or material pricing change from suppliers of these components, we may not be able to develop alternate sources in a timely manner, or at all in the case of sole or limited sources. Developing alternate sources of supply for these components may be time-consuming, difficult, and costly, and we may not be able to source these components on terms that are acceptable to us, or at all, which may undermine our ability to meet our requirements or to fill customer orders in a timely manner. Any interruption or delay in the supply of any of these parts or components, or the inability to obtain these parts or components from alternate sources at acceptable prices and within a reasonable amount of time, would adversely affect our ability to meet our scheduled product deliveries to our customers. This could adversely affect our relationships with our customers and channel partners, and **delays in shipment of our products** could ~~cause delays in shipment of our products and~~ adversely affect our operating results. In addition, increased component costs could result in lower gross margins. Even where we are able to pass increased component costs along to our customers, there may be a lapse of time before we are able to do so, such that we must absorb the increased cost. If we are unable to buy these components in quantities sufficient to meet our requirements on a timely basis, we will not be able to deliver products to our customers, which may result in such customers using competitive products instead of ours. Because our ~~product~~ sales ~~have been primarily~~ **still include a significant amount of sales** to customers ~~making purchases~~ for R & D projects and our orders are project-based, we expect our results of operations to fluctuate on a quarterly and annual basis, which could cause our stock price to fluctuate or decline. Our quarterly results of operations have fluctuated in the past and may vary significantly in the future. As such, historical comparisons of our operating results may not be meaningful. **The nature of** ~~In particular, because our sales to date have primarily been to,~~ **which despite our start of series production for certain** customers ~~making purchases,~~ **still include a significant amount of sales to customers** for R & D **projects and project-based orders**. sales in any given quarter can fluctuate based on the timing and success of our customers' development projects. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control and may not fully reflect the underlying performance of our business. These fluctuations could adversely affect our ability to meet our expectations or those of securities analysts, ratings agencies, or investors. If we do not meet these expectations for any period, the value of our business and our securities could decline significantly. Factors that may cause these quarterly fluctuations include, without limitation, those listed below: • the timing and magnitude of orders and shipments of our products in any quarter; • pricing changes we may adopt to drive market adoption or in response to competitive ~~pressure~~ **pressures**; • our ability to retain our existing customers and attract new customers; • our ability to develop, introduce, manufacture, and ship in a timely manner products that meet customer requirements; • disruptions in our sales channels or termination of ~~its our relationship~~ **relationships** with important channel partners; • delays in customers' purchasing cycles or deferments of customers' purchases in anticipation of new products or updates from us or our competitors; • fluctuations in demand pressures for our products; • the mix of products sold in any quarter; • the impact of health epidemics and outbreaks, and the time it takes for economic recovery; • the timing and rate of broader market adoption of **ADAS and** autonomous **driving** systems utilizing our solutions across the

automotive and other market markets sectors; • market acceptance of LiDAR and further technological advancements by our competitors and other market participants; • the ability of our customers to commercialize systems that incorporate our products; • any change in the competitive dynamics of our markets, including consolidation of competitors, regulatory developments, and new market entrants; • our ability to effectively manage our inventory; • changes in the source, cost, availability of, and regulations pertaining to materials we use, including the effect of inflation on the cost of components for our products; • adverse litigation, judgments, settlements, or other litigation-related costs, or claims that may give rise to such costs; • deterioration of international relations and trade disputes, especially related to China, changes in trade policy in the United States and other countries, including the imposition of tariffs and the resulting consequences, which could disrupt the global automotive industry or LiDAR products specifically; and • general economic, industry and market conditions, including trade disputes. Our transition to an outsourced manufacturing business model may not be successful, which could harm our ability to deliver products and recognize revenue. We are in the process of transitioning from a manufacturing model in which we primarily manufactured and assembled our products in low volumes at our pilot facility in Orlando, Florida location, to one where we rely on third-party contract manufacturers (“CMs”) in Mexico, Thailand, China and potentially other foreign and domestic locations. We believe the use of CMs will have benefits, such as lower manufacturing costs, but in the near term, while we are beginning manufacturing with such CMs, we may lose revenue, incur increased costs, and potentially harm our customer relationships. For example, in evaluating opportunities for optimizing our manufacturing and product design processes during 2023 and 2024, we have commenced efforts to streamline a plan to proceed with a change in our sourcing strategy and improve per unit sensor manufacturing costs, which included changing the sourcing of final assembly and components from one contract manufacturer to another. This effort included production downtime at the dedicated manufacturing facility in Mexico. As a result, we have also reduced the useful lives of the long-lived assets within the impacted asset group in line with when these assets are expected to be abandoned. We expect the transition to new suppliers under this initiative to be completed in 2024. The reduction in the estimated useful lives of the impacted assets resulted in us recording \$ 9.4, 2.4 million of accelerated depreciation charges in the year ended December 31, 2023. We expect to record additional accelerated depreciation in the range of \$ 6.0 million to \$ 7.0 million by end of 2024. Our continuing optimization of our manufacturing and product design processes may impact estimated useful lives or carrying values of additional property, plant and equipment or other assets. Therefore, we could record additional depreciation, write-offs or other related costs. We may in the future implement other restructuring activities, which may include actions like reduction in workforce or changes in use of certain properties and other assets. Significant judgment is required to estimate restructuring costs, and these estimates, and the assumptions underlying them, may change as additional information becomes available or facts or circumstances related to restructuring initiatives change. Reliance on third-party manufacturers reduces our control over the manufacturing process, including our ability to finalize changes through validation, and reduces our control over product quality, product costs and product supply and timing. We may experience delays in shipments or issues concerning product quality from our third-party manufacturers. If any of our third-party manufacturers experience interruptions, delays or disruptions in supplying our products, including due to natural disasters, the global COVID-19 pandemic, other health epidemics and outbreaks, geopolitical events, national security and, trade restrictions on imports and exports, or work stoppages or capacity constraints, our ability to ship products to distributors and customers would be delayed. In addition, unfavorable economic conditions could result in financial distress among third-party manufacturers upon which we rely, including those caused by tax or tariff changes, thereby increasing the risk of disruption of supplies necessary to fulfill our production requirements and meet customer demands. Additionally, if any of our third-party manufacturers experience quality control problems in their manufacturing operations and our products do not meet customer or regulatory requirements, we could be required to cover the cost of repair or replacement of any defective products. These delays or product quality issues could have an immediate and material adverse effect on our ability to fulfill orders and could have a negative effect on our operating results. In addition, such delays or issues with product quality could adversely affect our reputation and our relationship with our channel partners. If our third-party manufacturers experience financial, operational, manufacturing capacity, or other difficulties, including restrictions that may be imposed by governments in response to tariffs or other actions taken by the U. S. government, or experience shortages in required components, or if they are otherwise unable or unwilling to continue to manufacture our products in required volumes or at all, our supply may be disrupted, we may be required to seek alternate manufacturers, and we may be required to re-design our products. It would be time-consuming, and could be costly and impracticable, to begin to use new designs, suppliers, and manufacturers and designs, and such changes could cause significant interruptions in our supply to and could have an adverse effect on our ability to meet our scheduled product deliveries for our customers, and may subsequently lead to the loss of sales. While we take measures to protect our trade secrets, the use of third-party manufacturers may also risk disclosure of our innovative and proprietary manufacturing methodologies, which could adversely affect our business. Our sales and operations in international markets, including our manufacturing operations, expose us to operational, financial and regulatory risks. International sales comprise a significant amount of our overall revenue. Sales to international customers accounted for 5%, 8%, and 14% and 29% of our revenue in 2024, 2023, and 2022 and 2021, respectively. We are committed to growing our international sales. While we have committed resources, and are working closely with OEMs and other collaborators outside the United States U. S., to expand our international operations and sales channels, these efforts may not be successful. We have also commenced international manufacturing operations. International operations, including any manufacturing operations, are subject to a number of other risks, including: • foreign currency and exchange rate fluctuations; • local economic conditions; • geopolitical, political, and economic instability, wars and military conflicts, international terrorism and anti-American sentiment, particularly in emerging markets; • health epidemics and outbreaks; • potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud; • tariffs, other trade barriers and restrictions, and preference for locally branded products, and laws

and business practices favoring local competition; • ~~potential consequences of, and uncertainty related to, the “Brexit” process in the United Kingdom, which could lead to additional expense and complexity in doing business there;~~ • increased difficulty in managing inventory; • difficulties in collecting receivables from foreign entities; • less effective protection of intellectual property; • foreign government regulatory requirements and stringent regulation of motor vehicles ~~the,~~ **ADAS and autonomous driving or other** systems or products using our products and stringent consumer protection and product compliance regulations, including but not limited to UN / ECE vehicle regulations, General Data Protection Regulation in the European Union, European competition law, the Restriction of Hazardous Substances Directive, the Waste Electrical and Electronic Equipment Directive, and the European Ecodesign Directive, all of which are costly to comply with and may vary from country to country; • national security and international trade restrictions on our hardware and software such as restrictions on import or export, particularly as related to U. S. – China relations; • difficulties and costs of staffing and managing foreign operations; • import and export laws and requirements, and the impact of **recently imposed tariffs, specifically on China, by the U. S. government and countermeasures governments may take in response, which may disrupt our supply chain, increase our production costs, and reduce our competitiveness in the global market**; • potentially adverse tax consequences and changes in local tax and customs duty laws or changes in the enforcement, application, or interpretation of such laws; and • U. S. and foreign government restrictions on certain sales and technology transfer to certain countries of concern, in particular potential U. S. – China trade restrictions relating to semiconductors, artificial intelligence ~~and~~ autonomous systems, and cybersecurity. The occurrence of any of these risks could negatively affect our international business or increase our costs and decrease our profit margins and consequently materially and adversely affect our business, operating results, and financial condition. We, our outsourcing partners and our suppliers may rely on complex machinery for our production, which involves a significant degree of risk and uncertainty in terms of operational performance and costs. We, our outsourcing partners and our suppliers may rely on complex machinery for the production, assembly, and installation of our LiDAR ~~solutions~~ **products**, which will involve a significant degree of uncertainty and risk in terms of operational performance and costs. Our production facilities and the facilities of our outsourcing partners and suppliers consist of large- scale machinery with high capital expense combining many components. These components may suffer unexpected malfunctions from time to time and will depend on repairs and spare parts to resume operations, which may not be available when needed. Unexpected malfunctions of these components may significantly affect the intended operational efficiency. Operational performance and costs can be difficult to predict and are often influenced by factors outside of our control, such as, but not limited to, scarcity of natural resources, environmental hazards and remediation, costs associated with decommissioning of machines, labor disputes and strikes, difficulty or delays in obtaining governmental permits, damages or defects in electronic systems, industrial accidents, ~~fire fires~~, seismic activity, and natural disasters. Should operational risks materialize, it may result in the personal injury to or death of workers, the loss of production equipment, damage to production facilities, monetary losses, delays and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs, and potential legal liabilities, all which could have a material adverse effect on our business, prospects, **operating results, or** financial condition ~~or operating results~~. As part of growing our business, we may make acquisitions. If we fail to successfully select, execute, or integrate our acquisitions, then our business, results of operations and financial condition could be materially adversely affected, and our stock price could decline. From time to time, we may undertake acquisitions to add new products and technologies, acquire talent, gain new sales channels, or enter into new markets or sales territories. In addition to possible stockholder approval, we may need approvals and licenses from relevant government authorities for ~~the targeted~~ acquisitions and to comply with any applicable laws and regulations, which could result in increased delay and costs, and may disrupt our business strategy if we fail to ~~do so~~ **achieve appropriate approvals described above**. Furthermore, acquisitions and the subsequent integration of new assets, businesses, key personnel, customers, vendors and suppliers require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets ~~and,~~ **as well as** exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant. To date, we have limited experience with acquisitions and the integration of acquired technology and personnel. Failure to successfully identify, complete, manage, and integrate acquisitions could materially and adversely affect our business, **results of operations, and** financial condition, ~~and results of operations~~ and could cause our stock price to decline. ~~Our~~ ~~Any failure to grow our~~ relationship with Chinese customers and our proposed international expansion into ~~China~~ **Asia** could expose us to substantial business, regulatory, political, financial and economic risks. In 2023, we executed a manufacturing services agreement with TPK, a Taiwanese contract manufacturer ~~that,~~ **to build and operate an additional high- volume facility for us in Asia. Under this agreement TPK** will manufacture our LiDARs at a factory in ~~China,~~ **Asia** and utilize certain components and raw materials from ~~Asia.~~ **In 2024, we executed an agreement to establish an engineering center in** China, **staffed by TPK,** and expect a significant amount of our global OEM customers future sales to be ~~in China~~ **assist with our industrialization efforts, including manufacturing process design, development and validation, component process verification and validation, supplier development support, system validation, cost analysis, and benchmarking. This expanded partnership with TPK is accretive to our contract manufacturing relationship, as well as to our contract manufacturing relationships with Celestica and Fabrinet.** Any failure in our ability to establish our presence in China, grow our ~~relationship~~ **relationships** with the Chinese ~~OEM~~ **OEMs**, serve our global OEMs in China and suppliers, successfully launch our products and maintain product quality, or to realize the anticipated benefits of our relationships could harm our brand, prospects, **operating results, and** financial condition, ~~and operating results~~ and have an adverse effect on our business. Our operations in China could also expose us to substantial risks associated with doing business in China, such as, risks and regulations related to taxation, inflation, manufacturing, environmental, privacy, anti- mapping,

cybersecurity, foreign currency exchange rates, as well as political risks, intellectual property risks, tariffs, import and export restrictions, the labor market and property and financial regulations. Additionally, we would need to maintain compliance with the market's rapidly changing regulations, including ongoing development of standards to define deployment requirements for higher levels of autonomy. Our ability to operate in China may also be adversely affected by changes in, or our failure to comply with, Chinese laws, regulations, and standards. As we hire personnel to maintain our operations in China, we are exposed to risks associated with any changes to the employment and labor laws in China, which could increase our operating costs in China. There is also significant uncertainty about the future relationship between the United States U. S. and China with respect to political risks, including but not limited to, trade policies, technology transfer restrictions in import and export, treaties, government regulations and tariffs. Actions by the United States U. S. and China that may restrict the import, export or sale of, or reduce governmental support for, LiDARs and related components may result in reciprocal restrictions and escalation that could impair our ability to compete effectively and supply products to the inherently global automotive industry. Recent The U. S. restriction by the United States on the export of certain AI chips and support in the CHIPS-CHIPS and Sciences Act for sponsoring domestic semiconductor development, U. S. restrictions on purchasing of certain Chinese LiDARs- LiDAR technology, Chinese restrictions on the export of certain Chinese LiDARs- LiDAR technology, and Chinese restriction of autonomy-autonomous software development in China by foreign companies may lead to escalation on both sides that could impair our ability to operate our business successfully in both China and the United States U. S., as well as globally. See "Changes to trade policy, tariffs, and import / export regulations may have a material adverse effect on our business, financial condition and results of operations" below. The complexity of our products could result in unforeseen delays or expenses from undetected defects-Defects, errors or, lack of reliability or other issues in hardware or software which, could reduce the market adoption of our new products, damage our reputation with current or prospective customers, expose us to product liability and other claims, and adversely affect our operating costs. Our products, including our hardware and in- development software, are highly technical and very complex and require high standards to manufacture and have in the past and will likely in the future experience defects, security vulnerabilities, or other errors or reliability issues at various stages of development. We may be unable to in a timely manner release new products, manufacture existing products, correct problems that have arisen, or correct such problems to our customers' satisfaction. Additionally, undetected errors, defects or, security vulnerabilities, or other issues with our products, especially as new products are introduced or as new versions are released, could result in injury, which may be serious injury, to the end users of technology incorporating our products, or those in the surrounding area. Other consequences could include our customers never being able to commercialize technology incorporating our products, litigation against us, negative publicity, and other consequences. These risks are particularly prevalent in the highly competitive ADAS and autonomous driving technology and ADAS markets. Some errors or defects in our products may only be discovered after they have been tested, commercialized, and deployed by customers. If an accident involving a vehicle using our technology were to occur and result in injuries or purported injuries or death, we may incur significant costs from product recalls and repair or replacement requirements, as well as lawsuits, including class actions, for product liability or other claims against us by our customers and end users, which could result in substantial costs and diversion of management resources. Our reputation or brand may also be damaged as a result of these problems, and customers may be reluctant to buy our products, which could adversely affect our ability to retain existing customers and attract new customers, and could adversely affect our financial results. We could also face claims for breach of contract, fraud, tort or, breach of warranty or product defects as a result of these problems, and our business liability insurance coverage could prove inadequate with respect to a claim, and future coverage may be unavailable on acceptable terms or at all. In addition, if lawmakers or governmental agencies were to determine that the use of our products or certain ADAS or autonomous driving or certain ADAS applications increased the risk of injury to all or a subset of end users, they may pass laws or adopt regulations that limit the use of our products or, that increase our liability associated with the use of our products, or that regulate the use of or delay the deployment of ADAS and autonomous driving and ADAS technology. Any of these events could adversely affect our brand, relationships with customers, operating results, or financial condition. We may be subject to product liability or warranty claims that could result in significant direct or indirect costs, which could adversely affect our business and operating results. We typically provide a limited- time warranty on our products. The occurrence of any material defects in our products could make us liable for damages and warranty claims. In addition, we could incur significant costs to correct any defects, warranty claims, or other problems, including costs related to product recalls. Any negative publicity related to the perceived quality of our products could affect our brand image, partner and customer demand, and adversely affect our operating results and financial condition. Also, warranty, recall, and product liability claims may result in litigation, including class actions, the occurrence of which could be costly, lengthy, and distracting and adversely affect our business and operating results. If we do not maintain sufficient inventory or if we do not adequately manage our inventory, we could lose sales or incur higher inventory- related expenses, which could negatively affect our operating results. To ensure adequate inventory supply, we must forecast inventory needs and expenses, place orders sufficiently in advance with our suppliers and manufacturing partners, and manufacture products based on our estimates of future demand for particular products. Fluctuations in the adoption of LiDAR products may affect our ability to forecast our future operating results, including revenue, gross margins, cash flows, and profitability. Our ability to accurately forecast demand for our products could be affected by many factors, including the rapidly changing nature of the ADAS and autonomous driving and ADAS markets in which we operate, the uncertainty surrounding the market acceptance and commercialization of LiDAR technology, the emergence of new markets, an increase or decrease in customer demand for our products or for products and services of our competitors, product introductions by competitors, health epidemics and outbreaks, changing global demand as a result of geopolitical tension or wars, and any associated work stoppages or interruptions, unanticipated changes in general market conditions, and the weakening of economic conditions or consumer confidence in future economic conditions. If our LiDAR products are commercialized in ADAS and autonomous driving and ADAS

applications, both of which are experiencing rapid growth in demand, we may face challenges acquiring adequate supplies to manufacture our products and / or we and our manufacturing partners may not be able to manufacture our products at a rate necessary to satisfy the levels of demand, which would negatively affect our revenue and operating results, and could result in damage to our brand and customer relationships. This risk may be exacerbated by the fact that we may not carry or be able to obtain for our manufacturers a significant amount of inventory to satisfy short- term demand increases. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. Inventory levels in excess of customer demand may result in inventory write- downs or write- offs and the sale of excess inventory at discounted prices, which would adversely affect our financial results, including our gross margin, and have a negative effect on our brand. The average selling prices of our products could decrease rapidly over the life of the product, which may negatively affect our revenue and gross margin. We may experience declines in the average selling prices of our products generally as our customers seek to commercialize ADAS and autonomous driving systems at prices low enough to achieve market acceptance. In order to sell products that have a falling- declining average unit- selling price per unit and maintain margins at the same time, we will need to continually reduce product and manufacturing costs. To manage manufacturing costs, we must engineer the most cost- effective design for our products. We must also continuously drive initiatives to reduce labor cost, improve worker efficiency, reduce the cost of materials, use fewer materials, and further lower overall product costs by carefully managing component prices, inventory and shipping cost. We also need to continually introduce new products with higher sales- selling prices and gross margin in order to maintain our overall gross margin. If we are unable to manage the cost of older products or successfully introduce new products with higher gross margin, our revenue and overall gross margin would likely decline. Adverse conditions in the automotive industry or the global economy more generally could have adverse effects on our results of operations. While we make our strategic planning decisions based on the assumption that the markets we are targeting will grow, our business is dependent, in large part on, and directly affected by, business cycles and other factors affecting the global automobile- automotive industry and global economy generally. Automotive production and sales are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences, changes in interest rates and credit availability, consumer confidence, fuel costs, fuel availability, environmental impact, governmental incentives and, regulatory requirements, and political volatility, especially in energy- producing countries and growth markets. In addition, automotive production and sales can be affected by our automotive OEM customers' ability to continue operating in response to challenging economic conditions and in response to labor relations issues, regulatory requirements, trade agreements and other factors, such as geopolitical tension- tensions and trade restrictions on the supply of semiconductors or LiDARs for automobiles vehicles. The volume of automotive production in North America, Europe and the rest of the world has fluctuated, sometimes significantly, from year to year, and we expect such fluctuations to give rise to fluctuations in the demand for our products. Any significant adverse change in any of these factors may result in a reduction in automotive production and sales and production by our automotive- OEM customers and could have a material adverse effect on our business, results of operations, and financial condition. Because LiDAR is new and since many of the markets in which we compete are new and rapidly evolving, it is difficult to forecast long- term end- customer adoption rates and demand for our products. We are pursuing opportunities in markets that are undergoing rapid changes, including technological and regulatory changes, and it is difficult to predict the timing and size of the- our market opportunities. For example, autonomous driving and- LiDAR- based ADAS and autonomous driving applications require complex technology. Because these automotive systems depend on technology from many companies, commercialization of ADAS or autonomous driving systems or ADAS products could be delayed or impaired on account of certain technological components of our- ours or others not being ready to be deployed in vehicles. Although we currently are engaged with multiple commercial customers, these companies may not be able to commercialize our technology immediately, or at all. Regulatory, safety, or reliability developments, many of which are outside of our control, could also cause delays or otherwise impair commercial adoption of these new technologies, including whether government policy, regulation, and consumer education, and ratings programs support autonomous technology or improved driver assistance systems. Our future financial performance will depend on our ability to make timely investments in the correct market opportunities and to anticipate potential technological changes. If one or more of these markets experience a shift in existing customer or prospective customer demand, our products may not compete as effectively, if at all, and they may not be designed into commercialized products. Given the evolving nature of the markets in which we operate, it is difficult to predict customer demand or adoption rates for our products or the future growth of the markets in which we operate. As a result, any financial projections in this Annual Report Form 10- K, and any market opportunity estimates and forecasts of market growth, necessarily reflect various estimates and assumptions that may not prove accurate and these projections could differ materially from actual results due to the risks included in this " Risk Factors " section, among others. If demand does not develop or if we cannot accurately forecast customer demand, the size of our markets, inventory requirements or, our future financial results, our business, results of operations, and financial condition will be adversely affected. Even if markets experience the- forecasted growth described in this Annual Report, we may not grow our business at similar rates, or at all, since our business is subject to many risks and uncertainties set forth in this Annual Report Form 10- K. Accordingly, the- any forecasts and estimates of market size and growth described in this Annual Report, including our estimates of the size of our total- addressable market should not be taken as indicative of our future growth. We currently have and target customers that are large corporations with substantial negotiating power, exacting product standards, and potentially competitive internal solutions. If we are unable to sell our products to these customers, our prospects and results of operations will be adversely affected. Many of our customers and potential customers are large, multinational corporations with substantial negotiating power relative to us, and, in some instances, may have internal solutions that are competitive to our products. These large, multinational corporations also have significant development resources, which may allow them to acquire or develop independently, or in partnership with others, competitive technologies. Meeting the technical requirements and securing major commercial wins with any of these companies

will require a substantial investment of our time and resources. We cannot assure you that our products will secure major commercial wins from these or other companies or that we will generate meaningful revenue from the sales of our products to these key potential customers. If our products are not selected by these large corporations or if these corporations develop or acquire competitive technology, it will have an adverse effect on our business. We are substantially dependent on our partnership with a few key customers, and our business could be materially and adversely affected if our partnership with any of such customers were terminated. Our financial position and results could be materially and adversely affected if we were unable to collect our invoices for any of our key customers. We are dependent on a collection of large customers with strong purchasing power. In 2024, 2023, and 2022 and 2021, our top 10 customers represented 70 %, 66 %, and 69 % and 87 % of our revenue, respectively. In 2024, Scale. AI, in 2023, Daimler and Scale. AI, and in 2022, Daimler and Scale. AI each and in 2021, Daimler and Volvo accounted for more than 10 % of our annual revenue. The loss of business from any of our major customers (whether by lower overall demand for our products, cancellation of existing contracts or product orders, or the failure to design in our products or award us new business) could have a material adverse effect on our business. To the extent ADAS and autonomous driving vehicle and ADAS systems become widely accepted by major automotive OEMs, we expect that we will increasingly rely increasingly for our revenue on Tier 1 suppliers through which automotive OEMs often procure components. We expect that these Tier 1 suppliers will be responsible for certain hardware and software configuration activities specific to each OEM, and they may not exclusively carry our solutions. There can be no assurance that we will be able to maintain our relationship with any of our key customers and secure orders for our products. If we are unable to maintain our relationship any of our key customers, or if our arrangement is modified so that the economic terms become less favorable to us, then our business, financial results, and position would be materially adversely affected. There is also a risk that one or more of our major customers could be unable to pay our invoices as they become due or that a customer will simply refuse to make such payments if it experiences financial difficulties. If a major customer were to enter into bankruptcy proceedings or similar proceedings, whereby contractual commitments are subject to stay of execution and the possibility of legal or other modification, we could be forced to record a substantial loss. If we are unable to establish and maintain confidence in our long-term business prospects among customers within our industry and among securities analysts and within our or industry investors, or are subject to negative publicity, then our financial condition, operating results, business prospects and access to capital may suffer materially. Customers may be less likely to purchase our LiDAR solutions if they are not convinced that our business will succeed or that our service and support, and other operations will continue in the long term. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed. Accordingly, in order to build and maintain our business, we must maintain confidence among customers, suppliers, analysts, ratings agencies, securities analysts and investors, and other parties in our products, business prospects, and long-term financial viability and business prospects. Maintaining such confidence may be particularly complicated by certain factors, including those that are largely outside of our control, such as our limited operating history, customer unfamiliarity with our LiDAR solutions, any delays in scaling production, delivery, and service operations to meet demand, competition and uncertainty regarding the future of ADAS and autonomous vehicles driving technology, or uncertainty around our other services and, as well as our production and sales performance compared with market expectations. We operate in a highly competitive market and some market participants have substantially greater resources. We compete against a large number of both established competitors and new market entrants. The markets for sensing technology applicable to ADAS and autonomous solutions in the automobile automotive industry are highly competitive. Our future success will depend on our ability to remain a leader in our targeted markets by continuing to develop, and protect from infringement advanced LiDAR technology in a timely manner and to stay ahead of existing and new competitors. Our competitors are numerous, and they compete with us directly by offering LiDAR products and indirectly by attempting to solve some of the same challenges with different technology. We face competition from camera and radar companies, other developers of LiDAR products, Tier 1 suppliers, and other technology and automotive supply companies, some of which have significantly greater resources than we do. In the automotive market, our competitors and customers have commercialized both LiDAR and non- LiDAR- based ADAS technology that has achieved market adoption, strong brand recognition, and may continue to improve. Other competitors and customers are working towards commercializing autonomous driving technology, and either by themselves, or with a publicly announced partner, have substantial financial, marketing, R & D and other resources. Some of our customers in the ADAS and autonomous driving vehicle and ADAS markets have announced development efforts or made acquisitions directed at creating their own LiDAR- based or other sensing technologies, which would compete with our solutions. We do not know how close these competitors are to commercializing new ADAS applications or autonomous driving systems or novel ADAS applications. In markets outside of the automotive industry, our competitors, like us, seek to develop new sensing applications across industries. Even in these emerging markets, we face substantial competition from numerous competitors seeking to prove the value of their technology. Additionally, increased competition may result in pricing pressure and reduced margins, and may impede our ability to increase the sales of our products or cause us to lose market share, any of which will adversely affect our business, results of operations, and financial condition. If we are unable to achieve technological feasibility and commercialize our software products, including our perception and decision- making software products, such as our Proactive Safety™ and highway autonomy features, and develop other new solutions, and improve existing solutions in a cost- effective and timely manner, then our competitive position may be negatively impacted and our business, results of operations, and financial condition would be adversely affected. The markets in which we compete are characterized by rapid technological change, which requires us to continue to develop new products and product innovations and could adversely affect market adoption of our products. Our future success may depend upon our ability to develop our software products, including our perception and decision- making software products, such as our Proactive Safety™ and highway autonomy features, and our ability to introduce a variety of new capabilities,

product offerings, and innovations to our existing product offerings, to address the changing needs of the markets in which we offer our products. We are currently working on developing perception and decision-making software products, including the our Proactive Safety™ and highway autonomy features as well as the our Sentinel solution, all of which are important components of our business plan and which have not achieved ongoing technological feasibility as of the end of the 2023 fiscal year ended December 31, 2024. We may encounter significant unexpected technical and production challenges, or delays in completing the development of these software products and other solutions and, as well as ramping production-delivery of these solutions in a cost-efficient manner. We cannot guarantee that such software or other new products will be successfully developed, released in a timely manner, or at all, or achieve satisfactory performance or market acceptance and any. Any such failure could materially adversely affect our business, results of operations and financial condition, and cause our stock price to decline. Delays in delivering new products that meet customer requirements could damage our relationships with customers and lead them to seek alternative sources of supply, and we may not be able to achieve additional design wins with existing or new customers, or achieve broader market acceptance of our solutions. In addition, our success to date has been based on the delivery of our solutions to R & D programs in which developers are investing substantial capital to develop new systems. Our continued success relies on the success or continued progress of these R & D programs at these customers and ultimately transition from R & D phase of these customers as they expand into commercialized projects. As autonomous technology reaches the stage of large-scale commercialization, we will be required to develop and deliver solutions at price points that enable wider and ultimately mass-market adoption. Failure to achieve technological feasibility of our software products, or delays in introducing products and innovations, the failure to choose correctly among technical alternatives, or the failure to offer innovative products or configurations at competitive prices may cause existing and potential customers to purchase our competitors' products or turn to alternative sensing technology technologies. Lastly, no matter how successfully our software may or may not perform, customers may choose to purchase and incorporate software from more established automotive suppliers, technology companies, or alternatively develop software in-house. If we are unable to devote adequate resources to develop products, or cannot otherwise successfully develop products or system configurations that meet customer requirements and on a timely basis or that remain competitive with technological alternatives, our products could lose market share, our revenue could decline, we may experience operating losses, and our business and prospects would be adversely affected. While we intend to invest substantial resources to remain on the forefront of technological development, continuing technological changes in sensing technology, LiDAR, and the markets for these products, including the ADAS and autonomous driving industries, could adversely affect adoption of LiDAR and / or our products, either generally or for particular applications. If we are unable to demonstrate the insurance benefits of LiDAR-based ADAS, develop and obtain regulatory approval to introduce a compelling insurance product, are unable to convey these cost-savings benefits to OEMs, their dealers, and consumers, our business may be negatively impacted. Because insurance rate plan benefits are not exclusive to us, other insurance companies may introduce similar savings plans; and while those will still benefit consumers and support the introduction of LiDARs in general, it may limit future success or longevity of our insurance product, which would negatively affect our business. Our future success in insurance depends heavily on the technological success of LiDAR-based ADAS to reduce rates of accidents and injuries, whether the software is introduced by us or OEM customers source software elsewhere. While we have demonstrated the benefits of our prototype software in test track testing regimes designed to correlate with real world crash and injury data, there is no guarantee that actual software in production vehicles will operate the same or that it will have the same actuarial result in the real world. We do not have a track record of building, selling, and servicing insurance products, and we may encounter unexpected difficulties, including barriers from regulators due to lack of experience. Even if we are successful in bringing a compelling insurance product to market, OEMs or their dealers who will likely be the point of sale to consumers may ultimately not be interested or unable to convey the benefits, and consumers may not be able to appreciate the cost savings benefits. We had identified material weaknesses in our internal control over financial reporting in the past as of December 31, 2021. These material weaknesses were remediated in 2022, however. However, if we are unable to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results. In connection with our financial statement close process for the year ended December 31, 2021, we had identified material weaknesses in the design and operating effectiveness of our internal control over financial reporting. The material weaknesses we identified resulted from a lack of a sufficient number of qualified personnel within our accounting and internal audit function who possessed an appropriate level of expertise to effectively perform functions relating to control environment, control activities, information and communication, and monitoring. In addition, these material weaknesses contributed to material weaknesses in information technology controls and journal entry review. These material weaknesses were remediated during the year ended December 31, 2022. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis. These deficiencies could result in additional material misstatements to our consolidated financial statements that may not be prevented or detected on a timely basis. Although we have remediated the material weaknesses, additional weaknesses in our internal controls may be discovered in the future. Any failure to further develop or maintain effective controls, or any difficulties encountered in our implementation or improvement, could adversely affect our operating results, cause us to fail to meet our reporting obligations, and result in a restatement of our financial statements for prior periods. If any of these were to occur, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our common stock could be adversely affected. In addition, we could become subject to litigation or investigations by Nasdaq, the SEC, or other regulatory authorities. Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited. As of December 31, 2023-2024, we had \$ 844 855. 3 million of U. S. federal and \$ 805-891. 3-4 million of state net operating loss carryforwards available to reduce future

taxable income. Of the \$ 844-855 . 3 million in U. S. federal operating loss carryforwards, \$ 801-812 . 1 million will be carried forward indefinitely for U. S. federal tax purposes and \$ 43. 2 million will expire between 2035 and 2037. The federal \$ 805. 3 million of our U. S. state net operating loss carryforwards , if not utilized, will begin to expire beginning in 2035. State net operating loss carryforwards, if not utilized, will begin to expire on various dates starting 2028. It is possible that we will not generate taxable income in time to use these net operating loss carryforwards before their expiration or at all. Under legislative changes made in December 2017, U. S. federal net operating losses incurred in 2018 and in future years may be carried forward indefinitely, but the deductibility of such net operating losses is limited. In addition, the federal and state net operating loss carryforwards and certain tax credits may be subject to significant limitations under Section 382 and Section 383 of the U. S. Tax Code, respectively, and similar provisions of state law. Under those sections of the U. S. Tax Code, if a corporation undergoes an “ ownership change, ” the corporation ’ s ability to use its pre- change net operating loss carryforwards and other pre- change attributes, such as research tax credits, to offset its post- change income or tax may be limited. In general, an “ ownership change ” will occur if there is a cumulative change in our ownership by “ 5 -percent shareholders ” that exceeds 50 percentage points over a rolling three- year period. Similar rules may apply under state tax laws. We are highly dependent on the services of Austin Russell, our Founder, President and Chief Executive Officer. We are highly dependent on Austin Russell, our Founder, President and Chief Executive Officer. Mr. Russell created our first Lidar-LiDAR product and he remains deeply involved in all aspects of our business, including product development. The loss of Mr. Russell would adversely affect our business because his loss could make it more difficult to, among other things, compete with other market participants, manage our R & D activities , and retain existing customers or cultivate new ones. Negative public perception of, or negative news related to, Mr. Russell may also adversely affect our brand, relationship-relationships with customers , or standing in the industry. Our business depends substantially on the efforts of our executive officers and highly skilled personnel, and our operations may be severely disrupted if we lost their services. Competition for highly- skilled personnel is often intense, especially in Orlando, Florida and the San Francisco Bay Area, where two of our offices are located, and we may incur significant costs to attract highly- skilled personnel. We may not be successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining highly -skilled employees with appropriate qualifications. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Because we believe in an employee compensation philosophy based highly in equity to preserve capital and align employee interests with stockholders, a significant decrease in our stock price or the perceived value of our equity or equity awards may adversely affect our ability to retain highly -skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be adversely affected and attracting and retaining talent using equity may be more expensive. As we continue the process of “ return to the office ” and decrease the amount of remote work after COVID- 19, we may be unable to retain the talent of employees unwilling to return to the office. Our business could be materially and adversely affected by health epidemics and outbreaks. While the impacts and risks related COVID- 19 have significantly reduced-declined , any recurrence or new health epidemics or outbreaks could result in a material adverse impact on our or our customers’ business operations , including reduction or suspension of operations, disruption of supply chain, or-disruption of the global automotive business of our customers, or reduction in the global economy. Interruption or failure of our information technology and communications systems could impact our ability to effectively provide our services. We plan to include in- vehicle services and functionality that utilize data connectivity to monitor performance and timely capture opportunities to enhance performance and functionality. The availability and effectiveness of our services depend on the continued operation of information technology and communications systems. Our systems will be vulnerable to damage or interruption from, among others, physical theft, fire, terrorist attacks, natural disasters, power loss, war, telecommunications failures, viruses, denial or degradation of service attacks, ransomware, social engineering schemes, insider theft or misuse , or other attempts to harm our systems. We utilize reputable third- party service providers or vendors for all of our data other than our source code, and these providers could also be vulnerable to damage or interruption from actions or conditions similar to those that could damage our systems, including sabotage and intentional acts of vandalism causing potential disruptions. Some of our systems will not be fully redundant, and our disaster recovery planning cannot account for all eventualities. Any problems with our third- party cloud hosting providers could result in lengthy interruptions in our business. In addition, our in- vehicle services and functionality are highly technical and complex technology , which may contain errors or vulnerabilities that could result in interruptions in our business or the failure of our systems. We are subject to cybersecurity risks to our and our suppliers’ operational systems, security systems, infrastructure, integrated software in our LiDAR solutions , and customer data processed by us or third- party vendors or suppliers and any material failure, weakness, interruption, cyber event, incident or breach of security could prevent us from effectively operating our business. We are at risk for interruptions, outages , and breaches of: operational and manufacturing systems, including business, financial, accounting, product development, data processing , or production processes, owned by us or our third- party vendors or suppliers; facility security systems, owned by us or our third- party vendors or suppliers; in- product technology owned by us or our third- party vendors or suppliers; the integrated software in our LiDAR solutions; or customer or driver data that we process or our third- party vendors or suppliers process on our behalf. Such cyber incidents could materially disrupt operational systems and shipment of parts or products or result in a lockout of our operational systems; result in loss of intellectual property, trade secrets , or other proprietary or competitively sensitive information; compromise certain information of customers, employees, suppliers, drivers , or others; jeopardize the security of our facilities; or affect the performance of in- product technology and the integrated software in our LiDAR solutions. A cyber incident could be caused by disasters, insiders (through inadvertence or with malicious intent) , or malicious third parties (including nation- states or nation- state supported actors) using sophisticated, targeted methods to circumvent firewalls, encryption , and other security defenses, including hacking, fraud, trickery or other forms of deception.

The techniques used by cyber attackers change frequently and may be difficult to detect for long periods of time. Although we maintain information technology measures designed to protect us against intellectual property theft, data breaches, and other cyber incidents, such measures will require updates and improvements, and we cannot guarantee that such measures will be adequate to detect, prevent, or mitigate cyber incidents. We have implemented and continue to enhance our cybersecurity controls and systems. The implementation, maintenance, segregation, and improvement of these systems requires significant management time, personnel, support, and cost. Moreover, there are inherent risks associated with developing, improving, expanding and updating current systems, including the disruption of our data management, procurement, production execution, finance, supply chain and sales and service processes. These risks may affect our ability to manage our data and inventory, procure parts or supplies, or produce, sell, deliver and service our solutions, adequately protect our intellectual property, or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. We cannot be sure that the systems upon which we rely, including those of our third- party vendors or suppliers, will be effectively implemented, maintained, or expanded as planned. If we do not successfully implement, maintain, or expand these systems as planned, our operations may be disrupted, our ability to accurately and in a timely manner report our financial results could be impaired, and deficiencies may arise in our internal control over financial reporting, which may impact our ability to certify our financial results. Moreover, our proprietary information or intellectual property could be compromised or misappropriated and our reputation may be adversely affected. If these systems do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions. A significant cyber incident could impact production capability, harm our reputation, cause us to breach our contracts with other parties or subject us to regulatory actions or litigation, any of which could materially affect our business, prospects, operating results, and financial condition and operating results. In addition, our insurance coverage for cyber attacks may not be sufficient to cover all the losses we may experience as a result of a cyber incident. Legal and Regulatory Risks Related to Our Business We are subject to governmental export and import control laws and regulations. Our failure to comply with these laws and regulations could have an adverse effect on our business, prospects, results of operations, and financial condition and results of operations. Our products and solutions are subject to export control and import laws and regulations, including the U. S. Export Administration Regulations, U. S. Customs regulations, and various economic and trade sanctions regulations administered by the U. S. Treasury Department' s Office of Foreign Assets Controls. U. S. export control laws and regulations and economic sanctions prohibit the shipment of certain products and services to U. S. embargoed or sanctioned countries, governments, and persons. In addition, complying with export control and sanctions regulations for a particular sale may be time- consuming and result in the delay or loss of sales opportunities. Exports of our products and technology must be made in compliance with these laws and regulations. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges, fines, which may be imposed on us and responsible employees or managers, and, in extreme cases, the incarceration of responsible employees or managers. Changes to trade policy, tariffs and import / export regulations may have a material adverse effect on our business, results of operations, and financial condition and results of operations. Geopolitical tensions and conflicts worldwide, including but not limited to China, may result in changing regulatory requirements, trade policies, export controls, import duties, and economic disruptions that could impact our operating strategies in the territories or countries where we currently purchase our components, sell our products, or conduct our business, as well as our government contracts and contracts with defense customers. The increasing focus on the strategic national security importance of advanced semiconductors, autonomous vehicles, and artificial intelligence (" AI ") technologies, and advanced semiconductors may result in additional regulatory restrictions that target LiDAR specifically, and products and services capable of enabling or facilitating advanced autonomous vehicle automation systems or AI systems, including some or all of our components, product components, and service offerings. Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to advanced semiconductors and AI technologies and advanced semiconductors, and include including recent U. S. restrictions on export of advanced semiconductors to China, recent designation and restrictions on U. S. military purchases of LiDAR manufactured produced by a company in China, China restriction on the collection and use of mapping data, which is an inhibitor to western companies developing autonomous vehicle automation software in China, and China' s recent export restrictions of certain highly specialized LiDARs intended for military use. As geopolitical tensions have increased, products associated with autonomous vehicles and AI, specifically including LiDARs, LiDAR, are increasingly the focus of national security and export control restrictions proposed by stakeholders in the U. S. and its allies, as well as China, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls may be very broad in scope and application, prohibit us from exporting our products to any or all customers in one or more markets, including but not limited to China, and could negatively and materially impact our business, revenue, and financial results. Furthermore, disruption to worldwide semiconductor supply, including non- advanced semiconductors, has and may continue to affect production of vehicles. The United States U. S. has recently instituted or proposed changes in trade policies that include those related to the treatment of technologies or products similar to LiDARs, LiDAR, and other government regulations affecting trade between the United States U. S. and other countries where we conduct our business. In addition, on February 1, 2025, President Trump announced the imposition of new tariffs on imports from Mexico, Canada and China, to take effect on February 4, 2025. On February 3, 2025, President Trump announced that the tariffs imposed on imports from Mexico and Canada would be paused for 30 days which went into effect on March 4, 2025; however, the new administration has paused tariffs on goods and services compliant with the United States- Mexico- Canada Agreement (USMCA) until April 2, 2025. Given Luminar' s production of products in Mexico, tariffs of this nature would have specific impact on those products we bring into the United States. The impact of such tariffs on our business and financial condition, if any, is subject to a number of factors that are not yet known and may continue to change, including the duration of such tariffs, the scope

and nature of any tariffs, the amount of any tariffs, any countermeasures that the target countries may take in response to such tariffs. Increasing use of economic sanctions or new or higher tariffs may increase prices for vehicles and adversely impact demand for such vehicles, which may negatively impact demand for our products or services, and increase prices for parts imported into the United States which could increase our costs and negatively impacting our business and financial results. Additional export restrictions may not only impact our ability to serve overseas international markets, but also provoke responses from foreign governments, including China, that negatively impact our supply chain or our ability to provide our products and services to customers in all markets worldwide, which could also materially adversely affect our business, results of operations, and financial condition and results of operations. As a result of these developments, there may be greater restrictions and economic disincentives on international trade that could adversely affect our business. For example, such changes could adversely affect the automotive market, our ability to access key components or raw materials needed to manufacture our products (including, but not limited to, rare- earth metals), our ability to sell our products to customers outside of the United States U. S. and the demand for our products. It may be time- consuming and expensive for us to alter our business operations to adapt to or comply with any such changes, and any failure to do so could have a material adverse effect on our business, results of operations, and financial condition and results of operations. We have in the past and may in the future become involved in legal and regulatory proceedings and commercial or contractual disputes, which could have an adverse effect on our profitability and consolidated financial position. We may be, from time to time, involved in litigation, regulatory proceedings, and commercial or contractual disputes that may be significant. These matters may include, without limitation, disputes with our suppliers and customers, intellectual property claims, stockholder litigation, government investigations, class action lawsuits, personal injury claims, environmental issues, customs and value- added tax disputes, and employment and tax issues. In addition, we have in the past and could face in the future a variety of labor and employment claims against us, which could include but is not limited to general discrimination, wage and hour, privacy, ERISA, or disability claims. In such matters, government agencies or private parties may seek to recover from us very large, indeterminate amounts in penalties or monetary damages (including, in some cases, treble or punitive damages) or seek to limit our operations in some way. These types of lawsuits could require significant management time and attention or could involve substantial legal liability, adverse regulatory outcomes, and / or substantial expenses to defend. Often these cases raise complex factual and legal issues and create risks and uncertainties. No assurances can be given that any proceedings and claims will not have a material adverse impact on our operating results and consolidated financial position or that our established reserves or our available insurance will mitigate this impact. We are subject to, and must remain in compliance with, numerous laws and governmental regulations concerning the manufacturing, use, distribution, and sale of our products. Some of our customers also require that we comply with their own unique requirements relating to these matters. We primarily develop products for the automotive products market, and the automotive industry is subject to specialized regulations in the United States U. S., Europe (UN / ECE), China, and other markets related to safety and the environment. These regulatory regimes are complex and change regularly, which may be a benefit or detriment. If we fail to adhere to these regulations or fail to continually monitor changes and adapt accordingly, we may be subject to litigation, loss of customers, or negative publicity and our business, results of operations, and financial condition will be adversely affected. In 2024, the NHTSA in the U. S. published a Final Rule adopting new Federal Motor Vehicle Safety Standard No. 127 (“ FMVSS 127 ”), which mandates advanced higher speed, no- contact AEB and PAEB systems on new cars and light trucks, with all vehicles being required to comply with these new requirements by 2029, although this Final Rule has been subject to a stay in implementation by the new administration and is also subject to litigation concerning the specifics of the rule. FMCSA had also introduced proposed rulemaking in 2023 with NHTSA to the United States introduced new proposed regulations that, if enacted, would mandate AEB Automatic Emergency Braking and Pedestrian Automatic Emergency Braking in passenger vehicles and Automatic Emergency Braking on heavy trucks. If depending on the outcome of the administration’s actions with respect to these rulemakings and the outcome of the litigation regarding FMVSS 127, such regulations are strong, and performance requirements they may promote the use of LiDAR- based safety systems, but if they fail to require the benefits that LiDAR- based safety brings, such regulation regulations may impair our ability to introduce LiDAR in favor of weaker performing technologies. We manufacture and sell products that contain electronic components, and such components may contain materials that are subject to government regulation in both the locations where we manufacture and assemble our products, as well as the locations where we sell our products. For example, certain laws or regulations limit the use of restricted materials or materials from certain regions, such as EU Registration, Evaluation, Authorisation and Restriction of Chemicals and the U. S. Toxic Substances Control Act, and those that relate to conflict minerals or forced labor. Since we operate on a global basis, this is a complex process, which requires continual monitoring of regulations and an ongoing compliance process to ensure that we and our suppliers are in compliance with existing regulations in each market where we operate. In addition, as a LiDAR technology company, we are subject to the Electronic Product Radiation Control Provisions of the Federal Food, Drug, and Cosmetic Act. These requirements are enforced by the U. S. Food and Drug Administration (“ FDA ”). Electronic product radiation includes laser technology. Regulations governing these products are intended to protect the public from hazardous or unnecessary exposure. Manufacturers are required to certify in product labeling and reports to the FDA that their products comply with applicable performance standards, as well as maintain manufacturing, testing, and distribution records for their products. Failure to comply with these requirements could result in enforcement action by the FDA, which could require us to cease distribution of our products, recall or remediate products already distributed to customers, or subject us to FDA enforcement. If there is an unanticipated new regulation that significantly impacts our use and sourcing of various components or requires more expensive components, that regulation could materially adversely affect our business, results of operations, and financial condition. We are subject to various environmental laws and regulations that could impose substantial costs upon us and cause delays in building our production facilities for our products. Concerns over environmental pollution and climate change have produced significant legislative and regulatory

efforts on a global basis, and we believe this will continue both in scope and in the number of countries participating. In addition, as climate change issues become more prevalent, foreign, federal, state, and local governments and, as well as our customers, have been responding to these issues. The increased focus on environmental sustainability may result in new regulations and customer requirements, or changes in current regulations and customer requirements, which could materially adversely impact our business, results of operations, and financial condition. If we are unable to effectively manage real or perceived issues, including concerns about environmental impacts or similar matters, sentiments toward us or our products could be negatively impacted, and our business, results of operations, or financial condition could suffer. Our operations are and will be subject to international, federal, state and local environmental laws and regulations, and such laws and regulations could directly increase the cost of energy, which may have an effect on the way we manufacture products or utilize energy to produce our products. In addition, any new regulations or laws in the environmental area might increase the cost of raw materials or key components we use in our products. Environmental regulations require us to reduce product energy usage, monitor and exclude an expanding list of restricted substances, and to participate in required recovery and recycling of our products. Environmental and health and safety laws and regulations can be complex, and we have limited experience complying with them. Capital and operating expenses needed to comply with environmental laws and regulations can be significant, and violations may result in substantial fines and penalties, third-party damages, suspension of production, or a cessation of our operations. Contamination at properties we operate, we formerly operated, or to which hazardous substances were sent by us, may result in liability for us under environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, which can impose liability for the full amount of remediation-related costs without regard to fault, for the investigation and cleanup of contaminated soil and ground water, for building contamination and, for impacts to human health, and for damages to natural resources. The costs of complying with environmental laws and regulations and any claims concerning noncompliance, or liability with respect to contamination in the future, could have a material adverse effect on our operating results or financial condition or operating results. We may face unexpected delays in obtaining the required permits and approvals in connection with our planned production facilities that could require significant time and financial resources and delay our ability to operate these facilities, which would adversely impact our business, prospects, operating results, and financial condition and operating results. Our business may be adversely affected by changes in regulations applicable to the automotive industry and laser market or concerns that drive further regulation of the automotive and laser market. Government product safety regulations are an important factor for our business. Historically, these regulations have imposed increasingly ever more stringent safety regulations and reporting requirements for vehicles and laser products. These safety regulations often require, or customers demand, that vehicles have more safety features per vehicle and more advanced safety products. While we believe increasing automotive and laser safety standards will present a market opportunity for our products, government safety regulations are subject to change based on a number of factors that are not within our control, including new scientific or technological data, adverse publicity regarding the industry recalls and, safety risks of ADAS and autonomous driving systems and ADAS, accidents involving our products, domestic and foreign political developments or considerations, and litigation relating to our products and our competitors' products. Changes in government regulations, especially in the ADAS and autonomous driving and ADAS industries, could adversely affect our business. If government priorities shift and we are unable to adapt to changing regulations, our business may be materially and adversely affected. The FDA U. S. Food and Drug Administration regulation of lasers limits the transmission power of 905nm lasers compared to 1550nm lasers to mitigate the risk of human eye damage. This causes one performance benefit for our 1550nm LiDARs- LiDAR compared with many of our competitors. Currently, there are research projects within certain trade groups intended to demonstrate that higher power transmission of 905nm lasers is possible without causing eye damage. Should these initiatives succeed and ultimately result in changed regulation, it could reduce or eliminate one competitive advantage of 1550nm LiDARs- LiDAR, adversely affecting our business. Federal and local regulators impose more stringent compliance and reporting requirements in response to product recalls and safety issues in the automotive and laser industry industries. As cars-vehicles that carry our sensors go into production, the obligations of complying with safety regulations and reporting requirements could increase and it could require increased resources and adversely affect our business. In addition, as vehicle regulators globally continue to consider new and enhanced emissions requirements, including electrification, to meet environmental and economic needs, as well as pursue new safety standards to address emerging traffic risks, OEMs may need to dedicate technology and cost additions to new vehicle designs to meet these emissions and safety requirements and, as a result, postpone the consumer introduction of new ADAS and autonomous features due to cost pressures of new autonomous and ADAS features. Failures, or perceived failures, to comply with privacy, data protection, and information security requirements in the variety of jurisdictions in which we operate may adversely impact our business, and such legal requirements are evolving, uncertain, and may require improvements in, or changes to, our policies and operations. Our current and potential future operations and sales subject us to laws and regulations addressing privacy and the collection, use, storage, disclosure, transfer, and protection of a variety of types of data. For example, the European Commission has adopted the General Data Protection Regulation and California enacted the California Consumer Privacy Act of 2018, both of which provide for potentially material penalties for non-compliance. These regimes may, among other things, impose data security requirements, disclosure requirements, and restrictions on data collection, uses, and sharing that may impact our operations and the development of our business. While, we generally, we do not have access to, collect, store, process, or share information collected by our solutions unless our customers choose to proactively provide such information to us, our products may evolve to both to address potential customer requirements or to add new features and functionality. Therefore, the full impact of these privacy regimes on our business is rapidly evolving across jurisdictions and remains uncertain at this time. We may also be affected by cyber -attacks and other means of gaining unauthorized access to our products, systems, and data. For instance, cyber criminals or insiders may target us or third parties with which we have business relationships to obtain data, or in a manner that disrupts our operations or

compromises our products or the systems into which our products are integrated. We are assessing the continually evolving privacy and data security regimes and measures we believe are appropriate in response. Since these data security regimes are evolving, uncertain, and complex, especially for a global business like ours, we may need to update or enhance our compliance measures as our products, markets, and customer demands further develop, and these updates or enhancements may require implementation costs. In addition, we may not be able to monitor and react to all developments in a timely manner. The compliance measures we do adopt may prove ineffective. Any failure, or perceived failure, by us to comply with current and future regulatory or customer-driven privacy, data protection, and information security requirements, or to prevent or mitigate security breaches, cyber-attacks, or improper access to, use of, or disclosure of data, or any security issues or cyber-attacks affecting us, could result in significant liability, costs (including the costs of mitigation and recovery), and a material loss of revenue resulting from the adverse impact on our reputation and brand, loss of proprietary information and data, disruption to our business and relationships, and diminished ability to retain or attract customers and business partners. Such events may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties, or adverse publicity, and could cause customers and business partners to lose trust in us, which could have an adverse effect on our reputation and business. Regulations related to conflict minerals may cause us to incur additional expenses and could limit the supply and increase the costs of certain metals used in the manufacturing of our products. We are subject to the requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, specifically that require us to determine, disclose and report whether our products contain conflict minerals. The implementation of these requirements could adversely affect the sourcing, availability, and pricing of the materials used in the manufacture/manufacturing of components used in our products. In addition, we will incur additional costs to comply with the disclosure requirements, including costs related to conducting diligence procedures, to determine the sources of conflict minerals that may be used in or necessary to the production of our products, and, if applicable, potential changes to products, processes, or sources of supply as a consequence of such verification activities. It is also possible that our reputation may be adversely affected if we determine that certain of our products contain minerals not determined to be conflict-free or if we are unable to alter our products, processes, or sources of supply to avoid use of such materials.

Risks Related to Our Intellectual Property Despite the actions we are taking to defend and protect our intellectual property, we may not be able to adequately protect or enforce our intellectual property rights or prevent unauthorized parties from copying or reverse engineering our solutions. Our efforts to protect and enforce our intellectual property rights and prevent third parties from violating our rights may be costly. The success of our products and our business depends, in part, on our ability to obtain patents and other intellectual property rights and maintain adequate legal protection for our products in the United States U.S. and other international jurisdictions. We rely on a combination of patent, service mark, trademark, and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights, all of which provide only limited protection. We cannot be assured that any patents will be issued with respect to our currently pending patent applications or our that any trademarks will be registered with respect to our currently pending applications in a manner that gives us adequate defensive protection or competitive advantages, if at all, or that any patents issued to us or any trademarks registered by us will not be challenged, invalidated or circumvented. We have filed for patents and trademarks in the United States and in certain international jurisdictions, but such protections may not be available in all countries in which we operate or in which we seek to enforce our intellectual property rights, or may be difficult to enforce in practice. Our currently-issued patents and trademarks and any patents and trademarks that may be issued or registered, as applicable, in the future with respect to pending or future applications will may not provide sufficiently broad protection or adequate defensive protection or competitive advantages, if at all, and they may not prove to be enforceable/unenforceable in actions against alleged infringers. We Further, the scope of protection of issued patent claims is often difficult to determine. As a result, we cannot be certain that the steps patent applications that we file have taken will issue, prevent unauthorized use of our or that our issued patents will afford protection against competitors with similar technology or the reverse engineering of our technology. Moreover, others may design around our issued patents or independently develop technologies that are competitive to us or infringe. Protecting against the unauthorized use of our intellectual property - Protecting against the unauthorized use of our intellectual property - products, and other proprietary rights is expensive and difficult to enforce, particularly internationally. In addition, patent and trademark protections may not be available in all countries in which we operate or in which we seek to enforce our intellectual property rights. We believe that our patents are foundational in the area of LiDAR products and intend to enforce the intellectual property portfolio we have built over the years. Unauthorized parties may attempt to copy or reverse engineer our LiDAR technology or certain aspects of our solutions that we consider proprietary. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to prevent unauthorized parties from copying or reverse engineering our solutions, to determine the validity and scope of the proprietary rights of others, or to block the importation of infringing products into the United States U.S. Any such litigation, whether initiated by us or a third-party, could result in substantial costs and diversion of management resources, either of which could adversely affect our business, operating results, and financial condition. Even if we obtain favorable outcomes in litigation, we may not be able to obtain adequate remedies, especially in the context of unauthorized parties copying or reverse engineering our solutions. Further, many of our current and potential competitors have the ability to dedicate substantially greater resources to defending intellectual property infringement claims and to enforcing their intellectual property rights than we have. Attempts to enforce our rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us or result in a holding that invalidates or narrows the scope of our rights, in whole or in part. Effective patent, trademark, service mark, copyright, and trade secret protection may not be available in every country in which our products are available, and competitors based in other countries may sell infringing products in one or more markets. Failure to adequately protect our intellectual property rights could result in our competitors offering similar products, potentially resulting in the loss of some of our competitive advantage and a decrease in our revenue, which would adversely affect our

business, ~~prospects,~~ operating results, ~~and~~ financial condition ~~and prospects~~. Third- party claims that we are infringing their intellectual property rights, whether successful or not, could subject us to costly and time- consuming litigation or expensive licenses, and our business could be adversely affected. Although we hold key patents related to our products, a number of companies, both within and outside of the LiDAR industry, hold other patents covering aspects of LiDAR products. In addition to these patents, participants in this industry typically also protect their technology, especially embedded software, through copyrights and trade secrets. As a result, there is frequent litigation based on allegations of infringement, misappropriation, ~~or~~ other violations of intellectual property rights. We have received, and in the future may receive, inquiries from other intellectual property holders and may become subject to claims that we infringe their intellectual property rights, particularly as we expand our presence in the market, expand to new use cases and face increasing competition. In addition, ~~third~~ parties may claim that the names and branding of our products infringe their trademark rights in certain countries or territories. If such a claim were to prevail, we may have to change the names and branding of our products in the affected territories, ~~and~~ we could incur other costs. We currently have a number of agreements in effect pursuant to which we have agreed to defend, indemnify, ~~and~~ hold harmless our customers, suppliers, ~~and~~ channel partners, ~~and~~ other partners from damages and costs ~~which that~~ may arise from the infringement by our products of third- party patents or other intellectual property rights. The scope of these indemnity obligations varies, but may, in some instances, include indemnification for damages and expenses, including attorneys' fees. Our insurance may not cover all intellectual property infringement claims. A claim that our products infringe a third party' s intellectual property rights, even if untrue, could adversely affect our relationships with our customers, may deter future customers from purchasing our products, ~~and~~ could expose us to costly litigation and settlement expenses. Even if we are not a party to any litigation between a customer and a third party relating to infringement by our products, an adverse outcome in any such litigation could make it more difficult for us to defend our products against intellectual property infringement claims in any subsequent litigation in which we are a named party. Any of these results could adversely affect our brand and operating results. Our defense of intellectual property rights claims brought against us or our customers, suppliers, ~~and~~ channel partners, ~~with or without merit,~~ could be time- consuming, expensive to litigate or settle, divert management resources and attention, ~~and~~ force us to acquire intellectual property rights and licenses, which may involve substantial royalty or other payments and may not be available on acceptable terms or at all. Further, a ~~third~~ party making such a claim, if successful, could secure a judgment that requires us to pay substantial damages or obtain an injunction. An adverse determination also could invalidate our intellectual property rights and adversely affect our ability to offer our products to our customers and may require that we procure or develop substitute products that do not infringe, which could require significant effort and expense. Any of these events could adversely affect our business, ~~prospects,~~ operating results, ~~and~~ financial condition ~~and prospects~~. ~~Our intellectual property applications for registration may not issue or be registered, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. We cannot be certain that we are the first inventor of the subject matter to which we have filed a particular patent application, or if we are the first party to file such a patent application. If another party has filed a patent application to the same subject matter as we have, we may not be entitled to the protection sought by the patent application. We also cannot be certain whether the claims included in a patent application will ultimately be allowed in the applicable issued patent. Further, the scope of protection of issued patent claims is often difficult to determine. As a result, we cannot be certain that the patent applications that we file will issue, or that our issued patents will afford protection against competitors with similar technology. In addition, our competitors may design around our issued patents, which may adversely affect our business, prospects, financial condition and operating results.~~ In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes, ~~and~~ know- how. We rely on proprietary information (such as trade secrets, know- how, ~~and~~ confidential information) to protect intellectual property that may not be patentable or subject to copyright, trademark, trade dress, ~~or~~ service mark protection, or that we believe is best protected by means that do not require public disclosure. We generally seek to protect this proprietary information by entering into confidentiality agreements, ~~or~~ consulting services, ~~or~~ employment agreements that contain non- disclosure and non- use provisions with our employees, consultants, contractors, ~~and~~ third parties. However, we may fail to enter into the necessary agreements, and even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third- party infringement or misappropriation of our proprietary information, may be limited as to their term, ~~and~~ may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. We have limited control over the protection of trade secrets used by our current or future manufacturing partners and suppliers and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, contractors, advisors, ~~and~~ other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know- how and inventions. Costly and time- consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. Furthermore, laws regarding trade secret rights in certain markets where we operate may afford little or no protection to our trade secrets. We also rely on physical and electronic security measures to protect our proprietary information, but we cannot provide assurance that these security measures will not be breached or provide adequate protection for our property. There is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect or prevent the unauthorized use of such information or take appropriate and timely steps to enforce our intellectual property rights. We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of our employees' former employers. We may be subject to claims that we or our employees have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of an employee' s former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or

personnel. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our products, which could severely harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and demand on management resources. We use certain software and data governed by open-source licenses, which under certain circumstances could adversely affect our business, results of operations, and financial condition. Certain of our software and data, as well as that of our customers and vendors, may be derived from or otherwise incorporate so-called “open source” software and data that is generally made available to the public by its authors and / or other third parties. Some open-source software is made available under licenses that impose certain obligations on us regarding modifications or derivative works we create based upon the open-source software. These obligations may require us to make source code for the derivative works available to the public and / or license such derivative works under a particular type of license, rather than the forms of license we customarily use to protect our intellectual property. Additionally, if we combine our proprietary software with open-source software in certain manners, we could be required to release the source code of our proprietary software or to make our proprietary software available under open-source licenses to third parties at little or no cost or on unfavorable license terms. In the event that the copyright holder of, or other third party that distributes, open-source software alleges that we have not complied with the terms of an open-source license, we could incur significant legal costs defending ourselves against such allegations. If such claims are successful, we could be subject to significant damages, required to release the source code that we developed using that open-source software to the public, enjoined from distributing our software and / or required to take other actions that could adversely affect our business, results of operations and financial condition. While we take steps to monitor the use of open-source software in our solutions, processes, and technology and try to ensure that no open-source software is used in such a way as to require us to disclose the source code to the related product, processes, or technology when we do not wish to do so, such use could inadvertently occur. Additionally, if a third-party software provider has incorporated certain types of open-source software into software we license from such third party for our solutions, processes, or technology, we could, under certain circumstances, be required to disclose the source code to our solutions, processes, or technology. This could harm our intellectual property position and adversely affect our business, results of operations, and financial condition. Further, the use of open-source software can lead to vulnerabilities that may make our software susceptible to attack, and although some open-source vendors provide warranty and support agreements, it is common for such software to be available “as is” with no warranty, indemnity, or support. Although we monitor our use of such open-source code to avoid subjecting our solutions to unintended conditions, such use, under certain circumstances, could materially adversely affect our business, operating results, and financial condition and operating results and cash flow, including if we are required to take remedial action that may divert resources away from our development efforts.

Risks Related to Our Indebtedness Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under the notes. As of December 31, 2023, our total consolidated indebtedness was \$ 615.4 million, representing the Convertible Senior Notes, net of unamortized debt discount and issuance costs, finance leases and certain secured equipment loans. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing stockholders as a result of issuing shares of our Class A common stock upon conversion of the notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the notes, and our cash needs may increase in the future. In addition, any future indebtedness that we may incur may contain, financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full. We may be unable to raise the funds necessary to repurchase the notes for cash following a fundamental change, or to pay any cash amounts due upon conversion, and our other indebtedness may limit our ability to repurchase the notes or pay cash upon their conversion.

Noteholders may Under the indenture governing our Senior Notes, if subject to a limited exception “change of control” occurs, and under require us to repurchase the their indenture governing the 2030 Convertible Notes notes following, if a “fundamental change” occurs, then the respective holders may require us to repurchase their respective notes at a cash repurchase price generally equal to 103% and 100%, respectively, of the principal amount of the notes to be repurchased, plus accrued and unpaid interest, if any. In addition, upon A holder that elects to convert its 2030 Convertible Notes in connection with a fundamental change may be entitled to receive a make-whole adjustment to the conversion rate, we will satisfy part for or all such notes in connection with such corporate event in certain circumstances. The definition of our conversion “fundamental change” includes certain business combination -- obligation in cash unless we elect transactions involving us and certain de-listing events with respect to settle conversions solely in shares of our Class A common stock. In addition, upon conversion, we may satisfy part or all of our conversion obligation in cash, shares of our Class A common stock or a combination of cash and shares, at our election. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the notes or pay any cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing our existing and any future indebtedness may restrict our ability to repurchase the notes or pay any cash amounts due upon conversion. Our failure to repurchase notes or to pay any cash amounts due upon conversion or when otherwise required will constitute a default

under the indentures- **indenture** governing the notes. A default under the indenture governing the Senior Notes or a default under the indenture governing the 2030 Convertible Notes or the fundamental change itself could also lead to a default under agreements governing other indebtedness which we have incurred or may incur, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and the notes. The accounting method for the notes could adversely affect our reported financial condition and results. In August 2020, the Financial Accounting Standards Board published an Accounting Standards Update, which we refer to as ASU 2020-06, to reduce the number of accounting models for convertible debt instruments. The elimination of the separate accounting **described above** to reduce the interest expense that we have recognized and expect to recognize in the future for the notes for accounting purposes. Under ASU 2020-06, the embedded conversion features are no longer separated from the host contract for convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, or that do not result in substantial premiums accounted for as paid-in capital. Consequently, the notes are accounted for as a single liability measured at amortized cost. Further, ASU 2020-06 eliminated the use of the treasury stock method for convertible instruments that can be settled in whole or in part with equity, and instead requires application of the “if-converted” method. Under that method, diluted earnings per share would generally be calculated assuming that all the notes were converted solely into shares of Class A common stock at the beginning of the reporting period, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted earnings per share. Furthermore, if any of the conditions to the convertibility of the notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the notes as a current, rather than a long-term, liability. This reclassification could be required even if no noteholders convert their notes and could materially reduce our reported working capital. The **capped call transactions** conditional conversion feature of our Convertible Notes, if triggered, may adversely affect our financial condition and operating results. In the **value** event the conditional conversion feature of the Convertible Notes **notes** is triggered, holders of such notes will be entitled to convert the notes at any time during specified periods at their option and holders of the new secured convertible notes are entitled to convert their notes at any time at their option. If one or more holders elect to convert their notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. If a significant portion of our Convertible Notes were converted, the number of shares of Class A common stock that would be issued upon conversion will cause substantial dilution to our stockholders. In addition, upon conversion of the 2030 Convertible Notes issued in August 2024 (except a conversion following certain events that constitute a “make-whole fundamental change”), we would be required to pay a make-whole premium upon conversion equal to the lesser of (i) all regularly scheduled interest payments that would be due on the portion of such secured convertible notes being redeemed for the succeeding two year period and (ii) all regularly scheduled interest payments that would be due on the portion of such secured convertible notes being redeemed through the maturity date, and is capped at the maximum number of shares that would be issuable in connection with a “make-whole fundamental change”. The capped call transactions may affect the value of the 2026 Convertible Senior Notes and our Class A common stock. In connection with the 2026 Convertible Senior Notes, we entered into privately negotiated capped call transactions with the option counterparties. The capped call transactions are expected generally to reduce the potential dilution to our Class A common stock upon any conversion of the 2026 Convertible Senior Notes **notes** and / or offset any potential cash payments we are required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and / or offset subject to a cap. We have been advised that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates entered into various derivative transactions with respect to our Class A common stock and / or purchased shares of our Class A common stock. In addition, the option counterparties and / or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our Class A common stock and / or purchasing or selling our Class A common stock or other securities of ours in secondary market transactions **following the pricing of the notes and** from time to time prior to the maturity of the 2026 Convertible Senior Notes **notes** (and are likely to do so following any conversion of the 2026 Convertible Senior Notes **notes**, any repurchase of the 2026 Convertible Senior Notes **notes** by us on any fundamental change repurchase date, any redemption date, or any other date on which the notes are retired by us, in each case if we exercise the relevant election to terminate the corresponding portion of the capped call transactions). This activity could also cause or avoid an increase or a decrease in the market price of our Class A common stock. We are subject to counterparty risk with respect to the capped call transactions, and the capped call transactions may not operate as planned. The option counterparties are **financial institutions**, and we are subject to the risk that they might default under the capped call transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Global economic conditions have from time to time resulted in the actual or perceived failure or financial difficulties of many financial institutions, including the bankruptcy filing by Lehman Brothers Holdings Inc. and its various affiliates. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with that option counterparty. Our exposure will depend on many factors, but, generally, the increase in our exposure will be correlated with **an increase increases** in the market price or the volatility of our Class A common stock. In addition, upon a default by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our Class A common stock. We can provide no **assurance assurances** as to the financial stability or viability of any option counterparty. In addition, the capped call transactions are complex **and they may not operate as planned. For example, the terms of the capped call transactions may be subject to adjustment, modification or, in some cases, renegotiation if certain corporate or other transactions occur. Accordingly, these transactions may not operate as we intend if we are required to adjust their terms as a result of transactions in the future or upon unanticipated developments that may adversely affect the functioning of the capped call transactions.** Ownership of Our **Class A** Shares

We will require additional capital to meet our financial obligations and fund our operations, and this capital may not be available on acceptable terms or at all. We have been dependent on proceeds from our Equity Financing Program and debt financing to make payments on our liabilities and to fund certain other activities, and we will need to raise additional capital through equity or debt financing or incurring other indebtedness in order to continue to pay our liabilities, fund operations and execute on our business plan. However, any decline in the market price of our Class A common stock could impair our ability to raise capital. Separately, additional financing may not be available on favorable terms, or at all. If adequate funds are not available on acceptable terms, we may be unable to meet our obligations and fund our operations. Because our decision to issue debt or equity in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature, or success of our future capital raising efforts. Securities and agreements involving the issuance of debt will generally rank senior to the Class A common stock and have priority in the event of a liquidation. Such securities also may be governed by an indenture or other instrument containing covenants restricting the Company's operating flexibility. For example, the indentures governing our debt financing arrangements contain restrictive covenants and in some cases, a minimum liquidity requirement. For more information relating to these notes, see Note 8 of the Notes to the Consolidated Financial Statements included in this Form 10-K. Additionally, any equity securities or convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of the Class A common stock and would further dilute existing stockholders. For example, we have an at-the-market program, which we entered in May 2024, to issue and sell up to \$ 150. 0 million of shares of our Class A common stock through a sales agent under the Equity Financing Program. In August 2024, we increased the Equity Financing Program by an additional \$ 50. 0 million and in March 2025, we further increased the program by an additional \$ 75. 0 million. We issued and sold \$ 89. 4 million under the Equity Financing Program in 2024. In addition, in order to further business relationships with current or potential partners, vendors, or other parties, we have issued, and in the future may issue equity or equity-linked securities to such current or potential partners, vendors, or other parties. Sales of shares of Class A common stock in the public market, or the perception that these sales or conversions might occur, may depress the market price of Class A common stock and could impair our ability to raise capital through the sale of additional equity securities. Our Second Amended and Restated Certificate of Incorporation, as amended, provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware (the "Chancery Court") will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a chosen judicial forum for disputes with us or our directors, officers, employees, or stockholders. Our Second Amended and Restated Certificate of Incorporation, as amended, requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against directors, officers, and employees for breach of fiduciary duty and other similar actions may be brought in the Chancery Court or, if that court lacks subject matter jurisdiction, another federal or state court situated in the State of Delaware. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and consented to the forum provisions in our Second Amended and Restated Certificate of Incorporation. In addition, our Second Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provide that the federal district courts of the United States shall be the exclusive forum for the resolution of any suit brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "Securities Act") or the Securities Exchange Act on 1934, as amended (the "Exchange Act") or any other claim for which the U. S. federal courts have exclusive jurisdiction. The Second Amended and Restated Certificate of Incorporation further provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States-U. S. will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. In March 2020, the Delaware Supreme Court issued a decision in *Salzburg et al. v. Sciabacucchi*, which found that an exclusive forum provision providing for claims under the Securities Act to be brought in federal court is facially valid under Delaware law. We intend to enforce this forum provision, but we do not know whether courts in other jurisdictions will agree with this decision or enforce it. The choice of forum providing that a state or federal court located within the state of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, officers, other employees, or stockholders, which may discourage lawsuits with respect to such claims. If any other court were to find the choice of forum provision contained in our Second Amended and Restated Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results, and financial condition. Our charter documents and Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock. Our Second Amended and Restated Certificate of Incorporation, as amended, and Amended and Restated Bylaws contain provisions that could delay or prevent a change in control. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include: • providing for a classified board Board of directors-Directors with staggered, three- year terms; • authorizing our Board to issue Preferred Stock with voting or other rights or preferences that could discourage a takeover attempt or delay changes in control; • prohibiting cumulative voting in the election of directors; • providing that vacancies on our Board may be filled only by a majority of directors then in office, even though less than a quorum; • prohibiting the adoption, amendment or repeal of the Amended and Restated Bylaws or the repeal of the provisions of our Second Amended and Restated Certificate of Incorporation regarding the election and removal of directors without the required approval of at least two- thirds of the shares entitled to vote at an election of directors; • prohibiting stockholder action by written consent; • limiting the persons who may call special meetings of stockholders; and • requiring advance notification of stockholder nominations and proposals. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace

members of our Board, which is responsible for appointing the members of our management. In addition, we are governed by the provisions of Section 203 of the Delaware General Corporation Law (the “ DGCL ”). These provisions may prohibit large stockholders, in particular those owning 15 % or more of our outstanding voting stock, from merging or combining with us for a certain period of time without the consent of our Board. These and other provisions in our Second Amended and Restated Certificate of Incorporation, **as amended** and our Amended and Restated Bylaws and under Delaware law could discourage potential takeover attempts, reduce the price investors might be willing to pay in the future for shares of Class A common stock, and result in the market price of Class A common stock being lower than it would be without these provisions. Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third- party claims against us and may reduce the amount of money available to us. Our Second Amended and Restated Certificate of Incorporation, **as amended** and Amended and Restated Bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. In addition, as permitted by Section 145 of the DGCL, the Amended and Restated Bylaws and the indemnification agreements that we have entered into with our directors and officers provide that:

- we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person’s conduct was unlawful;
- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we will be required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if we are ultimately determined that such person is not entitled to indemnification;
- we will not be obligated pursuant to our Amended and Restated Bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our Board or brought to enforce a right to indemnification;
- the rights conferred in the Amended and Restated Bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees, and agents and to obtain insurance to indemnify such persons; and
- we may not retroactively amend our Amended and Restated Bylaw provisions to reduce our indemnification obligations to directors, officers, employees, and agents.

The dual class structure of our **Common common Stock stock** has the effect of concentrating voting control with Austin Russell, our Founder, President and Chief Executive Officer. This will limit or preclude **your stockholders’** ability to influence corporate matters, including the outcome of important transactions, including a change in control. Shares of our Class B common stock, \$ 0. 0001 par value per share (“ Class B common stock ”), have 10 votes per share, while shares of Class A common stock have one vote per share. Austin Russell, our Founder, President and Chief Executive Officer, **currently** holds all of the issued and outstanding shares of Class B common stock. Accordingly, Mr. Russell held approximately **75.56. 41** % of the voting power of our outstanding capital stock as of December 31, **2023-2024** and will be able to control matters submitted to our stockholders for approval, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transactions. Mr. Russell may have interests that differ from the interests of other stockholders of the Company and may vote in a way with which other stockholders of the Company disagree and which may be adverse to other stockholders’ interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of **us the Company**, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of **us the Company**, and might ultimately affect the market price of shares of Class A common stock. In connection with the execution of the merger agreement in connection with our business combination (the “ Business Combination ”) with Gores Metropoulos, Inc. (“ Gores ”), Austin Russell entered into a voting agreement, dated as of August 24, 2020 (the “ Voting Agreement ”) with Gores. Under the Voting Agreement, Mr. Russell agreed that, following the consummation of the Business Combination ~~between~~, ~~solely~~ if he is involuntarily terminated from his position as the Chief Executive Officer of the Company as a result of his conviction of, or pleading guilty or nolo contendere to, a felony that has a material negative impact on the Company, at any meeting of the stockholders of the Company at which directors are to be elected following the consummation of the Business Combination, Mr. Russell, or any of his permitted successors or assigns, will not vote more than 10 % of the Class B common stock he or they beneficially own in any director election. We are a controlled company within the meaning of The Nasdaq Stock Market listing standards, and, as a result, qualify for exemptions from certain corporate governance requirements that provide protection to stockholders of other companies. To the extent we utilize any of these exemptions, **you holders of our capital stock** will not have the same protections afforded to stockholders of companies that are subject to such requirements. We do not currently intend to rely on the exemptions afforded to controlled companies at this time. So long as more than 50 % of the voting power for the election of our directors is held by an individual, a group, or another company, we will qualify as a “ controlled company ” under The Nasdaq Stock Market listing requirements. Austin Russell controls a majority of the voting power of our outstanding capital stock. As a result, we are a “ controlled company ” under the Nasdaq Stock Market rules. As a controlled company, we are exempt from certain Nasdaq corporate governance requirements, including those that would otherwise require our Board to have a majority of independent directors and require that we establish a compensation committee comprised entirely of independent directors, or otherwise ensure that the compensation of our executive officers and nominees for directors are determined or recommended to our Board by independent members of our Board. While we do not currently rely on any of these exemptions, we will be entitled to do so for as long as we are considered a “ controlled company, ” and to the extent we rely on one or more of these exemptions, holders of our capital stock will not have the same protections afforded to stockholders of companies that are subject to all of Nasdaq’s corporate governance requirements. **We are a smaller reporting company and the reduced reporting requirements applicable to smaller reporting companies may make our Class A common stock less attractive to investors. We are a smaller reporting company which allows us to take advantage of exemptions from various**

reporting requirements that are applicable to other public companies that are not smaller reporting companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, reduced disclosure obligations regarding executive compensation in our annual report, periodic reports and proxy statements and providing only two years of audited financial statements in our annual report and periodic reports. We cannot predict whether investors will find our Class A common stock less attractive if we rely on certain or all of these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile and may decline.

Our dual class structure may depress the trading price of the Class A common stock. Our dual class structure may result in a lower or more volatile market price of the our Class A common stock, or in adverse publicity, or other adverse consequences due to disfavor of a dual class structure by certain organizations. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indexes. S & P Dow Jones and FTSE Russell had previously announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S & P 500, pursuant to which companies with multiple classes of shares of common stock are excluded. In addition, several stockholder advisory firms have policies that oppose the use of multiple class structures. As a result, the dual class structure of our Common common Stock stock may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices or any actions or publications by stockholder advisory firms critical of our corporate governance practices or capital structure could adversely affect the value and trading market of our Class A common stock. The market price and trading volume of Class A common stock is volatile and could decline significantly. The market price of our Class A common stock has been and is expected to continue to be volatile and has recently experienced continued declines. In addition, the trading volume of our Class A common stock may fluctuate and cause significant price variations to occur. We cannot assure you that the market price of Class A common stock will not fluctuate widely or decline significantly in the future in response to a number of factors, including, among others, the following: • the realization of any of the risk factors presented in this Annual Report Form 10-K; • actual or anticipated differences in our estimates, or in the estimates of analysts or investors, for our revenues, margins Adjusted EBITDA, results of operations, level of indebtedness, liquidity or financial condition; • additions and departures of key personnel; • failure to comply with the requirements of Nasdaq, the Sarbanes-Oxley Act, or other laws or regulations; • future issuances, sales, resales or repurchases or anticipated issuances, sales, resales, or repurchases, of our securities; • publication of research reports and news articles about us; • the performance and market valuations of other similar companies; • commencement of, or involvement in, litigation involving us; • broad disruptions in the financial markets, including sudden disruptions in the credit markets; • speculation in the press or investment community; • actual, potential or perceived control, accounting, or reporting problems; • changes in accounting principles, policies, and guidelines; and • other events or factors, including those resulting from infectious diseases, health epidemics and pandemics (including COVID-19), natural disasters, war, acts of terrorism, or responses to these events. In the past, securities class-action litigation has often been instituted against companies following periods of volatility in the market price of their shares. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on us. If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our Class A common stock adversely, then the price and trading volume of our Class A common stock could decline. The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. Securities and industry analysts do not currently, and may never, publish research on us. If no securities or industry analysts commence coverage of us, our stock price and trading volume would likely be negatively impacted. If any of the analysts who may cover us change their recommendation regarding our stock adversely, publish less favorable research or reports, or provide more favorable relative research and recommendations about our competitors, the price of our Class A common stock would likely decline. If any of the analyst analysts who may cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the our stock price or trading volume to decline. Future issuances of debt securities and equity securities, including from the exercise of warrants for our Class A common stock, and issuances to customers, vendors or partners, may adversely affect us, including the market price of the Class A common stock and may be dilutive to existing stockholders. In the future, we may require additional capital to respond to technological advancements, competitive dynamics or technologies, customer demands, business opportunities, challenges, acquisitions or unforeseen circumstances and we may determine to engage in equity or debt financings or enter into credit facilities for other reasons. Securities and agreements involving the issuance of debt will generally rank senior to the Class A common stock and have priority upon liquidation. Such securities also may be governed by an and / indenture or other instrument containing covenants restricting the Company's operating flexibility. Additionally, any equity securities or convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of the Class A common stock. In addition, in order to further business relationships with current or potential customers, vendors or partners, we may issue equity or equity-linked securities to such current or potential customers, vendors or partners. Because our or decision trading volume to decline issue debt or equity in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Sales of shares of Class A common stock in the public market or the perception that these sales or conversions might occur may depress the market price of Class A common stock and could impair our ability to raise capital through the sale of additional equity securities. In addition, as of December 31, 2023, we had warrants to purchase an aggregate of 5.8 million shares of our Class A common stock outstanding. To the extent remaining warrants are exercised, additional shares of Class A common stock will be issued, which will result in dilution to the then-existing holders of Class A common stock and increase the number of shares

eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our Class A common stock. Our failure to meet the continued listing requirements of Nasdaq could result in a delisting of our securities. **If Due to declines in our stock price, we fail failed to meet** satisfy the continued listing requirements of Nasdaq's such as the corporate governance requirements or the minimum closing bid price requirement **in 2024 , and as a result, we completed a 1- for- 15 reverse stock split in order to regain compliance with this listing requirement. If we fail to satisfy the continued listing requirements of Nasdaq may, such as the corporate governance requirements, or fail to satisfy the minimum closing bid price requirement again, Nasdaq will** take steps to delist our securities **unless we appeal and are successful in such appeal** . Such a delisting would likely have a negative effect on the **market** price of the securities **our Class A common stock** and would impair the ability of stockholders to sell or purchase their securities **and could constitute a " fundamental change " under the terms of our indebtedness which would require us to repurchase certain of our indebtedness, and if we are unable to do so, such failure would constitute a default and could have a material adverse effect on us . For more information about risks related to a " fundamental change, " see " We may be unable to raise the funds necessary to repurchase the notes for cash following a fundamental change, or to pay any cash amounts due upon conversion, and our other indebtedness may limit our ability to repurchase the notes or pay cash upon their conversion. "** In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with **the** listing requirements would allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities **Class A common stock** , prevent **our securities the stock** from dropping below the Nasdaq minimum bid price requirement , or prevent future non- compliance with Nasdaq's listing requirements. Additionally, if our securities are not listed on, or become delisted from, Nasdaq for any reason, and are quoted on an inter- dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. **You Stockholders** may **then** be unable to sell **your their** securities unless a market can be established or sustained. **Risks Related to Our Indebtedness Our indebtedness..... functioning of the capped call transactions.** General Risks Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our **results of operations and** financial condition **and results of operations**. We will be subject to income taxes in the United States and other jurisdictions, and our tax liabilities will be subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including: • changes in the valuation of our deferred tax assets and liabilities; • expected timing and amount of the release of any tax valuation allowances; • tax effects of stock- based compensation; • costs related to intercompany restructurings; • changes in tax laws, regulations or interpretations thereof; • changes in accounting and tax standards or practices; • changes in the composition of operating income by the taxing jurisdiction; or • lower **than** **than** anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher **than** **than** anticipated future earnings in jurisdictions where we have higher statutory tax rates. In addition, we may be subject to audits of our income, sales , and other transaction taxes by taxing authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations . **We are subject to U..... litigation, reputational harm and other consequences** . On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the " Tax Act ") was signed into law making significant changes to the U. S. Tax Code. In particular, sweeping changes were made to the U. S. taxation of foreign operations. Changes include, but are not limited to, a reduction to the corporate income tax rate, limiting interest deductions, adopting elements of a territorial tax system, assessing a repatriation tax or " toll- charge " on undistributed earnings and profits of U. S.- owned foreign corporations, and introducing certain anti- base erosion provisions, including a new minimum tax on global intangible low- taxed income (" GILTI ") and base erosion and anti- abuse tax (" BEAT "). The new legislation did not have a material impact on our provision for income taxes for 2020 and 2019, because we generated net tax losses and offset our deferred tax assets on **the our** balance sheet with a full valuation allowance due to our current loss position and forecasted losses for the near future. In addition to the impact of the Tax Act on our federal taxes, the Tax Act has impacted our taxation in other jurisdictions, including state income taxes. Additionally, other foreign governing bodies may enact changes to their tax laws in reaction to the Tax Act that could result in changes to our global tax position and materially adversely affect our business, results of operations and financial condition. Additionally, the **U. S.** Internal Revenue Service, (the " IRS ") and several foreign tax authorities have increasingly focused attention on intercompany transfer pricing with respect to sales of products and services and the use of intangibles. Tax authorities could disagree with our future intercompany charges, cross- jurisdictional transfer pricing , or other matters and assess additional taxes. If we do not prevail in any such disagreements, our profitability may be affected . We are subject to U.S.and foreign anti- corruption and anti- money laundering laws and regulations.We can face criminal liability and other serious consequences for violations,which can harm our business.We are subject to the U.S.Foreign Corrupt Practices Act of 1977,as amended,the U.S.domestic bribery statute contained in 18 U.S.C.§ 201,the U.S.Travel Act,the USA PATRIOT Act and possibly other anti- bribery and anti- money laundering laws in countries in which we conduct activities.Anti- corruption laws are interpreted broadly and prohibit companies and their employees,agents,contractors and other collaborators from authorizing,promising,offering ,or providing,directly or indirectly,improper payments or anything else of value to recipients in the public or private sector.We can be held liable for the corrupt or other illegal activities of our employees,agents,contractors ,and other collaborators,even if we do not explicitly authorize or have actual knowledge of such activities.Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties,imprisonment,the loss of export or import privileges,debarment,tax reassessments,breach of contract and fraud litigation,reputational harm ,**and other consequences** . The current conflict between Ukraine and Russia and Israel- Hamas war have exacerbated market instability and disrupted the global economy and may adversely affect our business, results of operations , and financial condition. The current conflict between Ukraine and Russia and Israel- Hamas war have caused uncertainty about economic and political stability, increasing volatility in the credit and

financial markets and disrupting the global economy. The United States, the European Union, and several other countries are imposing far-reaching sanctions and export control restrictions on Russian entities and individuals. These sanctions and export controls may also contribute to higher oil and gas prices and inflation, which could reduce demand in the global automotive ~~sector industry~~ and therefore reduce demand for our ~~solutions products~~. There is also a risk that Russia launches sanctions and other retaliatory actions. Additional consequences of the conflict may include diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, and various shortages and supply chain disruptions. While we do not currently directly rely on goods or services sourced in Russia, Ukraine, or Israel, and thus have not experienced any direct disruptions, we may experience indirect disruptions in our supply chain. The recent Israel- Hamas war and escalating tensions in the region could result in, among other things, additional supply chain disruptions, rising prices for oil and other commodities, volatility in capital markets and foreign exchange rates, any of which may adversely affect our business. In addition, the conflicts, along with any global political fallout and implications including sanctions, shipping disruptions, collateral war damage, and a potential expansion of the conflict, could disturb the global economy. Any of the foregoing factors, including developments or effects that we cannot yet predict, may adversely affect our business, results of operations, and financial condition. Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events, global pandemics, and interruptions by man-made problems, such as terrorism. Material disruptions of our business or information systems resulting from these events could adversely affect our operating results. A significant natural disaster, such as an earthquake, fire, flood, hurricane, or significant power outage or other similar events, such as infectious disease outbreaks or pandemic events, could have an adverse effect on our business and operating results. One of our offices is located in the San Francisco Bay Area, a region known for seismic activity. In addition, natural disasters, acts of terrorism or war could cause disruptions in our ~~remaining~~ manufacturing operations, our or our customers', ~~our suppliers'~~, or channel partners' businesses, ~~our suppliers'~~ or the economy as a whole. We also rely on information technology systems to communicate among our workforce and with third parties. Any disruption to our communications, whether caused by a natural disaster or by man-made problems, such as power disruptions, could adversely affect our business. We do not have a formal disaster recovery plan or policy in place and do not currently require that our suppliers' partners have such plans or policies in place. To the extent that any such disruptions result in delays or ~~production or~~ cancellations of orders, or impede our suppliers' ability to timely deliver ~~product products and~~ components, or ~~delays in~~ the deployment of our products, our business, operating results and financial condition would be adversely affected.