

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(MARK ONE)

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

For the fiscal year ended December 31, 2024

or

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

For the transition period from to

Commission File Number: 001-39408

Lucid Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

85-0891392

(State or other jurisdiction of incorporation or organization)

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

7373 Gateway Boulevard, Newark, CA 94560

(Address of principal executive offices) (Zip code)

(510) 648-3553

(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value per share	LCID	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, as of June 28, 2024 (the last business day of registrant’s second quarter of fiscal year 2024), was \$2.4 billion based upon the last sale price reported for such date on the Nasdaq Stock Market LLC. Shares of common stock held by each executive officer, director, and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

Number of shares of the registrant’s common stock outstanding at February 19, 2025: 3,031,499,851

DOCUMENTS INCORPORATED BY REFERENCE:

Certain portions of the registrant's definitive proxy statement for its annual meeting of stockholders (the "Proxy Statement"), to be filed with the Securities and Exchange Commission within 120 days after December 31, 2024, are incorporated by reference into Part III of this Annual Report on Form 10-K (this "Annual Report"). Except with respect to information specifically incorporated by reference in this Annual Report, the Proxy Statement shall not be deemed to be filed as part hereof.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “shall,” “expect,” “anticipate,” “believe,” “seek,” “target,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict,” “scheduled” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. They appear in a number of places throughout this Annual Report and include, but are not limited to, statements regarding our intentions, beliefs or current expectations concerning, among other things, results of operations, financial condition, liquidity, capital expenditures, prospects, growth, production volumes, strategies, management, and the markets in which we operate, including expectations of financial and operational metrics, projections of market opportunity, market share and product sales, expectations and timing related to commercial product launches, future strategies and products, including with respect to battery and powertrain systems, software, and strategic partnerships, technology features and capabilities, manufacturing capabilities and facilities, studio openings, sales channels and strategies, future vehicle programs, expansion and the potential success of our direct-to-consumer strategy, our financial and operating outlook, future market launches and international expansion, including our manufacturing facility in Saudi Arabia and related timing and value to us, our needs for additional financing, our search for a new CEO, and the promise of Lucid’s technology. Such forward-looking statements are based on available current market material and our current expectations, beliefs and forecasts concerning future developments. Factors that may impact such forward-looking statements include:

- changes in domestic and foreign business, economic, market, financial, political, regulatory and legal conditions, including changes of policies, government closures of banks and liquidity concerns at other financial institutions, imposition of tariffs and threat of a trade war, a potential global economic recession or other downturn and global conflicts or other geopolitical events;
- risks related to changes in overall demand for our products and services and cancellation of orders for our vehicles;
- risks related to prices and availability of commodities, materials, our supply chain, logistics, inventory management and quality control, and our ability to complete the tooling of our manufacturing facilities over time and scale production of our vehicles;
- risks related to the uncertainty of our projected financial and operational information;
- risks related to the timing of expected business milestones and commercial product launches;
- risks related to the expansion of our manufacturing facility, the construction of new manufacturing facilities and the increase of our production capacity;
- our ability to manage expenses and control costs;
- risks related to future market adoption of our offerings;
- the effects of competition and the pace and depth of electric vehicle adoption generally on our business;
- changes in regulatory requirements, policies, and governmental incentives;
- changes in fuel and energy prices;
- our ability to rapidly innovate;
- our ability to enter into or maintain partnerships with original equipment manufacturers, vendors and technology providers, including our ability to realize the anticipated benefits of our transaction with Aston Martin;
- our ability to effectively manage our growth and recruit and retain key employees, including our executive team;

- the ongoing need to attract, retain, and motivate key employees, including engineering and management employees, as we have undertaken multiple significant management changes in the last few years, including our CEO;
- risks related to potential vehicle recalls;
- our ability to establish and expand our brand, and capture additional market share, and the risks associated with negative press or reputational harm;
- risks related to our outstanding Redeemable Convertible Preferred Stock;
- availability of, and our ability to obtain and effectively utilize, zero emission vehicle credits, tax incentives, and other governmental and regulatory programs and incentives;
- our ability to conduct equity, equity-linked, or debt financing in the future;
- our ability to pay interest and principal on our indebtedness;
- future changes to vehicle specifications which may impact performance, features, pricing, and other expectations;

- the outcome of any potential litigation, government and regulatory proceedings, investigations and inquiries; and
- other factors disclosed in this Annual Report or our other filings with the Securities and Exchange Commission (the “SEC”).

The forward-looking statements contained in this Annual Report are based on our current expectations and beliefs concerning future developments and their potential effects on our business. There can be no assurance that future developments affecting our business will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading “Risk Factors” in Item 1A of Part I of this Annual Report. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. There may be additional risks that Lucid currently does not know or that Lucid currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect our expectations, plans or forecasts of future events and views as of the date of this Annual Report. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. The forward-looking statements should not be relied upon as representing our assessments as of any date subsequent to the date of this Annual Report.

Frequently Used Terms

Unless otherwise stated in Part II Item 8. Financial Statements and Supplementary Data, or the context otherwise requires, references in this Annual Report to:

“2026 Notes” are to the 1.25% Convertible Senior Notes due 2026;

“AMP-1” are to our Advanced Manufacturing Plant-1 in Casa Grande, Arizona;

“AMP-2” are to our planned Advanced Manufacturing Plant-2 in Saudi Arabia, which consists of a semi knocked-down (“SKD”) portion that has been completed and a completely-built-up (“CBU”) portion that will be constructed;

“Ayar” are to Ayar Third Investment Company, an affiliate of the PIF and the controlling stockholder of the Company;

“Board” or “Board of Directors” are to the board of directors of Lucid Group Inc., a Delaware corporation;

“Certificate of Designations” refers to Series A Certificate of Designations and Series B Certificate of Designations, together;

“Churchill” or “CCIV” are to Churchill Capital Corp IV, a Delaware corporation and our predecessor company prior to the consummation of the Transactions, which changed its name to Lucid Group, Inc. following the consummation of the Transactions, and its consolidated subsidiaries;

“Churchill IPO” are to the initial public offering by Churchill which closed on August 3, 2020;

“Closing” are to the consummation of the Transactions;

“Closing Date” are to July 23, 2021, the date on which the Transactions were consummated;

“common stock” are to the Class A common stock of Lucid Group, Inc., par value \$0.0001 per share;

“ESG” are to Environmental, Social and Governance;

“EV” are to electric vehicle;

“Investor Rights Agreement” are to the Investor Rights Agreement, dated as of February 22, 2021 and as amended from time-to-time, by and among the Company, the Sponsor, Ayar and certain other parties thereto;

“Legacy Lucid” are to Atieva, Inc., d/b/a Lucid Motors, an exempted company incorporated with limited liability under the laws of the Cayman Islands, and its consolidated subsidiaries before the Closing Date;

“LPM-1” are to our Lucid Powertrain Manufacturing Plant-1 in Casa Grande, Arizona;

“Merger” are to the merger of a merger subsidiary of Churchill and Atieva, Inc., with Atieva, Inc. surviving such merger as a wholly owned subsidiary of Churchill;

“Merger Agreement” are to that certain Agreement and Plan of Merger, dated as of February 22, 2021, by and among Churchill, Legacy Lucid and Air Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Churchill, as the same has been or may be amended, modified, supplemented or waived from time-to-time;

“PIF” are to the Public Investment Fund, the sovereign wealth fund of Saudi Arabia;

“Private Placement Warrants” are to Churchill’s warrants issued to the Sponsor in a private placement simultaneously with the closing of the Churchill IPO;

“Redeemable Convertible Preferred Stock” are to the Series A Convertible Preferred Stock and Series B Convertible Preferred Stock, together;

“Series A Certificate of Designations” refers to the Certificate of Designations of Series A Redeemable Convertible Preferred Stock;

“Series A Redeemable Convertible Preferred Stock” are to the Series A Convertible Preferred Stock of Lucid Group, Inc., par value \$0.0001 per share;

“Series A Subscription Agreement” refers to the subscription agreement entered into on March 24, 2024, by the Company and Ayar to purchase from the Company 100,000 shares of its Series A Convertible Preferred Stock;

“Series B Certificate of Designations” refers to the Certificate of Designations of Series B Redeemable Convertible Preferred Stock;

“Series B Redeemable Convertible Preferred Stock” are to the Series B Convertible Preferred Stock of Lucid Group, Inc., par value \$0.0001 per share;

“Series B Subscription Agreement” refers to the subscription agreement entered into on August 4, 2024, by the Company and Ayar to purchase from the Company 75,000 shares of its Series B Convertible Preferred Stock;

“Sponsor” are to Churchill Sponsor IV LLC, a Delaware limited liability company and an affiliate of M. Klein and Company;

“Transactions” are to the Merger, together with the other transactions consummated under the Merger Agreement and the related agreements; and

“Warrant Agreement” are to the Warrant Agreement, dated July 29, 2020, entered into in connection with the Churchill IPO by and between Continental Stock Transfer & Trust Company and Churchill.

Unless the context otherwise requires, all references in this section to “Lucid,” the “Company,” “we,” “us,” “our,” and other similar terms refer to Legacy Lucid and its subsidiaries prior to the Closing, and Lucid Group, Inc., a Delaware corporation, and its subsidiaries after the Closing.

PART I

Item 1. Business.

OVERVIEW

Mission

Lucid's mission is to advance the state-of-the-art of EV technology for the benefit of all.

About Us

Lucid is a technology company that is setting new standards with the world's most advanced EVs, the award-winning Lucid Air and all-new Lucid Gravity. This includes the Lucid Air Pure, the most efficient vehicle on the market today (as measured by miles of range per kilowatt-hour), the Lucid Air Grand Touring, the longest-range (up to 512 miles of U.S. Environmental Protection Agency ("EPA")-estimated range) and the fastest-charging (as measured by miles of range per minute) fully electric car in its class on the market today, and the Lucid Gravity, capable of up to 450 miles of an EPA-estimated range and up to 400 kW fast charging. Estimated ranges, including EPA-estimated ranges where applicable, are provided for Lucid Air vehicles equipped with 19-inch wheels and Lucid Gravity Grand Touring vehicles equipped with 20"F/21"R wheels and configured as 2-row, 5-seat vehicle. Actual range will vary depending on many factors, including vehicle configuration, battery age, driving habits, charging habits, temperatures, accessory use, and other factors. Lucid (i) designs, engineers and manufactures EVs, EV powertrains, and battery systems in-house using our own equipment and factories, (ii) designs and develops proprietary software in-house for Lucid vehicles that can be continuously enhanced upon through over-the-air ("OTA") software updates, (iii) offers a refined customer experience at our own geographically distributed retail and service locations and through direct-to-consumer online sales, (iv) plans to supply and license technology to third parties, and (v) boasts a strong product roadmap of future vehicle programs and technologies. Our focus on in-house hardware and software innovation, vertical integration, and a "clean sheet" approach to engineering and design led to the development of the award-winning Lucid Air and Lucid Gravity.

The Lucid Air redefines both the luxury sedan segment and the EV space, with an EPA-estimated range of up to 512 miles on a single charge for the Grand Touring trim. A significant enabler of this range is an efficient and powerful drivetrain that Lucid developed and built in-house through our vertically integrated manufacturing structure.

The Lucid Gravity is a groundbreaking new class of sport utility vehicle ("SUV"), conceived from the ground up without compromise. The Lucid Gravity provides the interior space and practicality of a full-size SUV within the exterior footprint of a mid-size SUV. As a result, it provides a space for up to seven adults, game-changing versatility, and an unparalleled driving experience. Leveraging Lucid's in-house powertrain technology, we have engineered the Lucid Gravity to deliver up to 450 miles of EPA-estimated range, while the only other competitive vehicle on the market today offering comparable driving range requires a battery pack over 60 percent larger in capacity.

The Lucid Space Concept underpins the design of Lucid Air and Lucid Gravity, merging a smaller exterior footprint with more interior space and better comfort. This achievement is enabled by our wholistic approach to vehicle design and integration, which is aided by highly efficient miniaturized drivetrain components.

The Lucid Air and the Lucid Gravity are assembled at our EV manufacturing facility in Casa Grande, Arizona, named Advanced Manufacturing Plant-1 ("AMP-1"). In 2024, we completed key expansion activities to bring installed capacity at AMP-1 to 90,000 vehicles per year. By building AMP-1 from a clean slate, we expect to achieve greater operational efficiencies and more consistent production quality than would be possible through outsourced manufacturing or adaptation of an existing facility. An emphasis on

vertical integration of manufacturing capabilities provides us the opportunity to control our technology roadmap, ensure a high degree of quality control, and improve product margins relative to an outsourced manufacturing arrangement. We plan to diversify our vehicle portfolio and increase production capacity through localization of manufacturing in another geographical region. In 2022, we broke ground on the Advanced Manufacturing Plant-2 in Saudi Arabia (“AMP-2”), and in 2023, we began semi knocked-down (“SKD”) assembly, with installed annual capacity of 5,000 vehicles. The initial operation is re-assembly of the Lucid Air vehicle ‘kits’ that are pre-manufactured at AMP-1. In 2024, we started an expansion at AMP-2 to enable completely-built-up (“CBU”) unit production with an additional installed annual capacity of 150,000 vehicles. The start of production of our Midsize platform is scheduled for late 2026, which we expect will expand our market reach into higher-volume vehicle segments.

We sell vehicles directly to consumers through our retail sales network and through direct online sales, including utilizing Lucid Financial Services. As of December 31, 2024, we have opened 42 Studios and service centers in North America, 11 in Europe, and 4 in the Middle East. In addition, we have various temporary and satellite service centers. We believe that owning and operating our sales network provides an opportunity to closely manage the customer experience, gather direct customer feedback, and ensure that customer interactions are tailored to our customers’ needs.

We own and operate a vehicle service network comprised of service centers in major metropolitan areas and a fleet of mobile service vehicles. In addition to our in-house service capabilities, we established and continue to grow an approved list of specially trained collision repair shops which also serve as repair hubs for our mobile service offerings in some cases. We have contracted with a third-party roadside assistance partner for urgent roadside needs. As a technology company, we also complement our in-house service offerings with remote vehicle diagnostics and alerts, and OTA updates. This combination of in-house capabilities, supplementary service partners, and remote support and update capability is intended to offer a premium service experience.

We began delivering the Lucid Air to customers in October 2021. We have leveraged and expanded the technological advancements from the Lucid Air to the Lucid Gravity, which started commercial production in December 2024. Beyond the Lucid Air and the Lucid Gravity, we plan to expand our vehicle lineup with the upcoming Midsize platform, which is scheduled for start of production in late 2026.

Market Opportunity

We are defining the next generation of sustainable mobility by uniting our California aesthetic with our high-tech and Silicon Valley roots. Current competitive vehicles are based on traditions established by internal combustion automotive manufacture and design. We believe that we are leading the next wave of innovation in the vehicle space. With the Lucid Air and the Lucid Gravity, we target consumers who desire EVs with a high-end aesthetic and the accompanying premium experience.

The Lucid Air and the Lucid Gravity compete in the global luxury car market. Our competitive advantage is defined by our leading EV hardware and software technology, developed entirely in-house. The Lucid Air Pure is the most efficient vehicle in the world (as measured by miles of range per kilowatt-hour), the Lucid Air Grand Touring is the longest-range and the fastest-charging (as measured by miles of range per minute) fully electric car in its class on the market today, and the Lucid Air Sapphire is the highest-performance version of the Lucid Air (boasting 1,234 horsepower from three motors, the ability to accelerate from zero to 60 miles per hour in 1.89 seconds, and a quarter-mile time of 8.95 seconds).

We are defining a recognizable brand that is synonymous with elegant design, excellent driving performance, and outstanding range. We believe the automotive experience is one comprised of several essential elements, including: (i) high-end comfort and significant attention to detail in design, content, materials, and fit and finish, (ii) superior customer interaction, with high-touch customer engagement throughout both the sales cycle and ownership journey, and (iii) convenient service that exceeds that of a non-premium automotive experience.

Our long-term goal is to make a positive impact on the global climate crisis through mass production of advanced technologies and EVs. The market is still nascent, with approximately 11.1% and 8.1% of new passenger vehicle sales in 2024 being battery electric vehicles (“BEV”) worldwide and in North America, respectively (worldwide figure is an estimate from S&P Global AutoInsight, and the North America figure is an actual result from S&P Global Catalyst Registration).

As our launch vehicle, the Lucid Air has established the bar for excellence across all our future products and experiences. We started delivering vehicles to customers in North America in October 2021. In 2022, we delivered our first vehicles to customers in Europe and the Middle East. Over the course of 2023, we delivered the entire Lucid Air lineup including the Lucid Air Sapphire, the world’s first luxury electric super-sports sedan, and the Lucid Air Pure, the most attainable and most efficient Lucid Air model. The Lucid Air has received critical acclaim since it debuted, winning MotorTrend 2022 Car of the Year, followed by the 2023 World Luxury Car Award, and most recently was named to Car and Driver’s 10Best list for 2024 and 2025. Production of our second vehicle, the Lucid Gravity, began in December 2024. The Lucid Gravity builds on innovations and processes from the Lucid Air sedan for an unprecedented combination of performance, interior space, and efficiency. Beyond the Lucid Air and the Lucid Gravity, our business plan expands to vehicles using our upcoming Midsize platform, which is scheduled for start of production in late 2026.

In addition to the sale of Lucid-branded vehicles, we believe that our technological prowess and manufacturing capabilities present a further opportunity to generate revenue and combat climate change through the sale or licensing of EV powertrains, battery technology, and embedded controls software to third parties. Such powertrain and battery arrangements could facilitate and accelerate the shift to electrification for traditional automotive original equipment manufacturers (“OEMs”), pure-play EV companies, and prospective partners in the transportation sector, and thereby enable the global production of EVs in greater volumes and at varying price points. We believe that the sale or licensing of our technology would also accelerate our efforts to refine our manufacturing efficiencies and the real world, practical operation of our technologies.

Competitive Strengths

- **Revolutionary Powertrain Technology.** Our proprietary EV technology delivers outstanding range, charging, and driver-oriented performance all while achieving higher efficiency ratings than other EVs as measured by miles of range per kilowatt hour of energy consumed. All variants of the Lucid Air have received EPA-estimated range ratings of over 400 miles and the Lucid Air Grand Touring holds the title for the longest range passenger vehicle with an EPA-estimated range of 512 miles. The Lucid Gravity delivers up to 450 miles of EPA-estimated range, while the only other competitive vehicle on the market today offering comparable driving range requires a battery pack over 60 percent larger in capacity.

The Air's proprietary high-voltage electrical architecture, the Wunderbox on-board inverter charger, and our efficient battery management system, all developed in-house by our teams, enable customers to spend less time charging. For example, the Lucid Air Grand Touring can add approximately 300 miles in about 21 minutes using DC fast charging, while the Lucid Air Pure can add up to 150 miles in about 12 minutes with DC fast charging. (Estimates are based on use of a 350 kW DC fast charger and vehicles equipped with 19-inch wheels. Actual rates will vary based upon vehicle equipment and charging conditions.)

In November 2023, we launched RangeXchange, the first application of the bi-directional charging capability built into the Lucid Air. Using Lucid's innovative new vehicle-to-vehicle ("V2V") RangeXchange adapter and the latest mobile charging cable, the Lucid Air can function as the power source to charge another EV. In the future, we plan to further unlock the potential of the bi-directional charging capability built into the Lucid Air to serve as a back-up power source for residential applications, such as during emergency power grid outages, when paired with Lucid Connected Home Charging Station. (Additional equipment is needed at the home to enable back-up power capabilities.)

In June 2023, we entered into an agreement (the "Implementation Agreement") with Aston Martin Lagonda Global Holdings plc (together with its subsidiaries, "Aston Martin"), under which we and Aston Martin have established a long-term strategic technology and supply arrangement. On November 6, 2023, pursuant to the terms of the Implementation Agreement, integration and supply arrangements became effective, under which we will provide Aston Martin access to our powertrain, battery system, and software technologies, work with Aston Martin to integrate our powertrain and battery components with Aston Martin's BEV chassis, and supply powertrain and battery components to Aston Martin (collectively, the "Strategic Technology Arrangement").

- **Proven, Real World Validation.** Our battery technology developed over the past decade has been validated as world-class technology. Through our prototype and production vehicles and our role as the sole battery supplier to the second generation of the premier EV racing series, our patented battery technology has driven more than 230 million real world miles since Lucid's inception.
- **Highly Differentiated Performance.** Our advancements in battery pack and drivetrain technology, created through a clean-sheet approach to engineering, have resulted in compelling performance and efficiency in our vehicles. The Lucid Air Sapphire offers 1,234 horsepower, a 0-60 miles per hour acceleration time of 1.89 seconds and a standing quarter-mile time of 8.95 seconds.
- **Directly Owned Manufacturing.** Our vehicles are produced at AMP-1, the first purpose-built, greenfield EV manufacturing facility in North America. With the Lucid Air already in production, expansion activities have recently been completed to enable the concurrent production of the Lucid Air and the Lucid Gravity. Key elements of our vehicle engineering enable efficient and advanced manufacturing processes with a high degree of quality control. For example, the aircraft-inspired riveted and bonded monocoque body structure is designed to enhance structural efficiency and replace spot welds in the manufacturing process. Additionally, we manufacture and assemble our complete electric powertrain at AMP-1, including assembly of battery

packs, integrated drive units, and the Wunderbox. In September 2023, we also opened AMP-2, which was Saudi Arabia's first-ever car manufacturing facility and our first manufacturing facility outside the United States, where we commenced SKD assembly operations.

- ***In-House Sales and Service.*** Consistent with the focus on vertical integration in our manufacturing processes, we employ a direct sales and service model to maintain full control over the customer experience and ensure that interactions are aligned with Lucid standards. We enable a superior customer experience by vertically integrating our sales operations instead of relying on a traditional outsourced dealership model. We are also scaling our own service operations to support planned future growth, in addition to further developing our established network of partnerships with body shops and other ancillary service partners that meet our expectations for customer service.

- **Product Design.** The Lucid Air and the Lucid Gravity fuse art and science to capture the full potential of electrification. As our company's first vehicle, the Air established the bar for excellence across all our products and experiences. Our Space Concept represents a technical breakthrough, achieved by rethinking the way an automobile is designed from the ground up. Our reimagining of the car has resulted in class-leading interior space for the driver, passengers, and storage within a compact and efficient exterior. The Lucid Gravity builds upon this design philosophy to deliver an occupant and cargo space that outclasses the competition in a vehicle with a significantly smaller exterior footprint.
- **Deep Experience.** We have assembled a seasoned management and advisory team with deep experience in the automotive and EV industries. The management team is rounded out by executives with significant experience from such companies as Tesla, Audi, Ford, Hyundai, Mazda, Mercedes-Benz, Porsche, Stellantis, and Volkswagen, among others.
- **Strategic Partnerships.** We have established strong relationships with suppliers and partners to deliver the Lucid Air and the Lucid Gravity. We have battery cell supply agreements in place with leading suppliers in the EV space and have also begun entering into agreements to help ensure our supply of critical battery materials.
- **Software Defined.** Our advanced software-defined vehicle architecture is applied throughout our vehicles to allow us to continually tune and improve vehicle performance, add features, and delight our existing and new customers through OTA software updates.

Growth Strategy

We aim to create opportunity as an automotive company and a technology provider for other automotive OEMs.

- **Vehicle Roadmap.** We have established a roadmap for future vehicle lines that includes a variety of vehicle types expected to perform well in various customer segments. Establishing the brand with the Lucid Air and the Lucid Gravity, we plan to unlock further sales with a new Midsize platform, enabling sales in some of the highest-volume vehicle segments, which we expect will enable us to leverage economies of scale and efficiency of operations. We will seek to establish a strong customer base in premium vehicle markets across the globe.
- **International Expansion.** We expect to increase our market presence in multiple geographies along with the relevant retail and service footprint across each geographic region. Expanding across global markets is key to achieving the scale of economies needed for a profitable OEM. The expansion is expected to enhance the brand presence and awareness and support top line growth objectives. Additional business and distribution models are being implemented to both accelerate speed to market while optimizing resource requirements.

Long term, we are also exploring expansion of our manufacturing footprint. These manufacturing facilities could include facilities for component subassembly, vehicle kit reassembly, and complete built unit vehicle production. We believe that establishing a global manufacturing footprint will help us to grow the brand, scale the business and address market demand in the Middle East, European and Asia-Pacific markets, while also taking action to reduce our carbon footprint and address climate change.

We anticipate that a localized supply chain, production, distribution and retail network will yield cost savings and lower carbon emissions with shorter transportation distances of products to customers.

- **Technology Outbound Sales & Licensing.** We are actively engaged in supplying all racing teams in the premier EV open wheel racing series with a front drive unit and related software. We also entered into the Strategic Technology Arrangement with Aston Martin in 2023 under which we will provide Aston Martin access to our powertrain and battery system technology

to use in Aston Martin's battery electric vehicles. We plan to continue expanding this technology division to supply our world class technologies to other automotive OEMs and partners in the transportation sector to help accelerate the adoption of EVs.

We are motivated to achieve a future where transportation is fully sustainable. The sale of technology solutions to traditional automotive OEMs and pure-EV brands would support that goal, as would sales to customers in other transportation sectors. Our technology is modular and readily customizable, enhancing our suitability for build-to-print powertrain and battery solutions for other manufacturers.

Our Vehicles

Lucid Air

The Lucid Air is the most advanced car in the world, featuring California-inspired design and award-winning powertrain technology. As Lucid's first vehicle, the Air has established Lucid as the preeminent force in electric vehicle technology. Since the first deliveries to customers in October 2021, the Lucid Air has been the benchmark for luxury vehicles and EVs, continuing to grow in popularity and garnering continuing accolades from the media. The Lucid Air is offered in an array of trims and configurations at different price points with distinct superlatives. The 2025 Air Pure offers a remarkable 420 miles of EPA-estimated range, with just an 84-kWh battery pack, and thus achieves a landmark 5.0 miles per kilowatt hour of energy, making it the most efficient vehicle on the market today. With 512 miles of EPA-estimated range, the Lucid Air Grand Touring continues to lead the market in range by a significant margin, enabled by advancements in Lucid's electric powertrain technology. The Lucid Air Sapphire is the highest-performance version of the Lucid Air, boasting 1,234 horsepower from three motors, 427 miles of an EPA-estimated range (when equipped with standard wheel covers), the ability to accelerate from zero to 60 miles per hour in 1.89 seconds, and a quarter-mile time of 8.95 seconds. In 2024, the Lucid Air outperformed many major and well-established brand in the U.S. across both electric and combustion vehicles within its competitive set, based on the data from Motor Intelligence.

Lucid Gravity

The Lucid Gravity, for which we began commercial production in December 2024, reimagines what an SUV can be, and is conceived from the ground up to offer a previously impossible combination of features. Enabled by Lucid's revolutionary technology, the Lucid Gravity provides the interior space and practicality of a full-size SUV within the exterior footprint of a mid-size SUV. As a result, it provides a sophisticated space for up to seven adults, game-changing versatility, and an unparalleled driving experience. Leveraging Lucid's in-house powertrain technology, we have engineered the Lucid Gravity to deliver up to 450 miles of EPA-estimated range, while the only other competitive vehicle on the market today offering comparable driving range requires a battery pack over 60 percent larger in capacity.

The Lucid Gravity is designed to share components with the Lucid Air where optimal, and we continue to evaluate opportunities to apply components developed for the Lucid Gravity to the Lucid Air, further expanding the number of common parts while also enhancing the customer experience in the Lucid Air. We anticipate that all of these measures will enable efficiency in design, engineering, and capital expenditure deployment for the Lucid Gravity.

The Lucid Air and the Lucid Gravity are true software-defined vehicles, designed to improve over time, with OTA software updates and key hardware already in place in the vehicle. This holistic systems approach to the integration of hardware and software is what allows us to provide these value-add updates and is what sets us apart in the automotive industry.

As discussed in “— *Technology*” below, the Lucid Air and the Lucid Gravity are underpinned by the Lucid Electric Advanced Platform (“LEAP”), which is designed with adjustability to support multiple vehicle variants to enable greater capital deployment efficiency and speed to market.

Future Vehicle Programs

We started by manufacturing higher-end vehicles to establish our brand. We expect to progress to higher-volume vehicle segments over time, which require a higher throughput from manufacturing to distribution. Beyond the Lucid Air and the Lucid Gravity, our roadmap calls to expand our vehicle lineup with vehicles built on a new Midsize platform, with which we intend to enter lower-price and higher-volume vehicle segments. The Midsize platform is currently in development, and is scheduled for start of production in late 2026.

Technology

We are a technology company that has set new standards for sustainable transportation. We have done so in part by developing proprietary EV technology in-house. Core to our DNA is the achievement of technical excellence.

Our in-house engineering team is focused on delivering innovation in all facets of vehicle development, including hardware and software development, vehicle design, and passenger comfort. The development of the Lucid Air and the Lucid Gravity have been predicated on the premise that miniaturizing the powertrain would allow us to redesign what a passenger vehicle can be from the ground up.

We have refined our battery technologies over many years in real-world applications, including more than 230 million miles of vehicle testing and the supply of battery packs to all teams in the world's premier EV open wheel racing series. We have used the data accumulated from these activities to refine our technology and thoughtfully develop the Lucid Air, and subsequently the Lucid Gravity.

We believe our in-house research and development organization establishes us as a leader across multiple technologies and areas of expertise. Our technological achievements include significant advancements to the core technologies that drive an EV and are instrumental in the LEAP.

LEAP was designed and developed in-house, incorporating our six key powertrain elements: (i) battery pack & battery management software, (ii) electric motors, (iii) power electronics, (iv) transmission, (v) control software, and (vi) two-way onboard boost-charger. The LEAP structure is an enabling factor allowing the Lucid Space Concept to support class-leading interior and cargo room for a luxury EV.

Areas where our in-house engineering has driven advancement include:

- **Battery Pack.** The Lucid Air's battery pack translates our motorsport experience and more than 230 million miles of real-world testing into a compact and energy dense unit that was developed in-house with a clean-sheet approach to engineering. The battery pack is designed to be scalable and modular, providing opportunities for cost and range variations as we develop future variants on our LEAP architecture. It is also designed for performance, with advanced cell end-cooling and low resistance technologies designed to reduce heat generation, control battery cell thermal conditions and ultimately increase range.

Our battery packs incorporate battery cells from suppliers that have extensive experience in the development and manufacturing of cells for high-performance EV applications and robust battery cycle life. The battery cells incorporated into our battery packs are required to conform to our high standards, including with respect to our targets for range, energy density, recharge/discharge rates and other characteristics, and to support our compact, energy-dense battery pack form.

Our battery packs support our vision to revolutionize EV technology through mass industrialization. Our single piece injection molded battery module is race derived yet designed for mass production, with electrical "bus bar" connectors that are integrally captured in the molding in a single operation — a profound technological advancement.

The technology developed for the battery pack in the Lucid Air has transferred to the Lucid Gravity, and we believe is suitable for the industrialization of our Midsize platform, and to technologically adjacent markets. See "*— Growth Strategy.*"

- **Integrated Electric Motor, Inverter and Transmission Drive Unit.** For our motor and gearbox system, we developed permanent magnet motors in-house. Combining these motors with an inverter and an integrated gearbox and differential creates an advanced electric drive unit that weighs just 163lb (74kg) and is small enough to fit inside a carry-on roller bag.

The Lucid drive unit is capable of producing up to 670 horsepower with power density up to 9.0 horsepower per kg, depending on vehicle trim and variant. This compactness allows for one, two or even three units to be used to power a Lucid Air or Lucid Gravity. Further to this, we have developed motor and transmission technology for the world's premier EV open wheel racing series with a power density of over 14.5 horsepower per kg.

The enablers of these electric motor characteristics include a set of inventions that are part of our intellectual property portfolio. Most notably, a new motor winding technology has been introduced to increase power output and reduce electrical losses. The motor also features an innovative patented cooling system that more effectively removes heat from the stator winding, reducing losses and boosting efficiency.

The compactness of these electric drive units lays the foundation for our Space Concept vehicle design approach. The patented fully integrated transmission and differential also contribute to this approach. Together, these components comprise a unified, integrated rotational system that is both lightweight and extremely efficient. Meanwhile, we leverage a high voltage, silicon-carbide metal-oxide-semiconductor field-effect transistor ("MOSFET") system in our inverters to increase efficiency, especially in real-world driving conditions.

- **Bi-directional Charging.** The 900V+ high voltage architecture and our Wunderbox are key enablers inside the Lucid Air's and the Lucid Gravity's electrical platform. The Wunderbox is designed to enable ultra-fast DC and bi-directional AC charging

with proprietary technology. It is a multi-function unit, developed in-house to help ensure compatibility with various charging stations and power levels, from Level 1 AC up to Level 3 DC fast charging. It also enables “boost-charging” when needed, such as when connected to 400V DC charging infrastructure.

The Wunderbox is also designed to enable a wide array of future-ready, bi-directional power delivery features, such as vehicle-to-grid (“V2G”) applications for situations such as managing home power outages. In November 2023, we launched RangeXchange, an innovative new feature enabling the Lucid Air to directly charge another EV. This capability is enabled by our bi-directional charging technology built into every Air via an OTA software update, as well as the RangeXchange adapter. This holistic systems approach to the integration of hardware and software is what allows us to provide these value-add updates and truly sets us apart in the automotive industry.

- **Software System.** The Lucid Air and the Lucid Gravity are true software-defined vehicles. With software-enabled future-ready hardware, Lucid vehicles can evolve over time to best meet customer needs long after they take delivery. With highly advanced processing capabilities, the system leverages data analytics and OTA updates to improve and refresh the vehicle over time.

We have deployed more than 100 OTA software updates for improvements and bug fixes since customer deliveries began in October 2021.

In October 2022, we introduced Lucid UX 2.0, our most extensive software update to that point, with hundreds of updates and new features for every Lucid Air on the road. These included new capabilities for the DreamDrive advanced driver assistance systems, enhanced system performance, and new on-screen layouts to make Lucid UX more ergonomically friendly. These software updates are developed, coded, validated, and deployed by Lucid's in-house hardware and software engineering teams.

In March 2023, we introduced wireless Apple CarPlay integration. Scheduled Charging, introduced in February 2023, allows customers to plug in a Lucid Air to a charger and begin charging at a predetermined time. In addition to these enhancements, we introduced several new features including Creature Comfort Mode for pets left in an otherwise unoccupied vehicle, Max A/C, Multitasking Widget, and Easy Entry, and made improvements to existing features including Highway Assist, SiriusXM, and Range Estimation.

In September, 2024, we added support for a new "Hey Lucid" vehicle voice assistant and made significant enhancements to our DreamDrive automated driving features as described below.

In November 2024, we released an OTA update for Lucid Air that significantly enhanced the audio experience in vehicles with the Surreal Sound Pro option and improved low volume level sound quality in all vehicles. This OTA update also improved the in-car navigation system, now displaying traffic lights and stop signs in regions supporting this feature. Additionally, as described below, this update included significant enhancements to our DreamDrive automated driving features.

- **Controls Software.** The core technology in the Lucid Air and the Lucid Gravity is fully conceived in-house. This includes a state-of-the-art computing platform, using our Ethernet Ring architecture, as well as intelligent fuse boxes and future proofed advance lighting systems, which is able to be upgraded with software to enable additional and improved features related to performance, range, and user experience. In 2023, with the release of the Lucid Sapphire, an In-House Traction Control and Torque Vectoring system was designed, implemented, and calibrated on various surfaces, delivering the performance attributes which gained broad acclaim. In 2024, with the Lucid Air rear-wheel drive, Regen Traction Control was developed to improve the performance of the vehicles in regen mode. In 2024, we also introduced a no-regen mode as an additional option for Lucid Air customers.

Our charging software was developed fully in-house from 2020; and in 2024, we released improvements to the software that led to 110V charging becoming 10% more efficient. At the same time, we also introduced new control algorithms on the rear drive units which improved our efficiency and range.

- **Lucid DreamDrive.** The Lucid Air is equipped with an extensive sensor suite, high on-board computing power, back-up systems for Advanced Driver Assistance Systems ("ADAS") and, over time, increased levels of automation. With up to 32 ADAS sensors onboard, the Lucid Air features one of the most comprehensive sensor suites among currently available production vehicles. The Lucid Air includes certain features with Level 2 ADAS functionality and is capable of software upgrades via OTA updates. Further, by collecting and analyzing fleet data, we continue to enhance our ADAS features and improve the Lucid experience.

In September 2024, an OTA update introduced major enhancements to DreamDrive Pro's Level 2 Highway Assist feature, significantly improving lane centering performance and adding Active Curve Speed control to slow the vehicle in curves for a more comfortable experience. A new Lane Change Assist feature was also added to Highway Assist, allowing vehicles to change lanes automatically after initiation by driver. In addition, this release extended stop-and-go support for heavy traffic driver assistance, and added a 3-D visualization of surrounding vehicles and pedestrians in the instrument cluster display.

In November 2024, we added the Curb Rash Alert, which automatically detect curbs at low vehicle speeds and warn the driver of potential wheel scraping. Lucid is the first-to-market with this feature and has filed a patent application.

- ***Lucid's Micro Lens Array ("MLA") Lighting.*** A revolution in optical technology, our MLA was created in-house and allows more accurate control over the intensity distribution of the headlamp than conventional technologies. In a very compact form factor, the technology delivers exceptional contrast, high peak intensity, and high color uniformity. This technology enables a long-illuminated distance in low-beam mode with good visibility on both sides of the road and low glare for oncoming traffic. The MLA also allows angular distribution adaptation without mechanical movement of the light module only by changing the electrical current to the LED. For example, it can change the beam pattern from a more range focused brighter narrow beam on a highway to a broader mid-distance focused beam in cities or improve illumination of the roadside in curves or intersections.

Manufacturing

We built North America's first greenfield, purpose-built EV manufacturing facilities, in Casa Grande, Arizona. Lucid's manufacturing activities are carried out at our vehicle manufacturing plant, AMP-1. An emphasis on vertical integration of manufacturing capabilities provides us the opportunity to control our technology roadmap, ensure a high degree of quality control, and improve product margins relative to an outsourced manufacturing arrangement. This vertical integration has allowed us to use decades of industry experience to achieve greater capital efficiencies, greater operational efficiencies, and consistent production quality.

We began the production of the Lucid Air at AMP-1 in September 2021. The manufacturing expansion of phase 2 at AMP-1 kicked off in mid-2021, adding approximately 3 million square feet of manufacturing space to our facility. In September 2023, we began producing vehicles at the AMP-1 phase 2 expanded facility, using innovative production processes and state-of-the-art equipment.

In 2024, we completed the phase 2 expansion project for all key manufacturing activities at AMP-1, including paint shop, stamping, a new body shop for the Lucid Gravity, and a majority of powertrain shop. Our AMP-1 phase 2 facility currently manufactures the Lucid Air and the Lucid Gravity. These expansion activities resulted in 90,000 units per year of installed capacity. In the fourth quarter of 2024, we started to phase out operations at Lucid Powertrain Manufacturing-1 ("LPM-1") plant from dedicated powertrain manufacturing to remanufacturing. By May 2025, we expect that LPM-1 will focus on remanufacturing while AMP-1 phase 2 will house all dedicated powertrain operations.

In September 2023, we opened AMP-2, which was Saudi Arabia's first-ever car manufacturing facility and our first manufacturing facility outside the United States, where we commenced SKD assembly operations. The facility's initial operation is re-assembly of SKD Lucid Air vehicle "kits" that are pre-manufactured at AMP-1. It has installed annual capacity of 5,000 vehicles with the intent to scale up operations to meet demand in the Middle East.

In 2024, we started the expansion of our AMP-2 facility to enable CBU unit production with target installed annual capacity of 150,000. Once completed, AMP-2 is expected to have all the key manufacturing activities including stamping, body in white, painting, general assembly, and eventually powertrain production.

Supply Chain

Our supplier partners remain key in delivering our plan. Our vehicle contains thousands of parts and materials from suppliers around the globe. Lucid's sourcing plans utilize a comprehensive qualification process to assess technical capability, quality, cost, footprint, etc. Challenges in supply chain remain, so collaborative relationships are essential. Lucid works closely with suppliers in the upfront development process and in supporting production needs and requirements. We have a multi-year sourcing agreement for lithium-ion batteries, a key component of our battery system, with Panasonic Energy Co., Ltd. and certain of its affiliates.

Go-To-Market Strategy

Our typical customer journey begins through our advanced digital platform. We use several channels to educate customers regarding our brand identity, explain the creation of our technology, highlight the people behind our design and technology, and provide an easy gateway towards ordering and ownership. The goal is to cultivate brand loyalty and affinity with our customers. Our direct-to-consumer model allows customers the option of building vehicles to order or selecting from available cars via our digital platform. On the website, customers can experience our online vehicle configurator, which provides an opportunity to explore trims, colors, and features to determine the perfect Lucid for their needs. From there, we provide the customer with the option to either schedule a test drive, place an order online, contact our sales department, or visit one of our retail stores or gallery locations, which we refer to as "Studios." Our direct-to-consumer sales model, combined with a digitally enhanced luxury experience through our website and a refined in-store experience, creates opportunities to tailor to each customer's purchase and ownership preferences and provide Lucid with a level of

control and refinement essential to building loyalty and ambassadorship among our intenders and customers. Through our omni-channel approach, Lucid intenders have the option to visit a Studio in person, make their inquiries entirely online, talk to an inside sales representative, or enjoy a combination of the three experiences with seamless handoffs.

In developing our Studios, we have built a network of retail spaces to enable customers to experience the brand and our products in locations that underscore our design aesthetic and allow the customers to experience our full product breadth through different sensory tools. Like the Lucid Air and the Lucid Gravity, the interiors of Lucid Studios showcase color and material themes that represent specific locations within California as well as our focus on innovation with immersive technology experiences. We intend our Studios to provide a pressure-free environment for our customers to comfortably experience the brand and our products. Lucid Studios draw inspiration from the beauty and innovation of our home state of California.

Retail locations serve both as our sales channels and marketing tools in high-foot-traffic locations within urban areas. As of December 31, 2024, we had 57 Studios and service center locations opened, including locations in North America, Europe, and Middle East markets. We expect to increase coverage throughout these regions in 2025. Expanding our presence in existing and new geographies will increase our customer convenience, share of total addressable market, and overall brand awareness and consideration.

With a focus on convenience, our service operations include vehicle and customer support through our network of brick-and-mortar service centers, and at customers' physical locations through our mobile service offerings. Customers are also served through certified partners for roadside assistance and collision repairs. We designed the Lucid Air to enable OTA updates and remote diagnostics.

We leverage third-party charging networks in our market regions, rather than investing heavily in proprietary fast-charging infrastructure or high-power networks. Our Lucid App provides customers seamless Plug and Charge ("PnC") access at partnering networks in North America and Europe, ensuring convenient charging options.

On Jan 31, 2025, we gained access to Tesla's supercharging network in addition to the vast Combined Charging System infrastructure, which is expected to significantly enhance convenience and reduce concerns related to range anxiety. The Lucid Gravity vehicles can use the Tesla Supercharger network with native the North American Charging Standard ("NACS") charge port in the first quarter of 2025, while we expect the Lucid Air vehicles will be granted access to the network, via an adapter, in the second quarter of 2025.

For at home charging, the Lucid Connected Home Charging Station can be installed to provide convenient, simple, and seamless charging at home, or the Lucid mobile charging cable can plug into a variety of household outlets. The Lucid Air now supports V2V charging and we expect to support further bi-directional capabilities with the Lucid Air and Lucid Connected Home Charging Station.

In 2025, we plan to launch the mobile charging cable in the KSA market, enhancing on-the-go charging as public infrastructure develops.

We have an agreement with the Government of Saudi Arabia, as represented by the Ministry of Finance, under which the Government of Saudi Arabia and its entities and corporate subsidiaries and other beneficiaries undertook to purchase up to 100,000 vehicles, with a minimum purchase quantity of 50,000 vehicles and an option to purchase up to an additional 50,000 vehicles over a ten-year period. We believe that our customer traction is strong and will continue to grow as we expand our footprint in Saudi Arabia.

Government Regulations and Credits

Environmental Regulations

We operate in an industry that is subject to extensive environmental regulation, which has become more stringent over time. The laws and regulations to which we are or may become subject govern, among other things, water use; air emissions; use of recycled materials; energy sources; the storage, handling, treatment, transportation, and disposal of hazardous materials; the protection of the environment, natural resources, and endangered species; and the remediation of environmental contamination. Compliance with such laws and regulations at an international, regional, national, state, provincial and local level is and will be an important aspect of our ability to continue our operations.

Environmental standards applicable to us are established by United States laws and regulations and those of other jurisdictions in which we operate, standards adopted by regulatory agencies and the permits and licenses we are required to obtain. Each of these sources is subject to periodic modifications. Violations of these laws, regulations or permits and licenses may result in substantial civil and criminal fines, penalties and orders to cease the violating operations or to conduct or pay for corrective works. In some instances, violations may also result in the suspension or revocation of permits and licenses.

Many countries and U.S. states have announced a requirement for the sale of zero-emission vehicles only within prescribed timeframes, one as early as 2025, and we as an EV manufacturer are already able to comply with these requirements across our entire product portfolio as we expand. Our competitors, by contrast, will need to reconcile an expensive infrastructure with factories and equipment tailored for production of internal combustion engine ("ICE") vehicles, along with workforces trained to produce ICE vehicles and intellectual property portfolios geared for ICE vehicles.

Emissions Credits

We expect that the manufacture, sale, and/or registration of Zero Emission Vehicles (“ZEVs”) in various regions will earn certain regulatory credits that we can sell to other manufacturers. Under several regulatory schemes to control emissions from automobiles Lucid’s sales of ZEVs generate credits that can be sold to other manufacturers that do not comply with regulatory standards. At the U.S. federal level, credits may include Corporate Average Fuel Economy (“CAFE”) credits under U.S. Department of Transportation standards, greenhouse gas (“GHG”) and other emission limitations credits from EPA programs. Similar national-level programs exist in other markets, including the European Union, Switzerland, Canada, and Saudi Arabia. It may also include credits in up to 17 U.S. jurisdictions referred to collectively as the “ZEV States” that require compliance with ZEV program mandates (California, Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Washington, and the District of Columbia). Low-Emission Vehicle (“LEV”) credits may also be generated and sold in California and most of the ZEV States plus Pennsylvania.

ZEV credits are calculated under applicable regulation and are paid in relation to ZEVs manufactured and registered, including BEVs. ZEV programs generally assign ZEV credits to each vehicle manufacturer. Vehicle manufacturers are required to maintain ZEV credits equal to a set percentage of non-EV sold and registered in California and ZEV States. Each vehicle sold and registered in the state earns a number of credits based on the drivetrain type and the all-electric range of the vehicle under the Urban Dynamometer Driving Schedule Test Cycle.

For reference, the ZEV credit requirement in California was 17% in 2023 and will rise to 22% in 2025. Under current regulations which are valid through the end of Model Year 2025, if a vehicle manufacturer does not sell enough EVs to meet its quota, it can choose to buy credits from other manufacturers who do, or it would be required to pay a \$5,000 fine for each credit it is short. We expect this requirement to provide an opportunity to generate revenue from the sale of ZEV credits.

While we expect these environmental regulations to provide a tailwind to our growth, it is possible for certain regulations, to result in margin pressures. For example, regulations that effectively impose EV production quotas on auto manufacturers may lead to an oversupply of EV, which in turn could promote price decreases. Changes to these incentives and regulations could affect our revenues and gross margins.

Other Credits and Benefits

We may benefit from additional opportunities under government regulations and legislation, such as the following:

- Customer tax credits and other benefits arising from government regulation may spur interest in our products and business. In the United States, our EVs qualify for the \$7,500 federal tax credit under IRS Section 45W when sold for commercial uses, including those leased to customers, and future vehicles may be eligible for the 30D clean vehicle tax credit. Our vehicles may also be eligible for purchase incentives in other jurisdictions, such as Norway, and certain U.S. states such as California that offer high-occupancy lane driving privileges and other benefits.
- We are eligible for various tax credits, abatements and other benefits, including: the federal 45X Advanced Energy Production Credit; the federal 30C Alternative Fuel Infrastructure tax credit for alternative fuel infrastructure; the Qualified Facilities tax credit in Arizona; a California sales and use tax exclusion under the California Alternative Energy and Advanced Transportation Financing Authority; and other hiring and job training grants and income tax credits in Arizona, California, and Michigan.
- We may also be eligible for a loan pursuant to the Advanced Technology Vehicles Manufacturing Loan Program administered by the U.S. Department of Energy.

EPA Emissions and Certificate of Conformity

The U.S. Clean Air Act requires that we obtain a Certificate of Conformity issued by the EPA and a California Executive Order issued by the California Air Resources Board (“CARB”) certifying that our vehicles comply with applicable emissions requirements. A Certificate of Conformity is required for vehicles sold in the United States, and an Executive Order from CARB is required for vehicles sold in states that have adopted California standards. CARB sets the California standards for emissions control for certain regulated pollutants for new vehicles and engines sold in California. States that have adopted the California emission standards as approved by EPA also recognize the CARB Executive Order for sales of vehicles. In addition to California, there are 16 states plus the District of Columbia that have adopted California’s stricter emissions LEV standards, including New York, Massachusetts, Vermont, Maine, Pennsylvania, Connecticut, Rhode Island, Washington, Oregon, New Jersey, Maryland, Delaware, Colorado, Minnesota, Nevada and New Mexico.

Although the Lucid Air has zero emissions, we are required to seek an EPA Certificate of Conformity and, for vehicles sold in California or any of the other 17 U.S. jurisdictions that have adopted the stricter California emission standards, a CARB Executive Order.

Vehicle Safety and Testing

Our vehicles are subject to, and are required to comply with, numerous regulatory requirements established by the National Highway Traffic Safety Administration (“NHTSA”), including applicable U.S. Federal Motor Vehicle Safety Standards (“FMVSS”). The Lucid Air fully complies with all applicable FMVSS without any exemptions, and we expect our future vehicles to either fully comply or comply with limited exemptions related to new technologies. Additionally, there are regulatory changes being considered for several FMVSS, and while we anticipate compliance, there is no assurance that we will comply with such changes under the final versions as enacted.

We must self-certify that our vehicles meet all applicable FMVSS, as well as the NHTSA bumper standard, or otherwise are exempt, before our vehicles can be sold in the United States. Numerous FMVSS will apply to our vehicles, such as crash-worthiness requirements, crash avoidance requirements and EV-specific requirements. We are also required to comply with other federal laws and regulations administered by NHTSA, including, among other things, ensuring our vehicles do not contain defects related to motor vehicle safety, recall requirements, the CAFE standards, Theft Prevention Act standards, consumer information labeling requirements, reporting required notices, bulletins and other communications, Early Warning Reporting, foreign recall reporting, and owner's manual requirements.

The Automobile Information and Disclosure Act requires manufacturers of motor vehicles to disclose certain information regarding the manufacturer's suggested retail price, optional equipment and pricing. In addition, this law requires inclusion of city and highway fuel economy ratings, as determined by the EPA, as well as crash test ratings as determined by NHTSA if such tests are conducted.

We intend to continue expanding our offerings outside of the United States, and in connection with such expansion, our vehicles will be subject to foreign safety, environmental and other regulations. Many of those regulations are different from those applicable in the United States and may require redesign and/or retesting. For example, the European Union ("E.U.") has established approval and oversight rules requiring that a national authority certify compliance with heightened safety rules, emissions limits and production requirements before vehicles can be sold in each E.U. member state.

In addition to the various territorial legal requirements we are obligated to meet, the Lucid Air has earned five-stars, the highest possible overall safety rating, from the two main voluntary vehicle safety performance assessment programs, the NHTSA New Car Assessment Program ("NCAP") and Euro NCAP. These programs have introduced several additional safety related tests aimed at improving the safety of passenger vehicles, both for occupants and pedestrians involved in collisions with vehicles. Some of these tests are derived from legal requirements, such as side impact, but have higher performance requirements. Others are unique to the programs. Areas covered by these tests included:

- Mobile Progressive Deformable Barrier;
- Full Width Rigid Barrier;
- Mobile Side Impact Barrier;
- Side Pole;
- Far Side Impact;
- Whiplash;
- Vulnerable Road Users (Pedestrians and Cyclists);
- Safety Assist; and
- Rescue and Extrication.

ADAS Regulations

We have equipped our vehicles with certain advanced driver assistance features. Generally, laws pertaining to driver assistance features and self-driving vehicles are evolving globally, and in some cases may create restrictions on advanced driver assistance or self-driving features that Lucid may develop.

While there are currently no U.S. federal regulations specifically pertaining to autonomous vehicles or autonomy equipment, NHTSA has published recommended guidelines on autonomous vehicles and retains the authority to investigate and/or act on the safety of any vehicle, equipment or features operating on public roads. Certain U.S. states also have legal restrictions on the operation, registration or

licensure of autonomous vehicles, and many other states are considering similar restrictions. This regulatory patchwork increases the legal complexity with respect to autonomous vehicles in the United States.

In markets that follow the regulations of the United Nations Economic Commission for Europe, some requirements restrict the design of advanced driver assistance or autonomous features, which can compromise or prevent their use entirely. Other applicable laws, both current and proposed, may hinder the path and timeline to introducing such features in the markets where they apply. Jurisdictions, including China, have implemented autonomous vehicle regulation while others continue to consider new regulation. Any implemented regulations may differ materially from those in the United States and Europe, which may further increase the legal complexity of advanced driver assistance and autonomous features and limit or prevent certain features.

Automobile Manufacturer and Dealer Regulation

In the United States, state laws regulate the manufacture, distribution, sale and service of automobiles, and generally require motor vehicle manufacturers and dealers to be licensed in order to sell vehicles directly to residents. Certain states do not permit automobile manufacturers to be licensed as dealers or to act in the capacity of a dealer or otherwise restrict a manufacturer's ability to deliver or service vehicles. To sell vehicles to residents of states where we are not licensed as a dealer, we expect to conduct the transfer of title out of the state. In certain such states, we expect to open Studios that serve an educational purpose and where the title transfer may not occur.

Some automobile dealer trade associations have challenged the legality of our operations and direct selling operations by OEMs in court and have used administrative and legislative processes to attempt to prohibit or limit such OEMs' ability to operate existing stores or expand to new locations. Certain dealer associations have also actively lobbied state licensing agencies and legislators to interpret existing laws or enact new laws in ways not favorable to our planned direct sales and service model. We expect dealer trade associations to continue to lobby state licensing agencies and legislators to interpret existing laws or enact new laws in ways not favorable to our business model; however, we intend to oppose such efforts to limit our ability to operate and intend to proactively support legislation, and litigation when necessary, that enables our business model.

Battery Safety and Testing Regulations

We design our battery packs to conform to mandatory regulations that govern transport of "dangerous goods," defined to include lithium-ion batteries, which may present a risk in transportation. The governing regulations, which are issued by the Pipeline and Hazardous Materials Safety Administration, are based on the United Nations ("U.N.") Recommendations on the Safe Transport of Dangerous Goods Model Regulations and related U.N. Manual Tests and Criteria. The regulations vary by mode of shipping transportation, such as by ocean vessel, rail, truck or air. We plan to complete all applicable transportation tests for our battery packs, demonstrating our compliance with applicable regulations. We use lithium-ion cells in the high voltage battery packs in our vehicles. The use, storage and disposal of battery packs is regulated under federal and state laws.

We also design our battery packs to comply with the United Nations Economic Commission for Europe ("UNECE") R100 regulation necessary for type approval in the European Union ("EU") as well as the CE requirements necessary to import or sell EVs in the EU.

Our battery packs are tested for compliance with applicable requirements of the UNECE Manual of Tests and Criteria demonstrating our ability to ship battery packs by any method. These tests include:

- Altitude simulation — simulating air transport;
- Thermal cycling — assessing cell and battery seal integrity, as well as cell and battery thermal stability;
- Vibration — simulating vibration during transport;
- Shock — simulating possible impacts during transport; and
- External short circuit — simulating an external short circuit.

We equip our battery systems with a set of passive and active safety features to help ensure the battery always operates within the design envelope and fails safe in case of abnormal conditions.

We test our battery packs for compliance with applicable requirements of the UNECE R100 regulation demonstrating battery safety. These tests include:

- Vibration — simulating vibration during driving;

- Thermal cycle — assessing pack thermal stability in elevated temperatures;
- Fire resistance — assessing the ability of the pack to sustain exposure to large flames without explosion;
- External short circuit — assessing the ability of the pack to fail safe when exposed to external short circuit;
- Overcharge protection — assessing the ability of the pack to fail safe when it is attempted to overcharge;
- Overdischarge protection — assessing the ability of the pack to fail safe when it is attempted to overdischarge;
- Overtemperature protection — assessing the ability of the pack to fail safe when it overheats;
- Overcurrent protection — assessing the ability of the pack to fail safe when it is exposed to overcurrent conditions;
- Thermal event warning — assessing the ability of the pack to detect a thermal event and generate a warning to the driver; and

- Thermal propagation — assessing the ability of the pack to tolerate a single cell thermal event safely.

Data Privacy and Cybersecurity Regulation

We are subject to, or otherwise affected by, a variety of increasingly stringent federal, state, local and international laws and regulations relating to data privacy and cybersecurity, including, among other laws and regulations, contractual obligations, and industry standards that impose certain obligations and restrictions with respect to the processing of personal information of our employees, customers, and other third-party individuals. The EU's General Data Protection Regulation ("GDPR"), Cyber Resiliency Act, Data Act and AI Act, as well as other global regulations such as the United Kingdom General Data Protection Regulation (i.e., a version of the GDPR as implemented into the law of the United Kingdom), Saudi Arabia's Personal Data Protection Law ("PDPL"), the rules and regulations promulgated under the authority of the Federal Trade Commission of the United States, the Gramm Leach Bliley Act, the California Consumer Privacy Act of 2018 (as amended by the California Privacy Rights Act of 2020), certain other comprehensive state data privacy and cybersecurity laws and regulations, and various state data breach notification laws.

We are also impacted by regulations obligating us to share vehicle repair-related information with third parties, including repair shops and repair tool hardware developers, under what are commonly called "right-to-repair" laws. In addition, the UNECE has introduced regulations governing connected vehicle cybersecurity in the EU which are mandatory for all new vehicle types from July 2022 and all new vehicles produced from July 2024, and we are required to comply with the vehicle certification process and maintenance of a Cybersecurity Management System. See "Risk Factors — Risks Related to Cybersecurity and Data Privacy" for more information regarding applicable cybersecurity and data privacy laws and regulations and risks related to cybersecurity and data privacy and "Item 1C — Cybersecurity" for more information regarding our cybersecurity risk management program.

Competition

We face competition from both traditional automotive OEMs and newer companies focused on electric and other alternative fuel vehicles. We expect this competition to increase, particularly as the transportation sector continues to shift towards low-emission, zero-emission, or carbon neutral solutions.

The Lucid Air, the Lucid Gravity, and planned future vehicles are expected to compete with both traditional luxury internal combustion vehicles from established automotive OEMs and electric and other alternative fuel vehicles from both new manufacturers and established automotive OEMs, many of which have entered or have announced plans to enter the alternative fuel and electric vehicle market. Many major automobile manufacturers, including luxury automobile manufacturers, have EVs available today, and other current and prospective automobile manufacturers are also developing EVs. In addition, numerous manufacturers offer hybrid vehicles, including plug-in versions, with which our vehicles also compete.

We believe the primary competitive factors on which we will compete include, but are not limited to:

- product quality, reliability and safety;
- range, efficiency and charging speeds;
- product performance;
- technological innovation, including with respect to ADAS features;
- access to charging options;
- design, styling, and luxury;
- service options and customer experience;
- management team experience at bringing EV and other disruptive technologies to market;

- manufacturing efficiency;
- brand recognition and prestige; and
- product price.

We believe that we compete favorably on the basis of these factors. However, many of our current and potential competitors have substantially greater financial, technical, manufacturing, marketing and other resources than us. Our competitors may be able to deploy greater resources to the design, development, manufacturing, distribution, promotion, sales, marketing, and support of their products. Additionally, many of our competitors also have greater name recognition, longer operating histories, larger sales forces, broader customer and industry relationships, and other tangible and intangible resources that exceed ours. Furthermore, many of our competitors operate with a traditional sales and dealer distribution model for vehicles that may be viewed more favorably by potential customers. These competitors also compete with us in recruiting and retaining qualified research and development, sales, marketing and management personnel, as well as in acquiring technologies complementary to, or necessary for, our products. Additional mergers and acquisitions or joint venture agreements in the EV and luxury automotive markets may result in even more resources being concentrated in our competitors.

Intellectual Property

Intellectual property is important to our business. Our commercial success depends in part on our ability to obtain, maintain, enforce, defend, and protect the intellectual property and other proprietary technology that we develop, to operate without infringing, misappropriating or otherwise violating the intellectual property and proprietary rights of others; and to prevent others from infringing, misappropriating or violating our intellectual property and proprietary rights. We rely on a combination of patents, trademarks, copyrights, trade secrets, know-how, continuing technological innovation, confidential information, and other measures to develop and maintain our proprietary position including through employee, contractor, consultant and third-party nondisclosure and invention assignment agreements, and other contractual arrangements.

Regardless of the coverage we seek under our existing patent applications, there is always a risk that alterations from our products or processes may provide sufficient basis for a competitor to avoid infringement claims. In addition, the coverage claimed in a patent application can be significantly reduced before a patent is issued and courts can reinterpret patent scope after issuance. Many jurisdictions, including the United States, permit third parties to challenge issued patents in administrative proceedings, which may result in further narrowing or even cancellation of patent claims. We cannot provide any assurance that any patents will be issued from our pending or any future applications or that any current or future issued patents will adequately protect our intellectual property. For this and other risks related to our intellectual property, proprietary technology, inventions and improvements, please see the section entitled “Risk Factors — Risks Related to Our Business and Operations — Risks Related to Intellectual Property.”

As of December 31, 2024, we owned approximately 207 issued U.S. patents, 147 pending U.S. patent applications, 140 issued foreign patents, 161 pending foreign patent applications and 71 pending Patent Cooperation Treaty patent applications.

As of December 31, 2024, we also owned approximately 16 registered U.S. trademarks and 19 pending U.S. trademark applications, as well as 461 registered foreign trademarks and 79 pending foreign trademark applications in approximately 33 countries worldwide in addition to the European Union.

As of December 31, 2024, we also owned approximately 56 issued U.S. design patents and 38 pending U.S. design patent applications, as well as 260 issued foreign design patents/industrial designs and 25 pending foreign design patent/industrial design applications.

We expect to develop additional intellectual property and proprietary technology as our engineering and validation activities proceed. Technologies that we have and intend to invest in and develop include engineering software, powertrain systems and controls, infotainment, cybersecurity, telematics and electrical architecture hardware and software. As we develop our technology, we will continue to build our intellectual property portfolio, including by pursuing patent and other intellectual property protection when we believe it is possible, cost-effective, beneficial, and consistent with our overall intellectual property protection strategy.

In addition to the intellectual property that we own, we also procure key technologies under our supply chain agreements, and we license key technologies under our license agreements.

See “— *Our Vehicles*” and “— *Technology*” above for more information.

The terms of individual issued patents extend for varying periods depending on the date of filing of the patent application or the date of patent issuance and the legal term of patents in the countries in which they are obtained. Generally, utility patents issued for applications filed in the United States are granted a term of 20 years from the earliest effective filing date of a non-provisional patent application, assuming the patent has not been terminally disclaimed over a commonly-owned patent or a patent naming a common inventor, or over a patent not commonly owned but that was disqualified as prior art as the result of activities undertaken within the scope of a joint research agreement. The life of a patent, and the protection it affords, is therefore limited and once the patent lives of our issued patents have expired, we may face competition, including from other competing technologies. The duration of foreign patents varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective filing date. The actual protection afforded by a patent may vary from country to country and can depend upon many factors, including the type of patent, the scope of its coverage, the availability of patent term adjustments or extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent. As a result, our owned patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

Furthermore, we rely upon trade secrets, know-how, confidential information, unpatented technologies, continuing technological innovation, and other proprietary information to develop, protect, and maintain our competitive position and aspects of our business that are not amenable to, or that we do not presently consider appropriate for, patent protection and prevent competitors from reverse engineering or copying our technologies. However, the foregoing rights, technologies and information are difficult to protect. We seek to protect them by, in part, using confidentiality agreements with our employees, contractors, consultants, and any potential commercial partners and collaborators and invention assignment agreements with our employees. We also have implemented or intend to implement confidentiality agreements or invention assignment agreements with our selected contractors, consultants, and potential commercial partners. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. These agreements may be breached, and we may not have adequate remedies for any breach. There can be no assurance that these agreements will be self-executing or otherwise provide meaningful protection for our trade secrets or other intellectual property or proprietary information or technology. In addition, our trade secrets may otherwise become known or be independently discovered by our competitors. To the extent that our commercial partners, collaborators, employees, contractors, and consultants 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.

Our commercial success will also depend in part on not infringing, misappropriating or otherwise violating the intellectual or proprietary rights of third parties. The issuance of third-party patents could require us to alter our development or commercial strategies, change our products or processes, obtain licenses to additional third-party patents or other intellectual property or cease certain activities. Our breach of any license agreements or failure to obtain a license to proprietary rights that we may require to develop or commercialize our future products or technologies may have an adverse impact on us. Given that patent applications in the United States and certain other jurisdictions are maintained in secrecy for 18 months or potentially longer, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, we cannot be certain of the patent protection being sought by third parties and/or the priority of inventions covered by such patent applications. Moreover, we may have to participate in interference, revocation, derivation, re-examination, post-grant review, inter partes review or opposition proceedings brought by third parties or declared by the U.S. Patent and Trademark Office or an equivalent foreign body. See “*Risk Factors — Risks Related to Our Business and Operations — Risks Related to Intellectual Property*” for more information regarding these and other risks related to our intellectual property portfolio and their potential effect on us.

HUMAN CAPITAL RESOURCES

At Lucid, we strongly believe in the power of our talented employees and partners to create, build, and support the world’s most advanced EVs available in the market. We seek to attract and retain employees whose respective professional and personal backgrounds can help craft an unparalleled suite of state-of-the-art, technologically advanced, California-inspired vehicles for consumers worldwide.

Towards these goals, as of December 31, 2024, we employed approximately 6,800 full-time employees globally. Our employees are primarily based at our headquarters in Newark, California, at our regional headquarters in Riyadh, Saudi Arabia, at our satellite location in Southfield, Michigan, at our EV manufacturing facilities in Casa Grande, Arizona, and King Abdullah Economic City (“KAEC”), Saudi Arabia, and at our retail stores and service centers throughout the United States and Canada, Europe, Saudi Arabia, and United Arab Emirates.

We believe that our mission-first passion to advance the state-of-the-art of EV technology for the benefit of all would not be possible without a broad array of experiences and professional and personal backgrounds across our team.

Our Culture

When design is led by inspiration, invention by insight, and engineering by experience, we believe that anything is possible. Our relentless focus on innovation, luxury, and sustainability moves us toward a future where you no longer must choose between doing great things and doing the right thing.

We are a collective of future visionaries; those who can think and do differently, that thrive on challenge and collaboration. Inspired by infinite possibilities, we strive to make a profound difference in the world. We are a team that values innovation, harnesses our passions, and embraces the entrepreneurial mind of limitless potential. We recognize, welcome, and appreciate the unique experiences and a broad range of perspectives that each of our employees bring with them, that in turn fuel our shared successes.

We strive to foster an open, egalitarian culture where all ideas and concerns can be raised to any member of leadership. It is a core belief that each employee has a unique lens which helps propel Lucid's mission forward. To that end, we urge all employees to communicate their thoughts and to use any channel they deem warranted to share their perspective towards our mission. This approach helps fuel innovation, prevent stumbling blocks, and engages all employees towards being a member of one, unified team.

This year we added "customer focus" to our core values to ensure that everything we do is in service to our internal and external customers and stakeholders. We are bringing our core values to life by engaging members of the workforce in helping us define the expected behaviors for each of our core values. These values are woven into our performance management systems and help us identify talent. In addition to Customer Focus, our values include:

- Integrity in Action;
- Breakthrough Innovation;
- One Team;
- Passion for Excellence;
- Act With Urgency; and
- Ownership Mindset.

Safety

We instill an expectation and culture of safety in our workplace. As a manufacturing company, we are committed to ensuring workplace health, safety and environmental protection for our employees, suppliers, business partners, customers, and all our stakeholders. We protect the health and safety of our employees through a proactive and systematic approach to safety and health management. To demonstrate this, in 2024, we maintained ISO 45001 and ISO 14001 certifications for AMP-1 and achieved ISO 45001 and ISO 14001 certifications for AMP-2, which validates our system of continuous improvement to reduce occupational risk and improve worker safety. In 2024, the AMP-2 manufacturing site celebrated over 2 million man-hours of construction without a lost time injury.

Our Workforce and Commitment to Inclusion

At Lucid, inclusion is an essential part of who we are. We value the broad range of perspectives and experiences of our employees who reflect the communities we serve. Our differences spark innovation and drive us forward, which is why we are committed to fostering an inclusive culture that empowers us to bring our best selves to work and achieve our mission to build a better future together.

Our people centric and data-driven workforce strategy focuses on three pillars:

1. Growing our workforce by attracting, hiring, and promoting talent from all backgrounds
2. Fostering an inclusive culture by promoting policies, practices, and programs that support and engage all employees
3. Being key contributors to the community by engaging with and investing in local communities where we operate

Of note, Lucid sponsors nine employee resource groups to support and empower our employees. Membership in employee resource groups is open to all Lucid employees.

Compensation and Benefits

We offer competitive compensation to attract and retain the best people in the world, and we help care for our people so they can focus on our mission. Our employees' total compensation package includes market-competitive cash compensation and equity awards to all employees. We offer full-time employees equity at the time of hire and through annual equity grants because we want them to be owners of the company and committed to our long-term success. In 2024, we strengthened our support for employees and their families through the introduction of new health and wellness benefits. We are pleased to support employees and families through a comprehensive suite of insurance and retirement offerings, most of which can be individually selected by each employee to best fit their needs.

ENVIRONMENTAL IMPACT

As a technology and EV company focused on efficiently using our planet's precious resources, we are proud that sustainability has been at the core of our business since day one. We are committed to improving environmental and social impacts across our value chain and helping ensure a robust governance structure to support our efforts. We believe in the importance of accountability and transparency, and we published our first sustainability report in 2024 that contains the details of our program.

Highlights of our sustainable impact include:

Product: Efficiency is a key measure of the in-house technology embedded in our products, contributing to our goal of a best-in-class experience for our customers while benefiting the environment. The Lucid Air continues to be the longest-range fully electric vehicle (the Lucid Air Grand Touring has an EPA-estimated range of 512 miles per charge with 19-inch wheels) and the most efficient vehicle (the Lucid Air Pure with 5.0 miles of range per kilowatt-hour), and the Lucid Air has one of the lowest coefficients of drag of any vehicle on the market (0.197 coefficient of drag with 19-inch wheels). These achievements are based on a relentless focus on efficiency through the EV powertrain, battery pack and system, and an aerodynamic design. This focus on efficiency also enables our vehicles to travel further per kilowatt-hour. Each extra mile that we extract per kilowatt-hour of energy means less energy required and fewer carbon emissions from the electrical grid. This same efficient technology and approach enables the possibility of vehicles with smaller, lower-cost battery packs that retain competitive range, —which would benefit the environment by requiring fewer battery cells per vehicle.

Environmental, Social, and Governance (“ESG”) Strategy: Our dedicated ESG team continues to drive our efforts to implement thoughtful ESG strategies and programs. We base our priorities on a high-level ESG materiality assessment to identify key topics for our strategy. This effort includes insight from investors, ratings and rankings, Company leadership interviews, research on peers and consumer trends, and a media review. Our ESG Steering Committee, established in 2021, is comprised of senior executive leaders who meet on a regular basis to drive our strategy on ESG topics.

GOVERNANCE

We recognize that sound governance practices are critical to ethical business practices and our overall success as an organization and business.

- **Corporate Governance:** Our corporate governance best practices include: a majority independent Board under SEC and Nasdaq rules; a well-qualified Board with broad range of skills, backgrounds, and experiences, which includes 4 female directors and 5 members of under-represented communities; an independent chairman of the Board; and no classified board structure (all directors must be elected every year).
- **Business Ethics:** We have a publicly available Code of Business Conduct and Ethics and a framework to receive and investigate reports of policy violations. The Code of Business Conduct and Ethics is available on our Investor Relations website at <https://ir.lucidmotors.com> under the subheading “Governance.”
- **Compliance:** We continue to enhance our compliance program centered around a clear statement of principles and an expectation for both legal compliance and high ethical standards. We intend to achieve these goals through ongoing training of our contractors and employees, due diligence of our suppliers, clear policies and guidelines, internal controls over financial transactions, technological solutions to automate screenings for legal compliance and a reporting hotline which enables employees and service providers to share allegations of any legal or ethical matters on an anonymous basis.

AVAILABLE INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. We also maintain an Investor Relations website at <https://ir.lucidmotors.com>. Through our website, we make available, free of charge, the following documents of Lucid as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC: Annual Reports on Form 10-K; proxy statements for our annual and special shareholder meetings; Quarterly Reports on Form 10-Q; Current Reports on Form 8-K; Forms 3, 4 and 5 and Schedules 13D; and amendments to those documents. Our SEC filings are available on the SEC's website at www.sec.gov.

Our website, the SEC's website and the information contained therein or linked thereto are not a part of this Annual Report.

Item 1A. Risk Factors.

A description of the risks and uncertainties associated with our business is set forth below. Investors should carefully consider the risks and uncertainties described below, as well as the other information in this Annual Report, including our consolidated financial statements and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The occurrence of any of the events or developments described below, or of additional risks and uncertainties not presently known to us or that we currently deem immaterial, could materially and adversely affect our business, results of operations, financial condition and growth prospects. In such an event, the market price of our common stock could decline, and our stockholders could lose all or part of their investment.

Risk Factor Summary

Our business is subject to numerous risks and uncertainties, including those highlighted in this section titled Item 1A. “Risk Factors,” that represent challenges that we face in connection with the successful implementation of our strategy and growth of our business. The occurrence of one or more of the events or circumstances described in this section titled Item 1A. “Risk Factors,” alone or in combination with other events or circumstances, may have an adverse effect on our business, cash flows, financial condition and results of operations. Such risks include, but are not limited to:

- Our limited operating history makes evaluating our business and future prospects difficult and may increase the risk of stockholders’ investment.
- We have incurred net losses each year since our inception and expect to incur increasing expenses and substantial losses for the foreseeable future.
- We may be unable to adequately control the substantial costs associated with our operations.
- Failure to attract customers, failure to complete the purchase process with customers, and customer cancellation of orders may have a material adverse impact on our business, prospects, results of operations and financial condition.
- A global economic recession, government closures of banks and liquidity concerns at other financial institutions, or other downturn may have a material adverse impact on our business, prospects, results of operations and financial condition.
- We currently depend primarily on revenue generated from a limited number of models and anticipate continuing to be significantly dependent on a limited number of models in the foreseeable future.
- Our business and prospects depend significantly on our brand.
- We do not have a third-party retail product distribution and full-service network.
- We face challenges providing charging solutions for our vehicles, both domestically and internationally.
- If we fail to manage our future growth effectively, we may not be able to develop, manufacture, distribute, market and sell our vehicles successfully.
- We face risks associated with international operations, including unfavorable regulatory, political, tax and labor conditions, which could harm our business.
- The automotive industry has significant barriers to entry that we must overcome in order to manufacture and sell EVs at scale.
- The automotive market is highly competitive, and we may not be successful in competing in this industry.
- We have experienced and may in the future experience significant delays in the design, manufacture, launch and financing of our vehicles, including the Lucid Air, the Lucid Gravity and our Midsize platform, which could harm our business and prospects.

- Our ability to continue production and our future growth depends upon our ability to maintain relationships with our existing suppliers and source suppliers for our critical components, and to complete building out our supply chain, while effectively managing the risks due to such relationships.
- We are dependent on our suppliers, the majority of which are single-source suppliers, and the inability of these suppliers to deliver necessary components of our products according to our schedule and at prices, quality levels and volumes acceptable to us, or our inability to efficiently manage these components or to implement or maintain effective inventory management and other systems, processes and personnel to support ongoing and increased production, could have a material adverse effect on our results of operations and financial condition.
- Changes in costs, changes of supply or shortage of materials, in particular for lithium-ion battery cells, could harm our business.
- If we fail to successfully construct or tool our manufacturing facilities or if our manufacturing facilities become inoperable, we will be unable to produce our vehicles and our business will be harmed.
- We have limited experience in high volume manufacture of our vehicles.
- If our vehicles fail to perform as expected, our ability to develop, market and sell or lease our products could be harmed.

- We have limited experience servicing our vehicles and their integrated software. If we or our partners are unable to adequately service our vehicles, our business, prospects, financial condition and results of operations may be materially and adversely affected.
- Insufficient reserves to cover future warranty or part replacement needs or other vehicle repair requirements, including any potential software upgrades, could materially adversely affect our business, prospects, financial condition and results of operations.
- We may not be able to accurately estimate the supply and demand for our vehicles, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays.
- Any unauthorized control, manipulation, interruption or compromise of or access to our products or information technology systems or networks could result in loss of confidence in us and our products, harm our business and materially adversely affect our financial performance, results of operations or prospects.
- We are subject to evolving laws, regulations, standards, policies, and contractual obligations related to data privacy and cybersecurity, and any actual or perceived failure to comply with such obligations could harm our reputation and brand, subject us to significant fines and liability, or otherwise adversely affect our business.
- The loss of key employees or an inability to attract, retain and motivate qualified personnel may impair our ability to expand our business.
- We are subject to laws and regulations that could impose substantial costs, legal prohibitions or unfavorable changes upon our operations or products, and any failure to comply with these laws and regulations, including as they evolve, could substantially harm our business and results of operations.
- We may face regulatory limitations on our ability to sell vehicles directly, which could materially and adversely affect our ability to sell our vehicles.
- We may fail to adequately obtain, maintain, enforce, defend and protect our intellectual property and may not be able to prevent third parties from unauthorized use of our intellectual property and proprietary technology. If we are unsuccessful in any of the foregoing, our competitive position could be harmed and we could be required to incur significant expenses to enforce our rights.
- We will require additional capital to support business growth, and this capital might not be available on commercially reasonable terms, or at all.
- We may not be able to realize the anticipated benefits of our agreement with Aston Martin.
- If we identify material weaknesses or otherwise fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and the value of our common stock.
- The issuance of additional shares of our common stock or other equity or equity-linked securities, including our Redeemable Convertible Preferred Stock, or sales of a significant portion of our common stock, could depress the market price of our common stock.
- We are a “controlled company” within the meaning of the applicable rules of Nasdaq and, as a result, qualify for exemptions from certain corporate governance requirements. Our stockholders do not have the same protections afforded to stockholders of companies that are not controlled companies.
- The PIF and Ayar beneficially own a significant equity interest in us and have significant influence over us, which could decrease the relative ownership interest and voting power other holders of our common stock have over us.

- The holders of our Redeemable Convertible Preferred Stock are entitled to vote their shares of the Redeemable Convertible Preferred Stock on an as-converted to common stock basis and have rights to approve certain actions, which reduces the relative voting power of the holders of our common stock. The settlement of our obligations upon conversion, redemption, or repurchase of our Redeemable Convertible Preferred Stock is expected to dilute the ownership of common stockholders and may adversely affect the market price of our common stock.
- Our Redeemable Convertible Preferred Stock has rights, preferences and privileges that are not held by, and are senior to the rights of, our common stockholders.

Risks Related to Our Business and Operations

Our limited operating history makes evaluating our business and future prospects difficult and may increase the risk of stockholders' investment.

We are an early-stage company with a limited operating history, operating in a rapidly evolving and highly regulated market. Furthermore, we have only released two commercially available vehicles, and we have limited experience manufacturing or selling a commercial product at scale. We have yet to generate significant revenue from the sale of electric vehicles, and as a result of the capital-intensive nature of our business, we expect to continue to incur substantial operating losses for the foreseeable future.

We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by early-stage companies in rapidly changing markets, including risks relating to our ability to, among other things:

- hire, integrate and retain professional and technical talent, including key members of management;
- continue to make significant investments in research, development, manufacturing, marketing and sales;
- successfully design, build, manufacture and market new variants and models of electric vehicles, such as our Midsize platform;
- build a well-recognized and respected brand;
- establish, implement, refine and scale our commercial manufacturing capabilities and distribution infrastructure;
- establish and maintain satisfactory arrangements with third-party suppliers;
- establish and expand a customer base;
- anticipate and adapt to changing market conditions, including consumer demand for certain vehicle types, models or trim levels, technological developments and changes in competitive landscape;
- navigate an evolving and complex regulatory environment;
- successfully obtain, maintain, protect, defend and enforce our intellectual property and defend against claims of intellectual property infringement, misappropriation or other violation.

We have incurred net losses each year since our inception and expect to incur increasing expenses and substantial losses for the foreseeable future.

We have incurred net losses each year since our inception, including net loss of \$2.7 billion for the year ended December 31, 2024. As of December 31, 2024, our accumulated deficit was \$12.9 billion. We expect to continue to incur substantial losses and increasing expenses in the foreseeable future as we:

- continue to design, develop and manufacture our vehicles;
- equip and expand our research, service, battery, powertrain, and manufacturing facilities to produce our vehicles in Arizona and in international locations such as Saudi Arabia;
- build up inventories of parts and components for our vehicles;
- manufacture and store an available inventory of our vehicles;
- develop and deploy geographically dispersed vehicle charging partnerships;
- expand our design, research, development, maintenance and repair capabilities and facilities;
- increase our sales, service and marketing activities and develop our distribution infrastructure; and

- expand our general and administrative functions to support our growing operations and status as a public company.

If our product development or commercialization of future vehicles is delayed, our costs and expenses may be significantly higher than we currently expect. We will incur the costs and expenses from these efforts before we receive any incremental revenues with respect thereto; therefore, we anticipate our losses in future periods will be significant.

We may be unable to adequately control the substantial costs associated with our operations.

We will require significant capital to develop and grow our business. We have incurred and expect to continue to incur significant expenses, including leases, sales and distribution expenses as we build our brand and market our vehicles; expenses relating to developing and manufacturing our vehicles, constructing, tooling and expanding our manufacturing facilities; research and development expenses (including expenses related to the development of the Lucid Air, the Lucid Gravity, our Midsize platform and other future products); raw material procurement costs; and general and administrative expenses as we scale our operations and continue to incur the costs of being a public company. Increased competition and adverse economic conditions have in the past and may continue in the future to require us to spend additional resources to attract customers, which in turn may result in higher marketing and incentive expenses. Furthermore, lower production and sales volumes have in the past and may in the future result in an inability to fully utilize our purchase commitments with suppliers which could result in increased costs and excess inventory as well as potential inventory write-offs. In addition, we have incurred and expect to continue to incur significant costs servicing and maintaining customers' vehicles, including establishing our service operations and facilities and undertaking product recalls. As a company, we have limited historical experience forecasting and budgeting for any of these expenses, and these expenses could be significantly higher than we currently anticipate. In addition, any disruption to our manufacturing operations, obtaining necessary equipment or supplies, expansion of our manufacturing facilities, or the procurement of permits and licenses relating to our expected manufacturing, sales and distribution model could significantly increase our expenses. In such event, we could be required to seek additional financing earlier than we expect, and such financing may not be available on commercially reasonable terms, or at all.

In the longer term, our ability to become profitable in the future will depend on our ability not only to effectively manage our capital expenditures and control costs on a timely basis, but also to sell in quantities and at prices sufficient to achieve our expected margins. If we are unable to appropriately price and cost-efficiently design, manufacture, market, sell, distribute and service our vehicles, our margins, profitability and prospects will be materially and adversely affected.

Failure to attract customers, failure to complete the purchase process with customers, and customer cancellation of orders may have a material adverse impact on our business, prospects, results of operations and financial condition.

Delays in customer deliveries, delays in the availability of options, potential changes in customer preferences, competitive developments, increased interest rates, negative publicity, decreased demand for electric vehicles, and other factors could result in failure to attract customers, failure to complete the purchase process with customers, and customer cancellation. Increases in interest rates could make financing unaffordable for segments of our customer base and any event or incident which generates negative media coverage about us or the safety or quality of our vehicles could result in failure to attract customers, failure to complete the purchase process, and customer cancellations. In addition, if we encounter delays in customer deliveries of our vehicles that further lengthen wait times or in the event of negative media coverage, a significant number of orders may be cancelled. As such, no assurance can be given that the purchase process will be completed, orders will not be cancelled, and orders will ultimately result in the final purchase, delivery and sale or lease of vehicles.

A global economic recession, government closures of banks and liquidity concerns at other financial institutions, or other downturn may have a material adverse impact on our business, prospects, results of operations and financial condition.

A global economic recession or other downturn, whether due to inflation, global conflicts or other geopolitical events including the evolving conflicts in the Middle East, public health crises, interest rate increases or other policy actions by major central banks, government closures of banks and liquidity concerns at other financial institutions, or other factors, may have an adverse impact on our business, prospects, financial condition and results of operations. Adverse economic conditions as well as uncertainty about the current and future global economic conditions may cause our customers to defer purchases or cancel their orders in response to higher interest rates, availability of consumer credit, decreased cash availability, fluctuations in foreign currency exchange rates, and weakened consumer confidence. Reduced demand for our products may result in significant decreases in our product sales, which in turn would

have a material adverse impact on our business, prospects, financial condition and results of operations. Due to our premium brand positioning and pricing, an economic downturn is likely to have a heightened adverse effect on us compared to many of our electric vehicle and traditional automotive industry competitors, to the extent that consumer demand for luxury goods is reduced in favor of lower-priced alternatives. In addition, any economic recession or other downturn could also cause logistical challenges and other operational risks if any of our suppliers, sub-suppliers or partners become insolvent or are otherwise unable to continue their operations, fulfill their obligations to us, or meet our future demand.

In addition, the deterioration of conditions in global credit markets may limit our ability to obtain external financing to fund our operations and capital expenditures on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, we will have to significantly reduce our spending, delay or cancel our planned activities or substantially change our corporate structure, and we might not have sufficient resources to conduct or support our business as projected, which would have a material adverse effect on our business, prospects, results of operations, and financial condition. See “—Risks Related to Financing and Strategic Transactions — *We will require additional capital to support business growth, and this capital might not be available on commercially reasonable terms, or at all.*”

We currently depend primarily on revenue generated from a limited number of models and anticipate continuing to be significantly dependent on a limited number of models in the foreseeable future.

We currently depend primarily on revenue generated from the Lucid Air, and in the foreseeable future will be significantly dependent on a limited number of models. Although we have started production of the Lucid Gravity and have other vehicle models on our product roadmap, we are not scheduled to introduce another vehicle model for sale until late 2026. We expect to rely on sales from the Lucid Air and the Lucid Gravity, among other sources of financing, for the capital that will be required to develop and commercialize future models on our product roadmap. To the extent that production of our current or future models is delayed or reduced, or if our current or future models are not well-received by the market for any reason, our revenue and cash flow would be adversely affected, we may need to seek additional financing earlier than we expect, and such financing may not be available to us on commercially reasonable terms, or at all.

If we are unable to fulfill the orders from the Government of Saudi Arabia or if the Government of Saudi Arabia purchases significantly fewer vehicles than we anticipate for any reason, our business, prospects, results of operations and financial condition could be materially and adversely affected.

In August 2023, we entered into an EV purchase agreement with the Government of Saudi Arabia as represented by the Ministry of Finance (the “EV Purchase Agreement”), which supersedes the letter of undertaking that we entered into in April 2022. Pursuant to the terms of the EV Purchase Agreement, the Government of Saudi Arabia and its entities and corporate subsidiaries and other beneficiaries (collectively, the “Purchaser”) may purchase up to 100,000 vehicles, with a minimum purchase quantity of 50,000 vehicles and an option to purchase up to an additional 50,000 vehicles during a ten-year period. Under the EV Purchase Agreement, the Purchaser may reduce the minimum vehicle purchase quantity by the number of vehicles set out in any purchase order not accepted by us or by the number of vehicles that we fail to deliver within six months from the date of the applicable purchase order. The Purchaser also has the sole and absolute discretion to decide whether to exercise the option to purchase the additional 50,000 vehicles. See Item 1 “Business” and Note 16 “Related Party Transactions” to the consolidated financial statements included elsewhere in this Annual Report for more information.

If we experience delays in manufacturing and delivering vehicles ordered by the Purchaser, fail to or experience delays in complying with Saudi Arabian regulations or the requirements of the EV Purchase Agreement, fail to provide adequate service or support for the vehicles, or fail to set the appropriate purchase price for such vehicles, our revenue, cash flow and results of operations and financial condition could be adversely affected. Furthermore, if the Purchaser reduces the minimum vehicle purchase quantity, delays the purchase of vehicles, does not exercise its option to purchase additional vehicles, or purchases significantly fewer vehicles than we currently anticipate for any reason, including for reasons beyond our control, our business, prospects, results of operations and financial condition could be materially and adversely affected.

Our business and prospects depend significantly on our brand.

Our business and prospects will heavily depend on our ability to develop, maintain, protect and strengthen the “Lucid” brand association with luxury and technological excellence. Promoting and positioning our brand will likely depend significantly on our ability to provide a consistently high-quality customer experience, an area in which we have limited experience. To promote our brand, we will be required to invest in, and over time change our customer development and branding practices, which could result in substantially increased expenses, including the need to use public relations and advertising firms. Our ability to successfully position our brand could also be adversely affected by perceptions about the quality of our competitors’ vehicles or our competitors’ success. For example, certain of our competitors have been subject to significant scrutiny for incidents involving their self-driving technology and battery fires, which could result in similar scrutiny of us.

In particular, any negative publicity, whether or not factual, can quickly proliferate on social media and harm consumer perception and confidence in our brand. The growing use of social media increases the speed with which information and opinions can be shared and, thus, accelerate the impact on a company's reputation. If we fail to correct or mitigate misinformation or negative information, including information proliferated through social media or traditional media channels, about us, the products we offer, our customer experience, or any aspect of our brand, our business, sales and results of operations could adversely impact us. From time-to-time, our vehicles or those of our competitors may be evaluated and reviewed by third parties. Perceptions of our offerings in the marketplace may be significantly influenced by these reviews, which are disseminated via various media, including the internet. Any negative reviews or reviews which compare us unfavorably to competitors could adversely affect consumer perception about our vehicles and reduce demand for our vehicles, which could have a material adverse effect on our business, results of operations, prospects and financial condition.

Our sales will depend in part on our ability to establish and maintain confidence in our long-term business prospects among consumers, the investment community and others within our industry.

Consumers may be less likely to purchase our products if they do not believe that our business will succeed or that our operations, including service and customer support operations, will continue for many years. 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, to build, maintain and grow our business, we must establish and maintain confidence among customers, suppliers, the investment community and other parties with respect to our liquidity and long-term business prospects.

Maintaining such confidence may be difficult as a result of many factors, including our limited operating history, others' unfamiliarity with our products, uncertainty regarding the future of electric vehicles, any delays in scaling production, delivery and service operations to meet demand, competition and our production and sales performance compared with market expectations. Many of these factors are largely outside of our control, and any negative perceptions about our long-term business prospects, even if exaggerated or unfounded, would likely harm our business and make it more difficult to raise additional capital in the future. In addition, as discussed above, a significant number of new electric vehicle companies have recently entered the automotive industry, which is an industry that has historically been associated with significant barriers to entry and a high rate of failure. Certain of these new entrants or other traditional automotive manufacturers now producing electric vehicles have become insolvent, and if additional manufacturers producing electric vehicles become insolvent or are perceived to likely become insolvent, discontinue production of electric vehicles, produce vehicles that do not perform as expected or otherwise fail to meet expectations, such failures may have the effect of increasing scrutiny of others in the industry, including us, and further challenging customer, supplier and the investment community's confidence in our long-term prospects.

We do not have a third-party retail product distribution and full-service network.

Third-party dealer networks are the traditional method of vehicle sales distribution and service. Currently, we sell directly to consumers; therefore, we do not have a traditional dealer product distribution and service network. We have limited experience distributing directly to consumers, and we expect that continuing to build a national and global in-house sales and marketing function, including an expanded physical sales, marketing and service footprint via our Lucid studios and service centers, will be expensive and time consuming. We have experienced delays in the construction and opening of our Lucid studios and service centers and any significant delays to establish Lucid studios and service centers in key markets in the future could have an adverse effect on our business, results of operations, prospects and financial condition. In addition, if our lack of a traditional dealer distribution and service network results in lost opportunities to generate sales, it could limit our ability to grow. Moreover, our business model of selling directly to consumers and directly servicing all vehicles may be limited by regulatory constraints. To the extent we are unable to successfully execute on such plans in all markets, we may be required to develop a third-party dealer distribution and service network, including developing and implementing the necessary information technology infrastructure to support them, which may prove costly, time-consuming or ineffective. If our use of an in-house sales, marketing and service team is not effective, our results of operations and financial conditions could be adversely affected.

Our ability to generate meaningful product revenue will depend on consumer adoption of electric vehicles.

We are developing and producing only electric vehicles and, accordingly, our ability to generate meaningful product revenue will highly depend on sustained consumer demand for alternative fuel vehicles in general and electric vehicles in particular. If the market for electric vehicles does not develop as we expect or develops more slowly than we expect, or if there is a decrease in consumer demand for electric vehicles, these factors may harm our business, prospects, financial condition and results of operations. The market for electric and other alternative fuel vehicles is relatively new, rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation (including government incentives and subsidies) and industry

standards, frequent new vehicle announcements and changing consumer demands and behaviors. Any number of changes in the industry could negatively affect consumer demand for electric vehicles in general and our electric vehicles in particular.

In addition, demand for electric vehicles may be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles such as sales and financing incentives including tax credits, prices of raw materials and parts and components, cost of fuel, availability of consumer credit, interest rates, and governmental regulations, including tariffs, import regulation and other taxes. Volatility in demand may lead to lower vehicle unit sales, which may result in downward price pressure and adversely affect our business, prospects, financial condition and results of operations. Further, sales of vehicles in the automotive industry tend to be cyclical in many markets, which may expose us to increased volatility, especially as we expand and adjust our operations and retail strategies. Specifically, it is uncertain how such macroeconomic factors will impact us as a new entrant in an industry that has globally been experiencing a recent decline in sales.

Other factors that may influence the adoption of electric vehicles include:

- perceptions about electric vehicle quality, safety, design, performance and cost;
- perceptions about the limited range over which electric vehicles may be driven on a single battery charge;

- perceptions about the total cost of ownership of electric vehicles, including the initial purchase price and operating and maintenance costs, both including and excluding the effect of government and other subsidies and incentives designed to promote the purchase of electric vehicles;
- concerns about electric grid capacity and reliability;
- perceptions about the sustainability and environmental impact of electric vehicles, including with respect to both the sourcing and disposal of materials for electric vehicle batteries and the generation of electricity provided in the electric grid;
- the availability of other alternative fuel vehicles, including plug-in hybrid electric vehicles;
- improvements in the fuel economy of the internal combustion engine;
- the quality and availability of service for electric vehicles, especially in international markets;
- volatility in the cost of oil and gasoline;
- government regulations and economic incentives promoting fuel efficiency and alternate forms of energy;
- access to charging stations compatible with our vehicles and cost to charge an electric vehicle, especially in international markets, and related infrastructure costs and standardization;
- the availability of tax and other governmental incentives to purchase and operate electric vehicles or future regulation requiring increased use of nonpolluting vehicles; and
- macroeconomic factors.

The influence of any of the factors described above or any other factors may cause a general reduction in consumer demand for electric vehicles or our electric vehicles in particular, either of which would materially and adversely affect our business, results of operations, financial condition and prospects.

We face challenges providing charging solutions for our vehicles, both domestically and internationally.

Demand for our vehicles will depend in part on the availability of charging infrastructure both domestically and internationally. While the prevalence of charging stations has been increasing, public charging station locations are significantly less widespread than gas stations. Furthermore, public charging stations often experience downtime, leading to customer dissatisfaction. Although we have partnered with third-party electric vehicle charging providers to offer charging stations to our customers, the public charging infrastructure available to our customers may be insufficient to meet their needs or expectations, especially in certain international markets. Some potential customers may choose not to purchase our vehicles because of the lack of more widespread and reliable public charging infrastructure. In addition, although we have agreed to join Tesla's Supercharger network, there may be delays in making changes to our vehicles or the network necessary for Lucid vehicles to charge at Tesla Superchargers, and there is no guarantee that our customers will not experience performance, access or other issues with this or other charging networks. In addition, although the prior U.S. presidential administration proposed a plan to deploy 500,000 additional public charging stations across the United States by 2030, the current administration has issued an executive order to pause the disbursement of funds appropriated through the Inflation Reduction Act of 2022 or the Infrastructure Investment and Jobs Act, including funds designated for electric vehicle charging stations through the National Electric Vehicle Infrastructure Formula Program and the Charging and Fueling Infrastructure Discretionary Grant Program. Consequently, the deployment of public charging stations may not occur at planned levels, which could limit the development of public charging infrastructure and increase the relative attractiveness to potential customers of a proprietary charging solution.

If we fail to manage our future growth effectively, we may not be able to develop, manufacture, distribute, market and sell our vehicles successfully.

Any failure to manage our growth effectively could materially and adversely affect our business, prospects, results of operations and financial condition. We are expanding our operations significantly and our current and future expansion plans include:

- expanding our management team;
- hiring and training new personnel;
- ramping up the production of our current vehicles and releasing new models in the future;
- establishing or expanding design, manufacturing, distribution, sales and service facilities;
- implementing and enhancing administrative and business infrastructure, governance, systems and processes, including in connection with our maturation as a public company; and
- expanding into new markets and establishing sales, service, administrative, distribution, and/or manufacturing operations in many of those markets.

We require qualified personnel, including design and manufacturing personnel and service technicians for our vehicles. Our vehicles are based on a different technology platform than traditional internal combustion engines, individuals with sufficient training in electric vehicles may not be available to hire, and as a result, we will need to expend significant time and expense training the employees we do hire. Competition for individuals with experience in supply chain management and logistics as well as designing, engineering, manufacturing, producing, selling, and servicing electric vehicles is intense, and we may not be able to identify, attract, integrate, train, motivate or retain sufficient highly qualified personnel in the future. Furthermore, we announced a restructuring plan in the second quarter of 2024, which involved the reduction of our employee workforce and may adversely affect our internal programs and initiatives as well as our ability to recruit and retain skilled and motivated personnel in the future. Any such restructuring plan may also be distracting to employees and management and may negatively impact our business operations, reputation, or ability to serve customers. We cannot provide any assurances that we will not have to undertake additional workforce reductions in the future. The failure to identify, attract, integrate, train, motivate and retain these employees could seriously harm our business and prospects. In addition, our employee equity program is a key factor in our ability to attract and retain talent and continue to support the growth of the company. If we are unable to grant equity awards, or if we are forced to reduce the value of equity awards to be received by the employees for any reason, we may not be able to attract, hire and retain the personnel necessary for our business, which would have a material adverse effect on our business, prospects financial condition and results of operations. In addition, our success is substantially dependent upon the continued service and performance of our senior management team and key technical and vehicle management personnel. If any key employees were to separate their employment with us, such separation would likely increase the difficulty of managing our current operations and future growth and heighten the foregoing risks.

We also have limited experience to date in high volume manufacturing of our vehicles. We cannot assure our investors that we will be able to develop and implement efficient, automated, low-cost manufacturing capabilities and processes, and reliable sources of component supply that will enable us to meet the quality, price, engineering, design and production standards, as well as the production volumes, required to successfully market our vehicles. We have also experienced, and may continue to experience, internal and external logistics challenges with respect to our manufacturing and warehousing facilities, including disruption to manufacturing operations due to the consolidation of our logistics operations with our manufacturing operations at AMP-1 and AMP-2. Any failure to develop and implement such manufacturing processes and capabilities within our projected costs and timelines could impact our future growth and impair our ability to produce, market, service and sell or lease our vehicles successfully. In addition, our rapid growth, competitive real estate markets, and increasing rental rates, may hinder our ability to obtain suitable space to accommodate our growing operations or to renew existing leases on terms favorable to us, if at all. Any failure to obtain or renew leases for real property on terms favorable to us when we need them may limit our growth, impact our operations and have an adverse impact on our financial condition. If we fail to manage our growth effectively, such failure could result in negative publicity and damage to our brand and have a material adverse effect on our business, prospects, financial condition and results of operations.

We face risks associated with international operations, including unfavorable regulatory, political, tax and labor conditions, which could harm our business.

As we expand our international presence and operations, we will be increasingly subject to the legal, political, regulatory and social requirements and economic conditions in these jurisdictions. Additionally, as part of our growth strategy, we have been expanding and may continue to expand our sales, maintenance and repair services outside of the United States. We are also continuing the construction of AMP-2 in Saudi Arabia and may continue to further expand our manufacturing activities outside the United States. However, we have limited experience to date manufacturing our vehicles outside of the United States, and such expansion has and will continue to require us to make significant expenditures, including the hiring of local employees and establishing facilities and related systems and processes, in advance of generating any significant revenue. We are subject to a number of risks associated with international business activities that may increase our costs, impact our ability to sell, service and manufacture our vehicles, and require significant management attention. These risks include:

- conforming our vehicles to various international regulatory and homologation requirements where our vehicles are sold;

- establishing localized supply chains and managing international supply chain and logistics costs, including the shipping and delivery of kits for the SKD facility;
- establishing sufficient charging points for our customers in those jurisdictions, via partnerships or, if necessary, via development of our own charging networks or accessing those of third parties;
- difficulties staffing and managing foreign operations, especially in jurisdictions where no EV ecosystem exists and qualified personnel must be hired and relocated;
- difficulties attracting customers in new jurisdictions;
- difficulties establishing international manufacturing operations, including difficulties establishing relationships with or establishing localized supplier bases and developing cost-effective and reliable supply chains for such manufacturing operations and financing such manufacturing operations;
- difficulties controlling costs and potential loss of funding, including as a result of delays in the construction or ramp-up of operations at AMP-2;

- difficulties or delays caused by local jurisdictions in implementing infrastructure improvements for manufacturing facilities;
- foreign government taxes, regulations and permit requirements, including foreign taxes that we may not be able to offset against taxes imposed upon us in the United States, and foreign tax and other laws limiting our ability to repatriate funds to the United States;
- inflation as well as fluctuations in foreign currency exchange rates and interest rates, including risks related to any forward currency contracts, interest rate swaps or other hedging activities we may undertake;
- currency fluctuations or localized inflationary pressure;
- United States and foreign government trade restrictions, tariffs and price or exchange controls;
- threat of a trade war among the United States, Canada, Mexico, China, the European Union (“EU”) and other countries could impede the transition to electric vehicles, disrupt global supply chains, and delay the implementation of economic competitiveness policies;
- foreign laws, regulations and restrictions, including in the areas of supply chain, labor, sales, service, environment, social, governance and health and safety, and related compliance costs;
- increasingly restrictive and complex foreign data privacy and cybersecurity laws, regulations and obligations;
- changes in diplomatic and trade relationships, including political risk and customer perceptions based on such changes and risks;
- political instability, natural disasters, pandemics, wars, global conflicts or other geopolitical events (including the war in Ukraine and the conflict in the Middle East, which affect global energy prices and disrupt shipping routes both regionally and globally), or events of terrorism; and
- the strength of international economies.

If we fail to successfully address these risks, they could materially harm our business, prospects, results of operations and financial condition.

The automotive industry has significant barriers to entry that we must overcome in order to manufacture and sell electric vehicles at scale.

The automobile industry is characterized by significant barriers to entry, including large capital requirements, investment costs of designing, manufacturing, and distributing vehicles, long lead times to bring vehicles to market from the concept and design stage, the need for specialized design and development expertise, regulatory requirements, establishing a brand name and image, and the need to establish sales and service locations. Since we are focused on the design of electric vehicles, we face a variety of added challenges to entry that a traditional automobile manufacturer would not encounter, including additional costs of developing and producing an electric powertrain that has comparable performance to a traditional gasoline engine in terms of range and power, inexperience with servicing electric vehicles, regulations associated with the transport of batteries, the need to establish or provide access to sufficient charging locations and unproven high-volume customer demand for fully electric vehicles. While we have developed and started producing our first electric sedan and SUV and have completed the first two phases of construction of AMP-1 and the SKD portion of AMP-2, we have not finished tooling all production lines at AMP-1. If we are not able to overcome these barriers, our business, prospects, results of operations and financial condition will be negatively impacted, and it will harm our ability to grow our business.

The automotive market is highly competitive, and we may not be successful in competing in this industry.

The global automotive market, particularly for electric and alternative fuel vehicles, is highly competitive, and we expect it will become even more so in the future. In recent years, the electric vehicle industry has grown, with the emergence of several companies that focus completely or partially on the electric vehicle market. In addition, traditional automotive manufacturers are also producing and selling electric and alternative fuel vehicles. We expect additional companies to enter this market within the next several years. Electric vehicle manufacturers with which we compete include Tesla, an increasing number of U.S.-based and international entrants and traditional automotive manufacturers, many of which have begun, or announced plans to begin, selling their own electric vehicles in the near-term. We also compete with established automobile manufacturers in the luxury vehicle segment, many of which have entered or have announced plans to enter the alternative fuel and electric vehicle market with either fully electric or plug-in hybrid versions of their vehicles. We compete for sales with luxury vehicles with internal combustion engines from established manufacturers. Many of our current and potential competitors have significantly greater financial, technical, manufacturing, marketing and other resources than we do and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale, servicing, and support of their products, including the ability to significantly reduce prices of their products. In addition, many of these companies have longer operating histories, greater name recognition, larger and more established sales forces, broader customer and industry relationships and other resources than we do. Our competitors may be in a stronger position to respond quickly to changing market conditions and new technologies and may be able to design, develop, market and sell their products more effectively than we do. For example, some of our competitors have announced vehicle price reductions, which may result in downward price pressure and reduced demand for our vehicles. However, we may not be able to adjust our pricing strategies effectively, and there can be no assurance that such adjustments will allow us to successfully compete against our competitors, which may have a material adverse effect on our brand, business, prospects, inventory levels, results of operations and financial conditions. In addition, increased competition has in the past and may continue to require us to increase marketing and incentive expenses, which may have a material adverse effect on our operating results and financial condition. We expect competition in our industry to significantly intensify in the future in light of increased demand for alternative fuel vehicles, continuing globalization, favorable governmental policies, macroeconomic uncertainty, and consolidation in the worldwide automotive industry. Our ability to successfully compete in our industry will be fundamental to our future success in existing and new markets. There can be no assurance that we will be able to compete successfully in our markets.

Developments in electric vehicle or alternative fuel technology or improvements in the internal combustion engine may adversely affect the demand for our vehicles.

We may be unable to keep up with changes in electric vehicle technology or alternatives to electricity as a fuel source and, as a result, our competitiveness may suffer. Significant developments in alternative technologies, such as alternative battery cell technologies, hydrogen fuel cell technology, advanced gasoline, ethanol or natural gas, or improvements in the fuel economy of the internal combustion engine, may materially and adversely affect our business and prospects in ways we do not currently anticipate. Existing and other battery cell technologies, fuels or sources of energy may emerge as customers' preferred alternative to the technologies in our electric vehicles. Any failure by us 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 electric vehicles, which could result in the loss of competitiveness of our vehicles, decreased revenue and a loss of market share to competitors. In addition, we expect to compete in part on the basis of our vehicles' range, efficiency, charging speeds, performance and software, and improvements in the technology offered by competitors could reduce demand for our current or other future vehicles. As technologies change, we plan to upgrade or adapt our vehicles and introduce new models that reflect such technological developments, but our vehicles may become obsolete, and our research and development efforts may not be sufficient to adapt to changes in alternative fuel and electric vehicle technology. Additionally, as new companies and larger, existing vehicle manufacturers continue to enter the electric vehicle space, we may lose any technological advantage we may have and suffer a decline in our competitive position. Any failure by us to successfully react to changes in existing technologies or the development of new technologies could materially harm our competitive position and growth prospects.

The unavailability, reduction or elimination of certain government and economic programs could have a material adverse effect on our business, prospects, financial condition and results of operations.

We may benefit from government and economic programs that encourage the development, manufacture or purchase of electric vehicles, such as zero emission vehicle credits, production tax credits, greenhouse gas credits and similar regulatory credits, the loss of which could harm our ability to generate revenue from the sale of such credits to other manufacturers; tax credits and other incentives to consumers, without which the net cost to consumers of our vehicles could increase, potentially reducing demand for our products; and investment tax credits for equipment, tooling and other capital needs, without which we may be unable to procure the necessary infrastructure for production to support our business and timeline; and certain other benefits, including a California sales and use tax exclusion and certain other hiring and job training credits in California, Michigan and Arizona. We may also benefit from government loan programs. Any reduction, elimination or selective application of tax and other governmental programs and economic incentives because of policy changes, the reduced need for such programs due to the perceived success of the electric vehicle, fiscal tightening or other reasons may result in the diminished competitiveness of the electric vehicle industry generally or our electric vehicles in particular, which would adversely affect our business, prospects, financial condition and results of operations. For example, the current U.S. presidential administration has issued executive orders to revoke certain executive orders from the prior administration, which directed federal agencies to review and potentially revise vehicle fuel efficiency and emissions standards. The revocation of these executive orders may decrease the demand and reduce the value of the greenhouse gas credits and similar regulatory credits, which we may sell to other manufacturers. Further, we cannot guarantee that the current governmental incentives and subsidies available for purchasers of electric vehicles will remain available. For example, beginning in 2023, the Inflation Reduction Act of 2022 eliminated the \$7,500 federal sales tax credit for sedans that have a manufacturer's suggested retail price over \$55,000 and for SUVs that have a manufacturer's suggested retail price over \$80,000, although a tax credit remains available for vehicles that are leased rather than purchased. In addition, the current U.S. presidential administration has issued a policy statement aimed at eliminating the "electric vehicle mandate," which targets state emissions waivers and governmental subsidies. Corresponding executive orders may be further issued to implement this policy. See *"— Failure to attract customers, failure to complete the purchase process with customers, and customer cancellation of orders may have a material adverse impact on our business, prospects, results of operations and financial condition."*

While certain tax credits and other incentives for alternative energy production, alternative fuels and electric vehicles have been available in the United States, Canada and the EU, there is no guarantee that these programs or incentives will be available in the future. If current tax incentives are not available in the future, our business, prospects, financial position and results of operations could be affected adversely.

We may be unable to offer attractive leasing and financing options for our current and future vehicles, which would adversely affect consumer demand. In addition, offering leasing and financing options to customers could expose us to credit and residual value risk.

We offer leasing and financing of our vehicles to potential customers through third-party financing partners and intend to do the same in new markets, but we cannot provide any assurance that such third-party financing partners will continue, or would be able or willing, to provide such services on terms acceptable to us or our customers. Furthermore, because we have only sold a limited number of vehicles and only a limited secondary market for our vehicles exists, the future resale value of our vehicles is difficult to predict, and, if the actual resale value of our vehicles is lower than anticipated, it would make providing leasing terms that appeal to potential customers through such third-party financing partners more difficult. We believe that the ability to offer attractive leasing and financing options is particularly relevant to customers in the luxury vehicle segments in which we compete, and if we are unable to offer our customers an attractive option to finance the purchase of or lease the Lucid Air, the Lucid Gravity or planned future vehicles, such failure could substantially reduce the population of potential customers and decrease demand for our vehicles.

Furthermore, offering leasing and financing alternatives to customers could expose us to regulatory risks commonly associated with the extension of consumer credit. Competitive pressure and challenging markets could increase credit risk through leases and loans to financially weak customers, extended payment terms, and leases and loans into new and immature markets, and any such credit risk could be further heightened in light of the economic uncertainty and any economic recession or other downturn, whether due to inflation, global conflicts or other geopolitical events, or public crises. If we are unable to provide leasing and financing arrangements that appeal to potential customers in a timely manner, or if the provision of such arrangements exposes us to excessive consumer credit risk or regulatory risk, our business, competitive position, results of operations and financial condition could be adversely affected.

In addition, we provide a residual value guarantee to our commercial banking partner in connection with our vehicle leasing program, under which we are contractually obligated to share a portion of the shortfall between the resale value realized by the commercial banking partner and a predetermined resale value. However, actual resale values are subject to fluctuations from various factors such as the condition of the leased vehicle, market price of new vehicles, and general economic conditions. If the resale values of leased vehicles pursuant to the vehicle leasing program are materially lower than our estimates, we may be required to cover some or all of such difference and our results of operations could be negatively impacted.

We may not be able to obtain or agree on acceptable terms and conditions for all or a significant portion of the government grants, loans and other incentives for which we may apply. As a result, our business and prospects may be adversely affected.

We may apply for federal, state and foreign grants, loans and tax incentives under government programs designed to stimulate the economy and support the production of alternative fuel and electric vehicles and related technologies. We anticipate that in the future there may be new opportunities for us to apply for grants, loans and other incentives from the United States federal and state governments, as well as foreign governments. Our ability to obtain funds or incentives from government sources is subject to the availability of funds under applicable government programs and approval of our applications to participate in such programs. The application process for these funds and other incentives will likely be highly competitive. We cannot guarantee that we will be successful in obtaining any of these additional grants, loans and other incentives. If we are not successful in obtaining any of these additional incentives and we are unable to find alternative sources of funding to meet our planned capital needs, our business and prospects could be materially adversely affected.

We are subject to risks associated with autonomous driving and advanced driver assistance system technology, and we cannot guarantee that our vehicles will achieve our targeted assisted or autonomous driving functionality within our projected timeframe, if ever.

We design our vehicles with advanced driver assistance system (“ADAS”) hardware and software. The Lucid Air is equipped with Level 2 (partial automation) ADAS functionality, and in addition, we expect to equip the Lucid Gravity with Level 2 functionality. We plan over time to upgrade our vehicles with additional capabilities. ADAS technologies are emerging and subject to known and unknown risks, and there have been accidents and fatalities associated with such technologies. The safety of such technologies depends in part on user interaction, and users, as well as other drivers on the roadways, may not be accustomed to using or adapting to such technologies. In addition, self-driving technologies are the subject of intense public scrutiny and interest, and previous accidents involving autonomous driving features in other non-Lucid vehicles, including alleged failures or misuse of such features, have generated significant negative media attention and government investigations. We and others in our industry are subject to a Standing General Order issued by the National Highway Traffic Safety Administration (“NHTSA”) that requires us to report any crashes in which certain ADAS features were active, and these crash reports will become publicly available. To the extent accidents associated with our ADAS technologies occur, we could be subject to significant liability, negative publicity, government scrutiny and further regulation. Any of the foregoing could materially and adversely affect our results of operations, financial condition and growth prospects.

In addition, we face substantial competition in the development and deployment of ADAS technologies. Many of our competitors, including established automakers and technology companies, have devoted significant time and resources to developing self-driving technologies. If we are unable to develop or improve competitive Level 2 or more advanced ADAS technologies in-house or acquire access to such technologies via partnerships or investments in other companies or assets, we may be unable to equip our vehicles with competitive ADAS features, which could damage our brand, reduce consumer demand for our vehicles and could have a material adverse effect on our business, results of operations, prospects and financial condition.

ADAS technology is also subject to regulatory uncertainty, which exposes us to additional risks. See “— Risks Related to Litigation and Regulation — *ADAS technology is subject to uncertain and evolving regulations.*”

Uninsured or underinsured losses could result in payment of substantial damages, which would decrease our cash reserves and could harm our cash flow and financial condition.

In the ordinary course of business, we may be subject to losses resulting from claims such as product liability, significant accidents, acts of God or other claims brought against us, for which we may have no or insufficient insurance coverage. While we currently carry insurance that is customary for a company of our size and operations, we may not maintain as much insurance coverage as other original equipment manufacturers, and in some cases, we may not maintain any at all. Additionally, the policies that we have in place may

include significant deductibles or exclusions, and we cannot be certain that our insurance coverage will be sufficient to cover all or any future claims. A loss that is uninsured or exceeds existing policy limits may require us to pay unexpected and substantial amounts, which could adversely affect our financial condition and results of operations. Further, insurance coverage may not continue to be available to us or, if available, may be at a significantly higher cost based on insurance market conditions or changes in our risk profile. This may require a change in our insurance purchasing philosophy and strategy which can result in the assumption of greater risks to offset insurance market fluctuations.

Extended periods of low gasoline or other petroleum-based fuel prices could adversely affect demand for our vehicles, which would adversely affect our business, prospects, results of operations and financial condition.

A portion of the current and expected demand for electric vehicles results from concerns about volatility in the cost of gasoline and other petroleum-based fuel, the dependency of the United States on oil from unstable or hostile countries, government regulations and economic incentives promoting fuel efficiency and alternative forms of energy, as well as concerns about climate change resulting in part from the burning of fossil fuels. If the cost of gasoline and other petroleum-based fuel decreases significantly, the outlook for the long-term supply of oil to the United States improves, the government eliminates or modifies its regulations or economic incentives related to fuel efficiency and alternative forms of energy or there is a change in the perception that the burning of fossil fuels negatively impacts the environment, the demand for electric vehicles, including our vehicles, could be reduced, and our business and revenue may be harmed. For example, the current U.S. presidential administration has issued an executive order to declare a national energy emergency and facilitate the production and supply of domestic energy resources, including oil.

Gasoline and other petroleum-based fuel prices have historically been extremely volatile and it is difficult to ascertain whether such volatility will continue to persist. Lower gasoline or other petroleum-based fuel prices over extended periods of time may lower the perception in government and the private sector that cheaper, more readily available energy alternatives should be developed and produced. If gasoline or other petroleum-based fuel prices remain at deflated levels for extended periods of time, the demand for electric vehicles, including our vehicles, may decrease, which would have an adverse effect on our business, prospects, financial condition and results of operations.

Increasing scrutiny and changing expectations from global regulations, our investors, customers and employees with respect to ESG matters may impose additional costs on us or expose us to new or additional risks.

There is increased focus, including from governmental organizations and our investors, customers and employees, on ESG issues such as environmental stewardship, climate change, inclusion, workplace conduct, recyclability, sourcing and ESG disclosure as well as growing anti-ESG sentiment among certain stakeholders. There can be no certainty that we will manage ESG issues successfully, or that we will be able to meet varying or conflicting stakeholder expectations of us regarding ESG matters. Negative public perception, adverse publicity or negative comments in social media could damage our reputation if we do not, or are perceived not to, address these issues to our stakeholders' satisfaction. Any harm to our reputation could impact our employees' engagement and retention and the willingness of our customers and partners to do business with us.

It is possible that our stakeholders may not be satisfied with our ESG disclosures or practices, and we may not be able to comply with increasing global regulations on ESG topics, such as human rights and sustainability reporting. Actual or perceived shortcomings or dissatisfaction with our ESG practices and reporting may subject us to litigation and could negatively impact our business. We could also incur additional costs and require additional resources to monitor, report, and comply with ESG regulations in various jurisdictions. In addition, a variety of organizations have developed ratings to measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. Unfavorable or downgraded ratings of our company or our industries, as well as non-inclusion or removal of our stock on ESG-oriented investment funds or indexes, may lead to negative investor sentiment and the diversion of investment to other companies or industries, which could have a negative impact on our stock price.

Risks Related to Manufacturing and Supply Chain

We have experienced and may in the future experience significant delays in the design, manufacture, launch and financing of our vehicles, including the Lucid Air, the Lucid Gravity and our Midsize platform, which could harm our business and prospects.

Our plan to scale our manufacturing capacity and increase sales is dependent upon the timely availability of funds, upon our finalizing of the related design, engineering, component procurement, testing, build-out and manufacturing plans in a timely manner and

also upon our ability to execute these plans within the planned timeline. Automobile manufacturers often experience delays in the design, manufacture and commercial release of new vehicle models, and we have experienced in the past, and may experience in the future, such delays with regard to additional variants of our vehicles. For example, we have experienced delays in the engineering of certain of our vehicle systems, including as a result of design changes to components. Any future delays in the financing, design, manufacture and launch of our vehicles and variants could materially damage our business, prospects, financial condition and results of operations.

Our Midsize platform is still in the development and/or testing phase, and may occur later than expected or not at all. Additionally, prior to mass production of our electric vehicles, we will also need the vehicles to be fully approved for sale according to differing requirements, including but not limited to regulatory requirements, in the different geographies where we intend to launch our vehicles. Likewise, we have encountered and may continue to encounter delays with the design, construction, and regulatory or other approvals necessary to bring online our future expansions of our Arizona and Saudi Arabia manufacturing facilities, or other future manufacturing facilities.

Furthermore, we rely on third party suppliers for the development, manufacture, and/or provision and development of many of the key components and materials used in our vehicles, as well as provisioning and servicing equipment in our manufacturing facilities. We have been affected by ongoing, industry-wide challenges in logistics and supply chains, such as increased supplier lead times. These challenges have affected our ability, and the ability of our suppliers, to obtain parts, components and manufacturing equipment on a timely basis, and in some instances have resulted in increased costs and delays to the construction and expansion of our facilities. We expect that the risk of unexpected disruptions will continue for the foreseeable future. To the extent our suppliers experience any delays in providing us with or developing necessary components, we could experience delays in delivering on our timelines.

Any significant delay or other complication in the production of our current vehicles or the development, manufacture, launch and production ramp of our future products, features and services, including complications associated with expanding our production capacity and supply chain or obtaining or maintaining related regulatory approvals, or inability to manage such ramps cost-effectively, could materially damage our brand, business, prospects, financial condition and results of operations.

The continued development of and the ability to manufacture our vehicles, including the Lucid Air, the Lucid Gravity and our Midsize platform, are and will be subject to risks, including with respect to:

- our ability to ensure ongoing readiness of firmware features and functions to be integrated into the Lucid Air as planned and on the desired timeline;
- our ability to finalize release candidate specifications for our future vehicles as planned and on the desired timeline;
- any delays by us in delivering final component designs to our suppliers or any changes to such component designs;
- our or our suppliers' ability to successfully tool manufacturing facilities as planned and on the desired timeline;
- our ability to ensure a working supply chain and desired supplier part quality and quantity as planned and on the desired timeline;
- our ability to accurately manufacture vehicles within specified design tolerances;
- our ability to establish, implement, refine and scale, as well as make significant investments in manufacturing, supply chain management and logistics functions, including the related information technology systems and software applications;
- our ability to adequately reduce and control the costs of key parts and materials;
- our ability to significantly reduce freight costs, including in-bound freight costs;
- our ability to manage any transitions or changes in our production process, planned or unplanned;
- the occurrence of product defects that cannot be remedied without adversely affecting the production;
- our ability to secure necessary funding;
- our ability to negotiate and execute definitive agreements with various suppliers for hardware, software, or services necessary to engineer or manufacture our vehicles;
- our ability to obtain required regulatory approvals and certifications;
- our ability to comply with environmental, safety, and similar regulations and in a timely manner;
- our ability to secure necessary components, services, or licenses on acceptable terms and in a timely manner;
- our ability to attract, recruit, hire, retain and train skilled employees including supply chain management, supplier quality, manufacturing and logistics personnel;
- our ability to design and implement effective and efficient quality control and inventory management processes;

- delays or disruptions in our supply chain including raw material supplies and international shipping;
- our ability to maintain arrangements on commercially reasonable terms with our suppliers, delivery and other partners, after sales service providers, and other operationally significant third parties;
- other delays, backlog in manufacturing and research and development of new models, and cost overruns; and
- any other risks identified herein.

We expect that we will require additional financing to fund our planned operations and expansion plans. If we are unable to arrange for required funds under the terms and on the timeline that we anticipate, our plans for tooling and building out our manufacturing facilities and for commercial production of our electric vehicles could be significantly delayed, which would materially adversely affect our business, prospects, financial condition and results of operations. See “—Risks Related to Financing and Strategic Transactions — *We will require additional capital to support business growth, and this capital might not be available on commercially reasonable terms, or at all.*”

Our ability to continue production and our future growth depends upon our ability to maintain relationships with our existing suppliers and source suppliers for our critical components, and to complete building out our supply chain, while effectively managing the risks due to such relationships.

Our success, including our ability to continue production of the Lucid Air and ramp up of the Lucid Gravity, will depend on our ability to enter into supplier agreements and maintain our relationships with hundreds of suppliers that are critical to the output and production of our vehicles. To date, we have not secured long-term supply agreements for all of our components and for some components, our supply agreements do not guarantee sufficient quantities of components for our vehicle production ramp curve. We plan to seek opportunities to secure long-term committed supply agreements for certain of these components. The supplier agreements we have or may enter into with key suppliers in the future may not be renewed or may contain provisions under which suppliers may refuse to supply. To the extent that we do not have long-term supply agreements with guaranteed pricing for our parts or components, we will be exposed to fluctuations in prices of components, materials and equipment. In addition, our agreements for the purchase of battery cells and other components often contain pricing provisions that are subject to adjustment based on changes in market prices of key commodities and/or currency values. Substantial increases in the prices for such components, materials and equipment, whether due to supply chain or logistics issues or due to inflation, or increased energy or natural gas costs, would increase our operating costs and could reduce our margins if we cannot recoup the increased costs. Any attempts to increase the announced or expected prices of our vehicles in response to increased costs could be viewed negatively by our potential customers and could adversely affect our business, prospects, financial condition or results of operations.

We may also be at a disadvantage in negotiating supply agreements for the production of our vehicles as well as for the design and construction of our manufacturing facilities due to our limited operating history. In addition, given that in many cases we are an aggregator of automotive parts produced by third-party manufacturers, there is the possibility that supply agreements for the parts and components for our vehicles could be at costs that make it difficult for us to operate profitably.

We are dependent on our suppliers, the majority of which are single-source suppliers, and the inability of these suppliers to deliver necessary components of our products according to our schedule and at prices, quality levels and volumes acceptable to us, or our inability to efficiently manage these components or to implement or maintain effective inventory management and other systems, processes and personnel to support ongoing and increased production, could have a material adverse effect on our results of operations and financial condition.

We rely on hundreds of third-party suppliers for the provision and development of many of the key components and materials used in our vehicles. While we plan to obtain components from multiple sources whenever possible, many of the components used in our vehicles will be custom and purchased by us from a single source. Our limited, and in many cases single-source, supply chain exposes us to multiple potential sources of delivery failure or component shortages for our production. Our third-party suppliers may not be able to meet our required product specifications and performance characteristics, which would impact our ability to achieve our product specifications and performance characteristics as well. Additionally, our third-party suppliers may be unable to obtain required certifications or provide necessary warranties for their products that are necessary for use in our vehicles.

We have been affected by ongoing, industry-wide challenges in logistics and supply chains, such as increased supplier lead times. We expect that these industry-wide trends may continue to affect the ability of us and our suppliers to obtain parts, components and manufacturing equipment, including for the expansion of AMP-1 and the construction of AMP-2, on a timely basis for the foreseeable future, and may result in increased costs. Changes in our supply chain or production needs in order to meet our quality targets and development timelines as well as due to design changes and model updates have resulted in cost increases from our suppliers.

Any significant increases in our production may in the future require us to procure additional components in a short amount of time and our suppliers may not ultimately be able to sustainably and timely meet our cost, quality and volume needs, requiring us to replace them with other sources. In many cases, our suppliers provide us with custom-designed parts that would require significant lead time to

obtain from alternative suppliers, or may not be available from alternative suppliers at all. If we are unable to obtain suitable components and materials used in our vehicles from our suppliers or if our suppliers decide to create or supply a competing product, our business could be adversely affected. Further, if we are unsuccessful in our efforts to control and reduce supplier costs, our results of operations will suffer. Alternatively, if our production decreases significantly below our projections for any reason, we may not meet all of our purchase commitments with suppliers with whom we have non-cancelable long-term purchase commitments. In cases where we are unable to fully utilize our purchase commitments, we have in the past and may continue to face fees, penalties, increased prices, excess inventory or inventory write-offs, and there could be a material adverse effect on our results of operations.

In addition, we have experienced, and in the future could continue to experience, delays if our suppliers do not meet agreed-upon timelines, experience capacity constraints, or deliver components that do not meet our quality standards or other requirements. Any disruption in the supply of components, including battery cells and semiconductors, whether or not from a single source supplier, could temporarily disrupt production of our vehicles until an alternative supplier is able to supply the required material. Any such delay, even if caused by a delay or shortage in only one part, could significantly affect our ability to meet our planned vehicle production targets. Even in situations where we may be able to establish alternate supply relationships and obtain or engineer replacement components for our single source components, we may be unable to do so quickly, or at all, at prices or quality levels that are acceptable to us. This risk is heightened by the fact that we have less negotiating leverage with suppliers than larger and more established automobile manufacturers, which could adversely affect our ability to obtain necessary components and materials on a timely basis, on favorable pricing and other terms, or at all. The industry in which we operate has recently experienced severe supply chain disruptions, and we expect these conditions to continue for the foreseeable future. Any such supply disruption could materially and adversely affect our results of operations, financial condition and prospects.

Furthermore, as the scale of our vehicle production increases, we will need to accurately forecast, purchase, warehouse and transport components to our manufacturing facilities and servicing locations internationally and at much higher volumes. We are only beginning to scale production in our manufacturing facilities and in the process we have experienced challenges associated with such activities. If our production decreases significantly below our projections for any reason, we may incur loss due to inventory write-downs or assets impairment. In addition, we have not yet begun servicing vehicles at significant volumes. Accordingly, we have not thoroughly tested our ability to scale production and vehicle servicing and mitigate risks associated with these activities. In addition, our current systems and processes are not mature, which may affect our ability to timely initiate critical and time sensitive projects and increase project costs. If we continue to experience logistics challenges, are unable to accurately match the timing and quantities of component purchases to our actual needs, successfully recruit and retain personnel with relevant experience, timely comply with applicable regulations, or successfully implement automation, inventory management and other systems or processes to accommodate the increased complexity in our supply chain and manufacturing operations, we may incur unexpected production disruption, storage, transportation and write-off costs, which could have a material adverse effect on our results of operations and financial condition.

Furthermore, unexpected changes in business conditions, materials pricing, labor issues, wars, global conflicts or other geopolitical events, governmental changes, tariffs, natural disasters, health epidemics, and other factors beyond our and our suppliers' control could also affect these suppliers' ability to deliver components to us on a timely basis. For example, some of the shipping routes in the Red Sea have been affected by the conflict in the Middle East resulting in delays in delivery of components and an increase in shipping costs globally. Additionally, governmental and policy changes, such as the 2025 presidential transition in the United States, may result in new or increased tariffs on imported components. Our ability to mitigate these cost increases may be limited by the lack of alternative suppliers from unaffected countries or domestic suppliers with production capabilities to meet our requirements. Such disruptions or increase in costs could have a material adverse impact on our business, including our ability to timely manufacture and distribute our products in a cost-effective manner and adversely affect our results of operations and financial condition.

In addition, we have identified certain of our suppliers, including certain suppliers we deem critical, as having poor financial health or being at risk of bankruptcy. Although we routinely review our suppliers' financial health and attempt to identify alternate suppliers where possible, the loss of any supplier, particularly a single- or limited-source supplier, or the disruption in the supply of components from our suppliers, could lead to vehicle design changes, production delays, idle manufacturing facilities and potential loss of access to important technology and parts for producing, servicing and supporting our vehicles, any of which could result in negative publicity, damage to our brand and a material and adverse effect on our business, prospects, results of operations and financial condition. In addition, if our suppliers experience substantial financial difficulties, cease operations or otherwise face business disruptions, we may be required to provide substantial financial support to ensure supply continuity, which could have an additional adverse effect on our liquidity and financial condition.

Changes in costs, changes of supply or shortage of materials, in particular for lithium-ion battery cells, could harm our business.

As we scale commercial production of our vehicles or any future energy storage systems, we have experienced and may continue to experience increases in the cost of or a sustained interruption in the supply or shortage of materials. Any such increase, supply interruption or shortage could materially and adversely impact our business, results of operations, prospects and financial condition. For example, as we continue the expansion of AMP-1 and the construction of AMP-2, we have experienced increases in material and infrastructure equipment prices and cost of construction labor. In addition, we use various materials in our business, including aluminum, steel, lithium, nickel, copper, cobalt, neodymium, terbium, praseodymium and manganese, as well as lithium-ion battery cells and semiconductors from suppliers. The prices for these materials fluctuate, and their available supply may be unstable, depending on market conditions, inflationary pressure and global demand for these materials, including as a result of increased production of electric vehicles, energy storage products by our competitors and the global supply chain crisis, and could adversely affect our business and results of operations. For instance, we are exposed to multiple risks relating to lithium-ion battery cells. These risks include:

- a change in the cost, or changes in the available supply, of materials, such as cobalt, used in lithium-ion battery cells;
- disruption in the supply of lithium-ion battery cells due to quality issues or recalls by manufacturers;
- our ability to manage our supply and inventory of lithium-ion battery cells; and

- fluctuations in the value of any foreign currencies, in which lithium-ion battery cells and related raw material purchases are or may be denominated against the U.S. dollar.

Our ability to manufacture our vehicles or any future energy storage systems will depend on the continued supply of battery cells for the battery packs used in our products. We have limited flexibility in changing battery cell suppliers, and any disruption in the supply of battery cells from such suppliers could disrupt production of our vehicles until a different supplier is fully qualified. In addition, we have entered into amended agreements with Panasonic Energy Co., Ltd. and certain of its affiliates for the supply of lithium-ion battery cells, pursuant to which we have made certain non-cancelable long-term purchase commitments. If our production decreases significantly below our projections for any reason, we may not meet all of our purchase commitments. In cases where we are unable to fully utilize our purchase commitments, we have in the past and may continue to face fees, penalties, increased prices, excess inventory or inventory write-offs, and there could be a material adverse effect on our results of operations.

Furthermore, we have experienced in the past and may experience another semiconductor supply shortage, and such shortage could in the future impact us or our suppliers, which could delay or reduce planned production levels of our current and future vehicles and have an adverse effect on our business, prospects and results of operations. In addition, foreign currency fluctuations, tariffs or shortages in petroleum or natural gas and other economic or political conditions have contributed to and may continue to result in significant increases in freight charges and raw material costs. These risks could be further magnified by geographical developments, global conflicts or other geopolitical events, including the conflict in the Middle East, which affects shipping routes both regionally and globally. Substantial increases in the prices for our raw materials or components would increase our operating costs and could reduce our margins. Any attempts to raise product prices in response to increased material costs could lead to reduced demand for our vehicles and materially and adversely affect our brand, image, business, results of operations, prospects and financial condition. In addition, a growth in popularity of electric vehicles without a significant expansion in battery cell production capacity could result in shortages which would result in increased materials costs to us, and would impact our expected manufacturing and delivery timelines, and adversely affect our business, prospects, financial condition, results of operations, and cash flows.

We must develop complex software and technology systems, including in coordination with vendors and suppliers, in order to produce our electric vehicles, and there can be no assurance such systems will be successfully developed.

Our vehicles use a substantial amount of third-party and proprietary software and complex technological hardware to operate, some of which is still subject to further development and testing. The development and implementation of such advanced technologies is inherently complex and requires coordination with our vendors and suppliers in order to integrate such technology into our electric vehicles and ensure it interoperates with other complex technology as designed and as expected.

We may fail to detect defects and errors that are subsequently revealed, and our control over the performance of third-party services and systems may be limited. Any defects or errors in, or which are attributed to, our technology, could result in, among other things:

- delayed production and delivery of our vehicles;
- delayed market acceptance of our vehicles;
- loss of customers or inability to attract new customers;
- diversion of engineering or other resources for remedying the defect or error;
- damage to our brand or reputation;
- increased service and warranty costs;
- legal action by customers or third parties, including product liability claims; and
- penalties imposed by regulatory authorities.

In addition, if we are unable to develop the software and technology systems necessary to operate our vehicles, it will harm our competitive position. We rely on third-party suppliers to develop a number of technologies for use in our products. There can be no assurances that our suppliers will be able to meet the technological requirements, production timing and volume requirements to support our business plan. In addition, such technology may not satisfy the cost, performance useful life and warranty characteristics we anticipate in our business plan, which could materially adversely affect our business, prospects and results of operations.

If we fail to successfully construct or tool our manufacturing facilities or if our manufacturing facilities become inoperable, we will be unable to produce our vehicles and our business will be harmed.

While we have completed the initial and second phases of construction at AMP-1 and the SKD portion of AMP-2, tooling our facilities for production of our vehicles and our future expansion plans are complicated and present significant challenges and may require us to take vehicle production offline. In addition, certain of our suppliers may be unable to complete tooling with respect to finalized components of our vehicles in the planned timeframe after we deliver final component specifications, which could adversely affect our ability to continue commercial production of the Lucid Air and ramp up production of the Lucid Gravity on the expected timing and at the quality levels we require. As with any large-scale capital project, these efforts could be subject to delays, cost overruns or other complications. In addition, we may encounter problems or disputes with our vendors for a variety of reasons, including for reasons beyond our control, and such disputes, with or without merit, could also cause significant delays and cost overruns. These risks could be increased because we are building our facilities from the ground up to support our electric vehicle production processes, which differ substantially from traditional automobile production processes for which expertise is more readily available. In connection with the commencement of commercial production at AMP-1 and SKD production at AMP-2, we have hired and trained and continue to hire, retain, and train a significant number of employees and integrate a yet-to-be-fully-developed supply chain. Any failure to continue commercial or SKD production on schedule would lead to additional costs and would delay our ability to generate meaningful revenues. In addition, it could prevent us from gaining the confidence of potential customers, spur cancellations of orders and open the door to increased competition. All of the foregoing could hinder our ability to successfully launch and grow our business and achieve a competitive position in the market.

In addition, if any of our manufacturing facilities are not constructed in conformity with our requirements, repair or remediation may be required to support our planned phased manufacturing build-out and could require us to take vehicle production offline, delay implementation of our planned phased manufacturing build-out, or construct alternate facilities, which could materially limit our manufacturing capacity, delay planned increases in manufacturing volumes, delay the start of production of our future vehicles, or adversely affect our ability to timely sell and deliver our electric vehicles to customers. Any repair or remediation efforts could also require us to bear substantial additional costs, including both the direct costs of such activities and potentially costly litigation or other legal proceedings related to any identified defect, and there can be no assurance that our insurance policies or other recoveries would be sufficient to cover all or any of such costs. Any of the foregoing consequences could have a material adverse effect on our business, prospects, results of operations and financial condition and could cause our results of operations to differ materially from our current expectations. Although we do not currently expect that we will be required to take vehicle production offline or reduce our planned manufacturing volumes, any such repairs or remediation could entail significant costs, and we may be unable to recover some or all of such costs from the applicable contractor(s).

The construction of our facilities and our operations are also subject to review and inspection by officials in the jurisdictions where our facilities are located, including without limitation, fire officials and building construction officials. We have received in the past, and could in the future receive, results from inspections by local officials at our facilities, both existing and currently under construction, citing failing marks. When such results have arisen, we actively engaged with the local authorities to address all of the specific issues identified by those officials as well as to devise means and methods that help ensure a safe and compliant work environment. Any future results will be addressed in a similar manner. Failure to address issues raised by local authorities may result in government-ordered temporary cessation of our construction and/or production operations, which could require us to take vehicle production offline or reduce our planned manufacturing volumes, all of which could have a material adverse effect on our business, results of operations, cash flows, financial condition or prospects.

We rely on complex machinery for our operations, and production involves a significant degree of risk and uncertainty in terms of operational performance, safety, security and costs.

We utilize a number of new manufacturing technologies, techniques and processes for our vehicles, such as motor winding equipment, and we may utilize additional new technologies, techniques and processes in the future. Certain design features in our vehicles present additional manufacturing challenges, such as large display screens and ADAS hardware. There is no guarantee that we will be able to successfully and timely introduce and scale any such new processes or features.

We also rely heavily on complex machinery for our operations, and our production involves a significant degree of uncertainty and risk in terms of operational performance and costs. Our manufacturing plant employs large-scale, complex machinery combining many components, which may suffer unexpected malfunctions from time-to-time and will depend on repairs and spare parts that may not be available when needed. Furthermore, AMP-1 and AMP-2 and the equipment we use to manufacture our vehicles will be costly to repair or replace and could require substantial lead-time to repair or replace and qualify for use.

Unexpected malfunctions of the manufacturing plant components may significantly decrease our operational efficiency, including by forcing manufacturing shutdowns in order to conduct repairs or troubleshoot manufacturing problems. Our facilities may also be harmed or rendered inoperable by natural or man-made disasters, including but not limited to earthquakes, tornadoes, flooding, fire, power outages, sandstorms, environmental hazards and remediation, costs associated with decommissioning of equipment, labor disputes and strikes, lack of availability of qualified construction labor, difficulty or delays in obtaining governmental permits and licenses, damages or defects in electronic systems, industrial accidents or health epidemics, which may render it difficult or impossible for us to manufacture our vehicles for some period of time. The inability to produce our vehicles or the backlog that could develop if our manufacturing plant is inoperable for even a short period of time may result in the loss of customers or harm our reputation. Although we maintain insurance for damage to our property, this insurance may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, if at all, based on insurance market conditions or our evolving risk profile. Should operational risks materialize, they may result in the personal injury to or death of our workers, the loss of production equipment, damage to manufacturing facilities, monetary losses, delays and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs and potential legal liabilities, all of which could have a material adverse effect on our business, results of operations, cash flows, financial condition or prospects.

If we update or discontinue the use of our manufacturing equipment more quickly than expected, we may have to shorten the useful lives of any equipment to be retired as a result of any such update, and the resulting acceleration in our depreciation could negatively affect our financial results.

We have invested and expect to continue to invest significantly in what we believe is state of the art tooling, machinery and other manufacturing equipment, and we depreciate the cost of such equipment over their expected useful lives. However, manufacturing technology may evolve rapidly, and we may decide to update our manufacturing processes more quickly than expected. Moreover, as we ramp the commercial production of our vehicles, our experience may cause us to discontinue the use of already installed equipment in favor of different or additional equipment. The useful life of any equipment that would be retired early as a result would be shortened, causing the depreciation on such equipment to be accelerated, and our results of operations could be negatively impacted.

We have limited experience in high volume manufacture of our vehicles.

We cannot provide any assurance as to whether we will be able to develop and implement efficient, automated, low-cost logistics and production capabilities and processes and reliable sources of component supply that will enable us to meet the quality, price, engineering, design and production standards, as well as the production volumes, required to successfully mass market and ramp up production of our vehicles. Even if we are successful in developing our high volume production capability and processes and reliably source our component supply, no assurance can be given as to whether we will be able to do so in a manner that avoids significant delays and cost overruns, including as a result of factors beyond our control such as problems with suppliers and vendors, global conflicts or other geopolitical events or force majeure events, or in time to meet our commercialization schedules, or to store and deliver parts in sufficient quantities to the manufacturing lines in a manner that enables us to maintain our production ramp curve and rates, satisfy the requirements of customers and potential customers or fully utilize our purchase commitments with suppliers. For example, as result of the conflict in the Middle East, we have experienced an impact on our shipping routes in the Red Sea, which has resulted in shipping delays and increased shipping costs globally. Any failure to develop, implement and maintain such logistics, production, quality control, and inventory management processes and capabilities within our projected costs and timelines could have a material adverse effect on our business, results of operations, prospects and financial condition. Moreover, we have experienced logistics challenges as we continue to refine our manufacturing, logistics and inventory management processes, and efforts to implement or improve such processes may cause halts or delays in production and result in additional costs. Bottlenecks and other unexpected challenges have and may continue to arise as we continue commercial production of the Lucid Air and ramp up production of the Lucid Gravity, and it will be important that we address them promptly while continuing to control our logistics and manufacturing costs. If we

are not successful in doing so, or if we experience issues with our logistics and manufacturing process improvements, we could face further delays in establishing and/or sustaining our production ramps or be unable to meet our related cost and profitability targets.

If our vehicles fail to perform as expected, our ability to develop, market and sell or lease our products could be harmed.

Our vehicles or the components installed therein have in the past and may in the future contain defects in design or manufacture, including components designed or manufactured by suppliers, that may cause them not to perform as expected or that may require repairs, recalls, or design changes, any of which would require significant financial and other resources to successfully navigate and resolve. Our vehicles use a substantial amount of software code to operate, and software products are inherently complex and may when first introduced contain defects and errors. If our vehicles contain defects in design or manufacture that cause them not to perform as expected or that require repair, or if certain features of our vehicles take longer than expected to become available, are legally restricted or become subject to additional regulations, our ability to develop, market and sell our products and services could be adversely affected. In addition, our over-the-air software updates may fail to achieve its intended repair and performance goals, expose our customers' vehicles to vulnerabilities, or have unintended consequences, and may require our customers to bring their vehicles to our service centers.

Any defects, delays or legal restrictions on vehicle features, failed over-the-air software updates, or other failure of our vehicles to perform as expected, could harm our brand and reputation and result in delivery delays, product recalls, product liability claims, breach of warranty claims or significant warranty and other expenses, and could have a material adverse impact on our business, results of operations, prospects and financial condition. Any such defects or noncompliance with legal requirements could also result in safety recalls. See “— Risks Related to Litigation and Regulation — *We have in the past and may choose in the future, or we may be compelled, to undertake product recalls or take other actions, which could adversely affect our business, prospects, results of operations, reputation and financial condition.*” As a new entrant to the industry attempting to build customer relationships and earn trust, these effects could be significantly detrimental to us. Additionally, problems and defects experienced by other electric consumer vehicles could by association have a negative impact on perception and customer demand for our vehicles.

In addition, even if our vehicles function as designed, we expect that the battery efficiency, and hence the range, of our electric vehicles, like other electric vehicles that use current battery technology, will decline over time. Other factors, such as usage, time and stress patterns, may also impact the battery’s ability to hold a charge, or could require us to limit vehicles’ battery charging capacity, including via over-the-air or other software updates, for safety reasons or to protect battery capacity, which could further decrease our vehicles’ range between charges. Such decreases in or limitations of battery capacity and therefore range, whether imposed by deterioration, software limitations or otherwise, could also lead to consumer complaints or warranty claims, including claims that prior knowledge of such decreases or limitations would have affected consumers’ purchasing decisions. Further, there can be no assurance that we will be able to improve the performance of our battery packs, or increase our vehicles’ range, in the future. Any such battery deterioration or capacity limitations and related decreases in range may negatively influence potential customers’ willingness to purchase our vehicles and negatively impact our brand and reputation, which could adversely affect our business, prospects, results of operations and financial condition.

We have limited experience servicing our vehicles and their integrated software. If we or our partners are unable to adequately service our vehicles, our business, prospects, financial condition and results of operations may be materially and adversely affected.

We have limited experience servicing or repairing our vehicles and their integrated software. Servicing electric vehicles is different than servicing vehicles with internal combustion engines and requires specialized skills, including high voltage training and servicing techniques. Furthermore, some vehicle repairs may be done via over-the-air software updates, which poses additional risks to the vehicles’ software if any issues arise during an update. In addition, we may partner with certain third parties to perform some of the service on our vehicles, and there can be no assurance that we will be able to enter into acceptable arrangements with any such third-party providers or develop and implement the necessary information technology infrastructure to support them. Further, although such servicing partners may have experience in servicing other electric vehicles, they will initially have no experience in servicing our vehicles. We also have a limited network of locations to perform service and may also rely upon mobile service vans with Lucid technicians to provide service to customers. There can be no assurance that our service arrangements will adequately address the service requirements of our customers to their satisfaction, or that we and our servicing partners will have sufficient resources, experience or inventory to meet these service requirements in a timely manner as the volume of vehicles we deliver increases. This risk is enhanced by our limited operating history and our limited data regarding our vehicles’ real-world reliability and service requirements. In addition, if we are unable to roll out and establish a widespread service network that provides satisfactory customer service, our customer loyalty, brand and reputation could be adversely affected, which in turn could materially and adversely affect our sales, results of operations, prospects and financial condition.

Further, the motor vehicle industry laws in some states require that service facilities be available to service vehicles physically sold from locations in the state. In addition, the motor vehicle franchise laws in some states may preclude us from providing direct warranty service to consumers in that state. While we anticipate developing a service program that would satisfy regulatory requirements in these circumstances, the specifics of our service program are still being refined, and at some point may need to be restructured to comply with state law, which may impact our business, financial condition, results of operations and prospects.

Our customers also depend on our customer support team to resolve technical and operational issues relating to the integrated software underlying our vehicles, a large portion of which we have developed in-house. As we grow, additional pressure may be placed on our customer support team or partners, and we may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support or service. We also may be unable to modify the future scope and delivery of our technical support to compete with changes in the technical support provided by our competitors. Increased customer demand for support, without corresponding revenue, could increase costs and negatively affect our results of operations. If we are unable to successfully address the service requirements of our customers, or if we establish a market perception that we do not maintain high-quality support, our brand and reputation could be adversely affected, and we may be subject to claims from our customers, which could result in loss of revenue or damages, and our business, results of operations, prospects and financial condition could be materially and adversely affected.

Insufficient reserves to cover future warranty or part replacement needs or other vehicle repair requirements, including any potential software upgrades, could materially adversely affect our business, prospects, financial condition and results of operations.

We provide a new vehicle limited warranty on all new vehicles and a genuine spare parts and accessories limited warranty on Lucid genuine spare parts and accessories we sell. We maintain warranty reserves to cover part replacement and other vehicle repair needs, including any potential software upgrades or warranty claims. In addition, we expect to provide a manufacturer's warranty on any future products we sell and may provide additional warranties on installation workmanship or performance guarantees. Warranty reserves include our management team's best estimate of the projected costs to repair or to replace items under warranty. Such estimates are inherently uncertain, particularly in light of our limited operating history and the limited field data available to us, and changes to such estimates based on real-world observations may cause material changes to our warranty reserves in the future. If our reserves are inadequate to cover future maintenance requirements on our vehicles, this could materially and adversely affect our business, prospects, financial condition and results of operations. We may become subject to significant and unexpected expenses as well as claims from our customers, including loss of revenue or damages. There can be no assurances that then-existing reserves will be sufficient to cover all claims. In addition, future laws or regulations may impose additional warranty obligations on us that go beyond our manufacturer's warranty, which may expose us to materially higher warranty, parts replacement and repair expenses than we expect, and our reserves may be insufficient to cover such expenses.

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

It is difficult to predict our future revenues and appropriately budget for our expenses, and we have limited insight into trends that may emerge and affect our business. We will be required to provide forecasts of our demand to our suppliers several months prior to the scheduled delivery of vehicles to our prospective customers. Currently, there is limited historical basis for making judgments about the demand for our vehicles or our ability to develop, manufacture, and deliver vehicles, or our profitability in the future. If we overestimate our requirements, our suppliers may have excess inventory, which has in the past and may continue to indirectly increase our costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our products and result in delays in shipments and revenues. In addition, lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If we fail to order sufficient quantities of product components in a timely manner or fail to establish the delivery processes and infrastructure to make deliveries, the delivery of vehicles to our customers could be delayed, which would harm our business, financial condition and results of operations.

Our facilities or operations could be adversely affected by events outside of our control, such as natural disasters, wars, global conflicts or other geopolitical events, health epidemics or pandemics, or security incidents.

We and our suppliers may be impacted by weather events, natural disasters, wars, global conflicts or other geopolitical events, health epidemics or pandemics, security incidents or other events outside of our control. For example, our corporate headquarters are located in seismically active regions in Northern California, and our manufacturing facilities in Arizona and Saudi Arabia are located in sandstorm-, flood- and/or tornado-prone areas. If major disasters such as earthquakes, wildfires, floods, tornadoes or other events occur, or our information technology systems or communication networks break down or operate improperly, our headquarters and manufacturing facilities may be seriously damaged, or we may have to stop or delay production and shipment of our products. Furthermore, we could be impacted by physical security incidents at our facilities, which could result in significant damage to such facilities that could require us to delay or discontinue production of our vehicles. In addition, we have established a foreign trade zone with respect to certain of our facilities in Casa Grande, Arizona. To the extent any such physical security incidents are determined to result from insufficient security measures, we could face the risk of loss of our foreign trade zone approval, as well as financial penalties or fines, which could increase the cost of our duties and tariffs. See “— Risks Related to Litigation and Regulation — *A failure to*

properly comply with foreign trade zone laws and regulations could increase the cost of our duties and tariffs.” In addition, global conflicts or other geopolitical events may increase the likelihood of supply chain interruptions and may impair our ability to compete in current or future markets, or otherwise subject us to potential liability. See “—Risks Related to Manufacturing and Supply Chain — if we fail to successfully tool our manufacturing facilities or if our manufacturing facilities become inoperable, we will be unable to produce our vehicles and our business will be harmed.” and “— Risks Related to Litigation and Regulation — Changes in U.S. trade policy, including the imposition of tariffs or revocation of normal trade relations and the resulting consequences, could adversely affect our business, prospects, results of operations and financial condition.” We may incur significant expenses or delays relating to such events outside of our control, which could have a material adverse impact on our business, results of operations and financial condition.

Our vehicles make use of lithium-ion battery cells, which have been observed to catch fire or vent smoke and flame.

The battery packs within our vehicles make use of, and any future energy storage systems may make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. While we have designed our battery packs to passively contain a single cell's release of energy without spreading to neighboring cells, a field or testing failure of our vehicles or other battery packs that we produce could occur. In addition, although we equip our vehicles with systems designed to detect and warn vehicle occupants of such thermal events, there can be no assurance that such systems will function as designed or will provide vehicle occupants with sufficient, or any, warning in all crashes. Any such events or failures of our vehicles, battery packs or warning systems could subject us to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. Also, negative public perceptions regarding the suitability of lithium-ion battery cells for automotive applications, disposal and recycling of lithium-ion battery cells, or any future incident involving lithium-ion battery cells, such as a vehicle or other fire, even if such incident does not involve our vehicles, could seriously harm our business and reputation.

In addition, as we expand our service network, increase our recycling practices and scale the manufacturing of our vehicles and any future energy storage products, we will need to store lithium-ion battery cells at our facilities and we have experienced, and may in the future experience, thermal events. Any mishandling of battery cells or safety issue or fire related to the cells could disrupt our operations. Such damage or injury could also lead to adverse publicity and potentially a safety recall. In addition, the transportation and effective storage of lithium-ion batteries is also tightly regulated by the U.S. Department of Transportation and other regulatory bodies, and any failure to comply with such regulation could result in fines, loss of permits and licenses or other regulatory consequences, which could limit our ability to manufacture and deliver our vehicles and negatively affect our results of operations and financial condition. Moreover, any failure of a competitor's electric vehicle or energy storage product may cause indirect adverse publicity for us and our products. Such adverse publicity could negatively affect our brand and harm our business, prospects, results of operations and financial condition.

Risks Related to Cybersecurity and Data Privacy

Any unauthorized control, manipulation, interruption or compromise of or access to our products or information technology systems or networks could result in loss of confidence in us and our products, harm our business and materially adversely affect our financial performance, results of operations or prospects.

Our products contain complex information technology systems. For example, our vehicles are designed with built-in data connectivity to accept and securely install periodic remote updates to improve their functionality.

In addition, we collect, store, transmit and otherwise process data from vehicles, customers, employees and other third parties as part of our business operations, some of which includes personal, or confidential or proprietary information. We also work with third-party service providers and vendors that collect, store and process such data and information on our behalf. We have taken certain measures designed to prevent unauthorized access to our information technology systems, networks and information (including personal data) and plan to continue to deploy additional measures as we grow. Our third-party service providers and vendors also take steps designed to protect the security and integrity of our and their information technology systems and networks and our and their customers' information (including personal data). However, there can be no assurance that such systems, networks and measures will not be compromised, including as a result of intentional misconduct by employees, contractors, vendors, or other third parties as well as a result of software bugs, human error, or technical malfunctions.

Furthermore, cyber threat actors may in the future attempt to gain unauthorized access to, modify, alter and/or use our vehicles, products, systems and networks to (i) gain control of, (ii) change the functionality, user interface or performance characteristics of and/or (iii) gain access to data stored in or generated by, our vehicles, products, systems and networks. Advances in technology, such as artificial intelligence, new vulnerability discoveries, an increased level of sophistication and diversity of our products and services, an increased level of expertise of cyber threat actors and new discoveries in the field of cryptography could lead to a compromise or breach of the measures that we or our third-party service providers use. Some of our products and information technology systems contain or use open-source software, which can create additional risks, including potential security vulnerabilities. We and our third-party service providers' systems have in the past and may in the future be affected by security incidents. Our systems and networks are also vulnerable to damage or interruption from, among other things, software bugs, server malfunctions, software or hardware failure, computer viruses, malware, ransomware, killware, wiperware, computer denial or degradation of service attacks, telecommunications failures, social engineering schemes (such as vishing, phishing or smishing), domain name spoofing, insider theft, physical theft, fire, terrorist attacks, natural disasters, power loss, war, misuse, mistake, fraud, misconduct or other events that may harm our vehicles, products, systems and networks. Our data center and our third-party service providers' or vendors' data centers could be subject to break-ins, sabotage and intentional acts of vandalism causing potential disruptions. We implement comprehensive measures to prevent, mitigate and resolve identified exposures and vulnerabilities, and maintain layered security practices designed to prevent or reduce the likelihood of a cybersecurity incident. We may also be subject to certain laws and regulations, such as "right to repair" laws, that could require us to provide third-party access to certain vehicle and vehicle-connected systems. Some of our systems will not be fully redundant, and our disaster recovery planning cannot account for all eventualities. Any problems at our or our third-party service providers' or vendors' data centers or cloud infrastructure could result in lengthy interruptions in our service and our business operations. There can be no assurance that any security or other operational measures that we or our third-party service providers or vendors have implemented will be effective against any of the foregoing threats or issues.

These risks have been heightened in connection with ongoing global conflicts and other geopolitical events and we cannot be certain how this new risk landscape will impact our operations. When geopolitical conflicts develop, government systems as well as critical infrastructures such as financial services and utilities may be targeted by state-sponsored cyberattacks even if they are not directly involved in the conflict. There can be no assurance that our business will not become a potential target as adversaries may attack networks and systems indiscriminately. Such cyberattacks may potentially cause unauthorized access to our personal, confidential or proprietary information (including our proprietary software code), products, systems and networks, resulting in a data breach, or disruption, modification or destruction to our systems and networks. As a result, we may suffer monetary losses, business interruption, and long-lasting operational issues, damage to our reputation and brand or loss of our intellectual property (including trade secrets).

If we are unable to protect our personal, confidential or proprietary information (including our proprietary software code), products, systems and networks from unauthorized access, use, disclosure, disruption, modification, destruction or other breach, such threats or security breaches could have negative consequences for our business and future prospects, including compromise of vehicle integrity and physical safety, causing monetary losses, giving rise to liabilities under our contracts or to the owners of the applicable information, subjecting us to substantial fines, penalties, damages and other liabilities under applicable laws and regulations, incurring substantial costs to respond to, investigate and remedy such incidents, reducing customer demand for our products, harming our reputation and brand and compromising or leading to a loss of protection of our intellectual property (including trade secrets). In addition, regardless of their veracity, reports of unauthorized access to our vehicles, products, systems and networks, as well as other factors that may result in the perception that our vehicles, products, systems and networks are vulnerable to being "hacked," could negatively affect our brand.

Furthermore, we are continuously expanding and improving our information technology systems. In particular, our volume production of our current and planned future vehicles will necessitate continued development, maintenance and improvement of our information technology and communication systems and networks in the United States and abroad, such as systems and networks for product data management, vehicle management tools, vehicle security systems, vehicle security management processes, procurement of bill of material items, supply chain management, inventory management, production planning and execution, lean manufacturing, sales,

service and logistics, dealer management and financial, tax and regulatory compliance. Our ability to operate our business will depend on the availability and effectiveness of these systems and networks and could be impacted by system outages or similar events. The implementation, maintenance, segregation, and improvement of these systems and networks require significant management time, support and cost. Moreover, there are inherent risks associated with developing, improving and expanding our core systems and networks as well as implementing new systems and networks, including the disruption of our data management, procurement, manufacturing execution, finance, supply chain, inventory management, and sales and service processes. We cannot be certain that these systems and networks or their required functionality will be effectively and timely developed, implemented, maintained or expanded as planned. If we are unsuccessful in any of the foregoing, our operations may be disrupted, our ability to accurately or timely 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. If these systems and networks or their functionality 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. Any of the foregoing could materially adversely affect our business, prospects, results of operations and financial condition.

In addition, our vehicles depend on the ability of software and hardware to store, retrieve, process and manage immense amounts of data. Our software and hardware, including any over-the-air or other updates, may contain, errors, bugs, design defects or other vulnerabilities, and our systems may be subject to technical limitations that may compromise our ability to meet our objectives. Some errors, bugs, design defects or other vulnerabilities may reside in third-party intellectual property or open-source software and/or be inherently difficult to detect and may only be discovered after code has been released for external or internal use. We attempt to remedy any issues we observe in our vehicles as effectively and rapidly as possible, including issuing patches for zero-day vulnerabilities and deploying over-the-air updates to resolve errors, bugs, design defects or other vulnerabilities in our vehicle software, but such efforts may not be timely, may hamper production or may not be to the satisfaction of our customers. Additionally, if we deploy software updates to address any issues but our over-the-air update procedures fail, our customers will need to work with our service personnel to install these updates, and their vehicle will remain vulnerable until installation of the updates. Any compromise of our personal, confidential or proprietary information (including our proprietary software code), products, systems or networks or inability to prevent or effectively remedy errors, bugs, design defects or other vulnerabilities may cause us to suffer lengthy interruptions to our ability to operate our business and our customers' ability to operate their vehicles, compromise of vehicle integrity and physical safety, damage to our reputation, loss of customers, loss of revenue, governmental fines, investigations or litigation or liability for damages, any of which could materially adversely affect our business, prospects, results of operations and financial condition.

We may not have adequate insurance coverage, if any, to cover losses associated with any of the foregoing. The costs of investing and remediating a large data breach, or the successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases, imposition of large deductible, exclusions or co-insurance requirements), could have an adverse effect on our business. In addition, we cannot be certain that our existing insurance coverage will continue to be available on acceptable terms or at all or that our insurers will not deny coverage as to any future claim.

We are subject to evolving laws, regulations, standards, policies, and contractual obligations related to data privacy and cybersecurity, and any actual or perceived failure to comply with such obligations could harm our reputation and brand, subject us to significant fines and liability, or otherwise adversely affect our business.

In the course of our operations, we collect, use, store, disclose, transfer and otherwise process personal information from our customers, employees and third parties with whom we conduct business, including names, accounts, driver license information, user IDs and passwords, and payment or transaction-related information. Additionally, we use our vehicles' electronic systems to log information about each vehicle's use, such as charge time, battery usage, geolocation, mileage and driving behavior, in order to aid it in vehicle diagnostics, repair and maintenance, as well as to help us customize and improve the driving and riding experience.

Accordingly, we are subject to or affected by a number of federal, state, local and international laws and regulations, as well as contractual obligations and industry standards, that impose certain obligations and restrictions with respect to data privacy and cybersecurity and govern our collection, storage, retention, protection, use, transmission, sharing, disclosure and other processing of personal information including that of our employees, customers and other third parties with whom we conduct business. These laws, regulations and standards may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material and adverse impact on our business, financial condition and results of operations. The global data protection landscape is rapidly evolving, and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. We may not be able to monitor and react to all developments in a timely manner. For example, at the international level, the EU adopted the General Data Protection Regulation ("GDPR"), which became effective in May 2018, as well as the European Data Act, the Artificial Intelligence Act, and the Cyber Resilience Act in 2024. Canada adopted and continued to amend the Personal Information Protection and Electronic Documents Act ("PIPEDA") in addition to applicable provincial laws. The United Arab Emirates adopted the Data Protection Law ("DPL"), which became effective in January 2022. Saudi Arabia enacted the Personal Data Protection Law ("PDPL") which came into effect in September 2023. Similarly, China's

Data Security Law (“DSL”) and Personal Information Protection Law (“PIPL”) have been effective since 2021. Additionally, following the withdrawal of the United Kingdom (“UK”) from the EU, we may also be subject to the UK General Data Protection Regulation (“UK GDPR”) (i.e., a version of the GDPR as implemented into UK law). Each of these regulations impose additional obligations on companies regarding the handling of personal data and provide certain individual privacy rights to persons whose data is collected. Compliance with existing, proposed and recently enacted laws and regulations (including implementation of the privacy and process enhancements called for under applicable laws and regulations) can be costly, and any failure to comply with these regulatory standards could subject us to legal and reputational risks.

For example, failure to comply with the GDPR and the UK GDPR can result in significant fines and other liability, including fines of up to EUR 20 million (or GBP 17.5 million under the UK GDPR) or four percent (4%) of global revenue, whichever is greater. European data protection authorities have already imposed fines for GDPR violations up to, in some cases, hundreds of millions of Euros. The cost of compliance, and the potential for fines and penalties for non-compliance, with the GDPR and the UK GDPR may have a significant adverse effect on our business and operations. While the UK GDPR currently imposes substantially the same obligations as the GDPR, the UK GDPR will not automatically incorporate changes to the GDPR going forward (which would need to be specifically incorporated by the UK government). Moreover, the UK government has publicly announced plans to reform the UK GDPR in ways that, if formalized, are likely to deviate from the GDPR, all of which creates a risk of divergent parallel regimes and related uncertainty, along with the potential for increased compliance costs and risks for affected businesses. Legal developments in the European Economic Area (“EEA”), including rulings from the Court of Justice of the European Union and from various EU member state data protection authorities, have also created complexity and uncertainty regarding transfers of personal data from the EEA to the United States and other so-called third countries outside the EEA. Similar complexities and uncertainties also apply to transfers from the UK to third countries. While we have taken steps to mitigate the impact on us, the efficacy and longevity of these mechanisms remains uncertain.

At the U.S. federal level, we are subject to, among other laws and regulations, the rules and regulations promulgated under the authority of the Federal Trade Commission (which has the authority to regulate and enforce against unfair or deceptive acts or practices in or affecting commerce, including with respect to data privacy and cybersecurity) (“FTC”) and the Gramm Leach Bliley Act (which regulates the confidentiality and security of customer information obtained by financial institutions, including non-banking financial institutions such as mortgage brokers, motor vehicle dealers, and payday lenders). Our financial services program, for example, will be subject to, among other applicable laws and regulations, the Safeguards Rule, as recently amended by the FTC (the “FTC Safeguards Rule”), which, among other things, requires non-banking financial institutions to design and implement safeguards to protect customer information, and the financial data collected as part of the financial services program consequently requires additional security and administrative controls. Additionally, there has been increasing regulatory scrutiny from the SEC with respect to adequately disclosing risks concerning cybersecurity and data privacy, which increases the risk of investigations into the cybersecurity practices, and related disclosures, of companies within its jurisdiction, which at a minimum can result in distraction of management and diversion of resources for targeted businesses. On July 26, 2023, the SEC adopted new cybersecurity disclosure rules (the “SEC Cybersecurity Disclosure Rules”) for public companies that require disclosure regarding cybersecurity risk management (including the corporate board’s role in overseeing cybersecurity risks, management’s role and expertise in assessing and managing cybersecurity risks, and processes for assessing, identifying and managing cybersecurity risks) in annual reports. See Item 1C “Cybersecurity” included elsewhere in this Annual Report for further information.

At the U.S. state level, we are subject to laws and regulations such as the California Consumer Privacy Act of 2018 (as amended by the California Privacy Rights Act of 2020, collectively, the “CCPA”). The CCPA establishes a privacy framework for covered businesses, including an expansive definition of personal information and data privacy rights for California residents, including expanded rights with respect to certain sensitive personal information. The CCPA includes a framework with potentially severe statutory damages for violations and a private right of action for certain data breaches. The CCPA requires covered businesses to provide California residents with certain privacy-related disclosures and rights related to their personal information. As we expand our operations, the CCPA may increase our compliance costs and potential liability. The California Privacy Rights Act also established a state agency, the California Privacy Protection Agency, vested with the authority to implement and enforce the CCPA. Some observers have noted that the CCPA marked the beginning of a trend toward more stringent privacy legislation in the United States, and a number of other states have enacted or are in the process of enacting, or considering similar laws. Compliance with these state statutes, other similar state or federal laws that may be enacted in the future, and other applicable data privacy and cybersecurity laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms to comply with such laws and regulations, which could cause us to incur substantial costs or require us to change our business practices, including our data practices, in a manner adverse to our business.

We post public privacy policies and other documentation regarding our collection, use, disclosure, and other processing of personal information. Although we endeavor to comply with our published policies and other documentation, we may at times fail to do so or may be perceived to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees, contractors, service providers, vendors or other third parties fail to comply with our published policies and documentation. Such failures could carry similar consequences or subject us to potential local, state and federal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. Claims that we have violated individuals' privacy rights or failed to comply with applicable privacy notices or applicable data privacy laws, regulations, standards, policies, or contractual obligations could, even if we are not found liable, be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

Most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities and other third parties of security breaches involving certain types of data. For example, laws in all 50 U.S. states generally require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a breach. Such laws may be inconsistent or may change or additional laws may be adopted. In addition, our agreements with certain customers may require us to notify them in the event of a security breach. Furthermore, the SEC Cybersecurity Disclosure Rules require the disclosure of material cybersecurity incidents in a Form 8-K, generally within four business days of determining an incident is material. Additionally, upon discovery of an incident in which the unencrypted customer information of at least 500 consumers is acquired without authorization by the consumers to whom the information pertains, the FTC Safeguards Rule requires notifying the FTC as soon as possible, and no later than 30 days after discovery of such incident. Such mandatory disclosures are costly, could lead to negative publicity, penalties or fines, litigation and our customers losing confidence in the effectiveness of our security measures and could require us to expend significant capital and other resources to respond to or alleviate problems caused by the actual or perceived security breach.

We are also impacted by regulations obligating us to share vehicle repair-related information, including location information, with third parties, including repair shops and repair tool hardware developers, under what are commonly called “right-to-repair” laws, including Massachusetts. Other state, federal, and foreign jurisdictions are exploring expanding right-to-repair obligations in this area as well. Furthermore, some entities within the U.S. federal government, including certain members of Congress and the NHTSA, have recently focused attention on automotive cybersecurity issues and may in the future propose or implement regulations specific to automotive cybersecurity. In addition, the United Nations Economic Commission for Europe (“UNECE”) has introduced regulations governing connected vehicle cybersecurity in the EU which are mandatory for all new vehicle types from July 2022 and all new vehicles produced from July 2024. Similar regulations are also in effect, or expected to come into effect, in certain other international jurisdictions. These and other regulations could adversely affect our business in European or other markets, and if such regulations or other future regulations are inconsistent with our approach to automotive cybersecurity, we would be required to modify our systems to comply with such regulations, which would impose additional costs and delays and could expose us to potential liability to the extent our automotive cybersecurity systems and practices are inconsistent with such regulations.

New products, services and business lines may face scrutiny from regulators as well. Certain emerging data privacy and cybersecurity laws and regulations are still subject to a high degree of uncertainty as to their interpretation and application. If such laws and regulations are implemented, interpreted or applied in a manner inconsistent with our current or future practices or policies, or if we fail to comply with applicable laws or regulations, as well as contractual obligations, policies and industry standards, or to secure personal information, we could be subject to investigations, enforcement actions and other proceedings, which could result in substantial fines, damages, injunctions, orders to change our business practices, and other liability as well as damage to our reputation and credibility, which could have a negative impact on revenues and profits. Any of the foregoing could materially adversely affect our business, prospects, results of operations and financial condition.

Risks Related to Our Employees and Human Resources

The loss of key employees or an inability to attract, retain and motivate qualified personnel may impair our ability to expand our business.

Our success is substantially dependent upon the continued service and performance of our senior management team. Our employees, including our senior management team, are generally at-will employees, and therefore may terminate employment with us at any time with no advance notice. It is always possible that we could lose some key employees, especially if we are unable to grant sufficient or competitive compensation, including equity awards and bonuses, or if the volatility of our stock price continues to increase. In addition, we announced a restructuring plan in the second quarter of 2024, which involved the reduction of our employee workforce. Such plan may adversely affect our internal programs and initiatives as well as our ability to recruit and retain skilled and motivated personnel in the future. Any such restructuring plan may also be distracting to employees and management and may negatively impact our business operations, reputation, or ability to serve customers. We cannot provide any assurances that we will not have to undertake additional workforce reductions in the future. The replacement of any members of our senior management team or other key employees likely would involve significant time and costs and may significantly delay or prevent the achievement of our business objectives. Our future success also depends, in part, on our ability to continue to attract, integrate and retain highly skilled personnel. Competition for personnel is frequently intense, especially in the San Francisco Bay Area, where we have a substantial presence and need for highly skilled personnel, including, but not limited to, in particular, software and automotive engineers, and Arizona, where we have a substantial presence and a need for, among others, a large skilled repair, logistics, supply chain, and manufacturing workforce. As with any company with finite resources, there can be no guarantee that we will be able to attract such individuals or that the presence of such individuals will necessarily translate into our profitability. Because we operate in a newly emerging industry, there may also be limited personnel available with relevant expertise or business experience, and such individuals may be subject to non-competition and other agreements that restrict their ability to work for us. This challenge may be exacerbated for us as we attempt to transition from start-up to full-scale commercial vehicle manufacturing and sales in a very short period of time under the unforeseeable business conditions which continue to evolve as a result of the impact of global conflicts and other geopolitical events. Our inability to attract and retain key employees may materially and adversely affect our business operations. Any failure by our management to effectively anticipate, implement and manage the changes required to sustain our growth would have a material adverse effect on our business, financial condition and results of operations.

On February 21, 2025, our former Chief Executive Officer and Chief Technology Officer, Peter Rawlinson, resigned from his positions and as a member of our Board of Directors. Our Board of Directors appointed our Chief Operating Officer, Marc Winterhoff, to serve as Interim CEO until a qualified replacement is found. Mr. Rawlinson will be available as Strategic Technical Advisor to the Chairman of the Board through February 21, 2027.

We are currently conducting a search for a new CEO. Although we intend to hire a qualified candidate for CEO, no assurance can be given that we will be able to attract and retain a suitable CEO. An extended period of time without a permanent CEO could potentially have an adverse effect on our operations or financial condition. Furthermore, in the event we are unable to effect a seamless transition from our Interim CEO to a new CEO, or if a new CEO should unexpectedly prove to be unsuitable for our Company, the resulting disruption could have an adverse effect on our operations or financial condition or impede our ability to execute our strategic plan.

We will need to hire, retain, and train a significant number of employees for our business operations, and our business could be adversely affected by labor and union activities.

We will need to hire, retain, and train a significant number of employees to engage in full capacity commercial manufacturing operations and for us to scale commercial production and sales and service operations. There are various risks and challenges associated with hiring, retaining, training and managing a large workforce, such as establishing and maintaining efficient communication channels,

procedures and rules of conduct, hiring an adequate number of experienced manufacturing, supply chain management and logistics managerial personnel and creating and maintaining an effective company culture. Although the area surrounding our AMP-1 facility in Casa Grande, Arizona and the area surrounding our AMP-2 facility in King Abdullah Economic City (“KAEC”) are home to highly trained workforces with experience in engineering and manufacturing, these workforces do not have significant experience with electric vehicle manufacturing, and related processes such as inventory management, logistics and quality. Many jobs will require significant training and we may need to spend significant resources to ensure employees obtain and adhere to such training. Further, competition for employees in the Casa Grande, Arizona area has increased and may continue to increase in the future, which may impact the ability or cost to hire in the area; this same competition for talent may eventually intensify in KAEC as well. In addition, as we progress in constructing our AMP-2 facility in Saudi Arabia, we will need to hire, retain, and train a significantly larger number of employees in the local region to fully support the facility’s manufacturing operations. We cannot guarantee that we will be able to operate in compliance with local labor laws and regulations as well as with differing local customs, in order to operate the manufacturing facility. If we are unsuccessful in hiring, retaining and training a workforce in a timely and cost-effective manner, our business, financial condition and results of operations could be adversely affected.

Furthermore, although none of either our United States or international based employees are currently represented by a labor union that we are aware of at this time, it is common throughout the automobile industry generally for many employees at automobile companies to belong to a union, which can result in higher employee costs and increased risk of work stoppages. Some unions may attempt and have announced to attempt to organize non-union automakers in the U.S., including us. Moreover, regulations in some jurisdictions outside of the U.S. mandate employee participation in industrial collective bargaining agreements, work councils, or similar activities with certain consultation rights with respect to the relevant companies' operations, or companies are required to apply collective bargaining agreements, implement works councils or similar bodies with certain consultation rights related to the activities of the companies involved. In the event our employees seek to join or form a labor union, we could be subject to risks as we engage in an attempt to address such organizing and/or to finalize negotiations with any such union, including potential work slowdowns or stoppages, delays, and increased costs. Furthermore, we may be directly or indirectly dependent upon companies with unionized work forces, such as parts suppliers, construction contractors, and trucking and freight companies, and work stoppages or strikes organized by such unions could have a material adverse impact on our business, financial condition, ability to expand our facilities, or results of operations. If a work stoppage occurs, it could delay the manufacture and sale of our products and have a material adverse effect on our business, prospects, results of operations, or financial condition.

Misconduct by our employees and independent contractors during and before their employment with us could expose us to potentially significant legal liabilities, reputational harm and/or other damages to our business.

Many of our employees play critical roles in ensuring the safety and reliability of our vehicles and/or our compliance with relevant laws and regulations. Certain of our employees have access to sensitive information and/or proprietary technologies and know-how. While we have adopted codes of conduct for all of our employees and implemented detailed policies and procedures relating to intellectual property, proprietary information, and trade secrets, we cannot guarantee that our employees will always abide by these codes, policies, and procedures nor that the precautions we take to detect and prevent employee misconduct will always be effective. If any of our employees engage in any misconduct, illegal or suspicious activities, including but not limited to misappropriation or leakage of sensitive information, proprietary information, know-how or trade secrets, we and such employees could be subject to legal claims and liabilities and our reputation and business could be adversely affected as a result.

In addition, while we have screening procedures during the recruitment process, we cannot guarantee that we will be able to uncover misconduct of job applicants that occurred before we offered them employment, or that we will not be affected by legal proceedings against our existing or former employees as a result of their actual or alleged misconduct. Any negative publicity surrounding such cases, especially in the event that any of our employees is found to have committed any wrongdoing, could negatively affect our reputation and may have an adverse impact on our business.

Furthermore, we face the risk that our employees and independent contractors may engage in other types of misconduct or other illegal activity, such as intentional, reckless or negligent conduct that violates production standards, workplace health and safety regulations, fraud, abuse or consumer protection laws, other similar non-U.S. laws or laws that require the true, complete, and accurate reporting of financial information or data. It is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, prospects, financial condition, and results of operations, including, without limitation, the imposition of significant civil, criminal, and administrative penalties, damages, monetary fines, disgorgement, integrity oversight and reporting obligations to resolve allegations of non-compliance, imprisonment, other sanctions, contractual damages, reputational harm, diminished profits and future earnings and curtailment of our operations, any of which could adversely affect our business, prospects, financial condition and results of operations.

Risks Related to Litigation and Regulation

We are subject to laws and regulations that could impose substantial costs, legal prohibitions or unfavorable changes upon our operations or products, and any failure to comply with these laws and regulations, including as they evolve, could substantially harm our business and results of operations.

At various jurisdictional levels, we are or will be subject to complex and evolving environmental, manufacturing, health and safety laws and regulations, including laws relating to the use, handling, storage, recycling, disposal and human exposure to lithium-ion batteries and hazardous materials and with respect to constructing, expanding and maintaining our facilities. The costs of compliance, including remediating contamination, if any, for our properties and any changes to our operations mandated by new or amended laws, may be significant. We may also face unexpected delays in obtaining permits and approvals required by such laws in connection with our facilities, which could affect our ability to continue our operations. Such costs and delays may adversely impact our business prospects and operations. Furthermore, any violations of these laws may result in substantial fines and penalties, remediation costs, third party damages, or a suspension or cessation of our operations.

In addition, motor vehicles and associated service activities are subject to substantial regulation under international, federal, state and local laws. We have incurred, and expect to continue to incur, significant costs in complying with these regulations. Any failures to comply could result in significant expenses, delays or fines. In the United States, vehicles must meet or exceed all federally mandated motor vehicle safety standards to be certified under the federal regulations. Rigorous testing and the use of approved materials and equipment are among the requirements for achieving federal certification. The Lucid Air, Lucid Gravity and any future vehicle programs will be subject to such regulation under international, federal, state and local laws and standards. These regulations include those promulgated by the U.S. Environmental Protection Agency, NHTSA, other federal agencies, various state agencies and various state boards; and compliance certification is required for each individual vehicle we manufacture for sale. These laws and standards are subject to change from time-to-time, and we could become subject to additional regulations in the future, which could increase the effort and expense of compliance. If compliance results in delays or substantial expenses, this could adversely affect our business. Laws and industrial standards for electric vehicles continue to evolve, and we face risks associated with changes to these regulations, which could have an impact on the adoption of electric vehicles. In addition, increased sensitivity by regulators to the needs of established automobile manufacturers with large employment bases, high fixed costs and business models based on the internal combustion engine could lead them to adopt regulations that could reduce the compliance costs of such established manufacturers or mitigate the effects of government efforts to promote electric vehicles.

We currently are, and expect to become, subject to laws and regulations applicable to the supply chain, manufacture, import, sale and service of automobiles in an increasing number of international jurisdictions. Applicable regulations in countries outside of the U.S., such as standards relating to vehicle safety, transportation of dangerous goods, fuel economy and emissions, battery recycling, among other things, are often materially different from requirements in the United States and also evolving. For example, the EU has enacted a battery regulation that affects Lucid vehicles and batteries delivered in Europe with increasing requirements for the durability, marking and recycled content of the high-voltage batteries in our vehicles in subsequent years, among other requirements. Compliance with such regulations will require additional time and resources. This process may include official review and verification of our batteries and related documentation prior to market entry. There can be no assurance that we will be able to achieve foreign regulatory compliance in a timely manner and at our expected cost, or at all; and the costs of achieving international regulatory compliance or the failure to achieve international regulatory compliance could harm our business, prospects, results of operations and financial condition.

We may face regulatory limitations on our ability to sell vehicles directly, which could materially and adversely affect our ability to sell our vehicles.

Our business plan includes the direct sale of vehicles to retail consumers, both at retail locations and over the internet. The laws governing licensing of dealers and sales of motor vehicles vary from state to state. Most states require a dealer license to sell new motor vehicles within the state, and many states prohibit manufacturers or their affiliates from becoming licensed dealers and directly selling new motor vehicles to retail consumers from within that state. In addition, most states require that we have a physical dealership location in the state before we can be licensed as a dealer. Currently, we are licensed as a motor vehicle dealer in several states. In some states, we have also opened or expect to open Lucid studios to educate and inform customers about our vehicles, but those Lucid studios will not actually transact in the sale of vehicles. The application of these state laws to our operations continues to be difficult to predict. Laws in some states have limited our ability to obtain dealer licenses from state motor vehicle regulators and may continue to do so.

We may face legal challenges to this distribution model. For example, in states where direct sales are not permitted, dealers and their lobbying organizations may complain to the government or regulatory agencies that we are acting in the capacity of a dealer without a license. Alternatively, we have and may continue to initiate legal action against such states that prohibit direct sales, which may be protracted and expensive, and the results are difficult to predict. See “— Risks Related to Litigation and Regulation — *We are subject to legal proceedings, regulatory disputes and governmental inquiries that could cause us to incur significant expenses, divert our management’s attention, and adversely affect our business, results of operations, cash flows and financial condition.*” In some states, regulators may restrict or prohibit us from directly providing warranty repair service, or from contracting with third parties who

are not licensed dealers to provide warranty repair service. Even if regulators decide to permit us to sell vehicles, such decisions may be challenged by dealer associations and others as to whether such decisions comply with applicable state motor vehicle industry laws. Further, even in jurisdictions where we believe applicable laws and regulations do not currently prohibit our direct sales model or where we have reached agreements with regulators, legislatures may impose additional limitations. Because the laws vary from state-to-state, our distribution model must be carefully established, and our sales and service processes must be continually monitored for compliance with the various state requirements, which change from time-to-time. Regulatory compliance and likely challenges to the distribution model may add to the cost of our business.

We have in the past and may choose in the future, or we may be compelled, to undertake product recalls or take other actions, which could adversely affect our business, prospects, results of operations, reputation and financial condition.

Product recalls may result in adverse publicity, damage our reputation and adversely affect our business, prospects, results of operations and financial condition. For example, we have conducted several vehicle recalls due to a number of potential issues in the past and we may in the future voluntarily or involuntarily initiate additional recalls if any of our electric vehicles or components (including our batteries) prove to be defective or noncompliant with applicable federal motor vehicle safety standards. If a large number of vehicles are the subject of a recall or if needed replacement parts are not in adequate supply, we may be unable to service and repair recalled vehicles for a significant period of time. These types of disruptions could jeopardize our ability to fulfill existing contractual commitments or satisfy demand for our electric vehicles and could also result in the loss of business to our competitors. Such recalls, whether caused by systems or components engineered or manufactured by us or our suppliers, would involve significant expense and diversion of management's attention and other resources, which could adversely affect our brand image in our target markets and our business, prospects, results of operations and financial condition.

We are subject to legal proceedings, regulatory disputes and governmental inquiries that could cause us to incur significant expenses, divert our management's attention, and adversely affect our business, results of operations, cash flows and financial condition.

From time-to-time, we may be subject to claims, lawsuits, government investigations and other proceedings involving product liability, consumer protection, competition and antitrust, intellectual property, data privacy, cybersecurity, securities, tax, labor and employment, health and safety, our direct distribution model, motor vehicle dealership licenses and state licensing laws, environmental claims, contractual and commercial disputes and other matters that could adversely affect our business, brand, reputation, results of operations, cash flows, financial condition, and the trading price of our common stock. These claims could be asserted against us by individuals, either acting individually or through class actions, by governmental entities in civil or criminal investigations and proceedings, or by other entities. For example, we are currently the subject of a class action filed against us and our former CEO, alleging violations of securities laws. We are also the subject of multiple shareholder derivative lawsuits alleging breaches of fiduciary duties and related claims against certain of our former and current directors. For details regarding these legal proceedings, refer to Note 12 "Commitments and Contingencies" to the consolidated financial statements included elsewhere in this Annual Report for more information.

Litigation and regulatory proceedings may be protracted and expensive, and the results are difficult to predict. Additionally, our litigation and legal defense costs could be significant, even if we achieve favorable outcomes. Adverse outcomes with respect to litigation or any other legal proceedings may result in significant settlement costs or judgments, criminal and civil penalties and fines, or injunctive relief, including suspension or revocation of licenses to conduct business or other changes to our business practices, all of which could negatively affect our sales and revenue growth and adversely affect our business, prospects, results of operations, cash flows and financial condition. See Part I, Item 3 "Legal Proceedings."

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

We may become subject to product liability and warranty-related claims, which could harm our business, prospects, results of operations and financial condition. The automotive industry experiences significant product liability claims, and we face inherent risks of exposure to claims in the event our production vehicles do not perform or are claimed not to perform as expected or malfunction, resulting in property damage, personal injury or death. We also expect that, as is true for other automakers, our vehicles will be involved in crashes resulting in death or personal injury, and even if not caused by the failure of our vehicles, we may face product liability claims and adverse publicity in connection with such incidents. In addition, we may face claims arising from or related to failures, claimed failures or misuse of new technologies that we expect to offer, including ADAS features in our vehicles. See "— Risks Related

to Litigation and Regulation — *ADAS technology is subject to uncertain and evolving regulations.*” In addition, the battery packs that we produce make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. While we have designed our battery packs to passively contain a single cell’s release of energy without spreading to neighboring modules, there can be no assurance that a field or testing failure of our vehicles or other battery packs that we produce will not occur, in particular due to a high-speed crash. In addition, although we equip our vehicles with systems designed to detect and warn vehicle occupants of such thermal events, there can be no assurance that such systems will function as designed or will provide vehicle occupants with sufficient, or any, warning in all circumstances. Any such events or failures of our vehicles, battery packs or warning systems could subject us to lawsuits, product recalls or redesign efforts, all of which would be time consuming and expensive. Furthermore, if our products contain design defects, manufacturing defects, or other defects in materials or workmanship that cause them to not conform to applicable express or implied warranties, and/or we are unable to service or repair nonconforming vehicles within a reasonable period of time or number of repair attempts, we may be subject to breach of warranty, lemon law, and other consumer protection claims.

A successful product liability or warranty-related claim against us could result in a substantial monetary loss. Our risks in this area are particularly pronounced in light of the limited field experience of our vehicles. Moreover, a product liability or warranty-related claim against us or our competitors could generate substantial negative publicity about our vehicles and business and inhibit or prevent commercialization of our future vehicles, which would have material adverse effect on our brand, business, prospects and results of operations. Our insurance coverage might not be sufficient to cover all potential product liability and warranty-related claims, and insurance coverage may not continue to be available to us or, if available, may be at a significantly higher cost. Any lawsuit seeking significant monetary damages or other product liability or warranty-related claims may have a material adverse effect on our reputation, business and financial condition.

We may be exposed to delays, limitations and risks related to the environmental permits and other operating permits required to construct and operate our manufacturing facilities.

Construction and operation of an automobile manufacturing facility requires land use and environmental permits and other construction and operating permits from federal, state and local government entities. While we believe that we have the permits necessary to carry out and perform our current plans and operations at our Casa Grande, Arizona and Saudi Arabia manufacturing facilities based on our current target production capacity, we plan to expand our manufacturing facilities and construct additional manufacturing facilities over time to achieve a future target production capacity and will be required to apply for and secure various environmental, wastewater, hazardous materials, construction and land use permits and certificates of occupancy necessary for the commercial operation of such expanded and additional facilities. Delays, denials or restrictions on any of the applications for or assignment of the permits to construct or operate our manufacturing facilities could adversely affect our ability to execute on our business plans and objectives based on our current target production capacity or our future target production capacity. See “— Risks Related to Manufacturing and Supply Chain — *We have experienced and may in the future experience significant delays in the design, manufacture, launch and financing of our vehicles, including the Lucid Air, the Lucid Gravity and our Midsize platform, which could harm our business and prospects.*”

We are subject to various environmental, health and safety laws and regulations that could impose substantial costs on us and cause delays in expanding our production facilities.

Our operations are subject to international, federal, state and local environmental laws and regulations relating to the use, handling, storage, disposal of and exposure to hazardous materials and batteries. Environmental, health and safety laws and regulations are complex and evolving. For example, regulations regarding battery storage, recycling, disposal and processing are relatively new and the current lack of consistent standards may increase our cost of compliance. Moreover, we may be affected by future amendments to such laws or other new environmental, health and safety laws and regulations which may require a change in our operations, potentially resulting in a material adverse effect on our business, prospects, results of operations and financial condition. These laws can give rise to liability for administrative oversight costs, cleanup costs, property damage, bodily injury, fines and penalties. Capital and operating expenses needed to comply with environmental laws and regulations can be significant, and violations could result in substantial fines and penalties, third-party damages, suspension of production or a cessation of our operations.

If contamination is discovered at properties we own or operate, properties we formerly owned or operated or properties to which we sent hazardous substances, we may be subject to liability 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 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 financial condition or results of operations.

Our operations are also subject to international, federal, state, and local workplace safety laws and regulations, including, but not limited to, the Occupational Safety and Health Act and the rules promulgated by the Occupational Safety and Health Administration, which require compliance with various workplace safety requirements. These laws and regulations can give rise to liability for oversight costs, compliance costs, bodily injury (including workers' compensation), fines, and penalties. Additionally, non-compliance could result in delay or suspension of production or cessation of operations. The costs required to comply with workplace safety laws can be significant, and non-compliance could adversely affect our production or other operations, including with respect to the production of our vehicles, which could have a material adverse effect on our business, prospects and results of operations.

ADAS technology is subject to uncertain and evolving regulations.

We expect to introduce certain ADAS technologies into our vehicles over time. ADAS technology is subject to regulatory uncertainty as the law evolves to catch up with the rapidly evolving nature of the technology itself, all of which is beyond our control. There is a variety of international, federal and state regulations that may apply to self-driving and driver-assisted vehicles, which include many existing vehicle standards that assume a human driver will be controlling the vehicle at all times. Currently, there are no federal U.S. regulations in effect pertaining to the safety of self-driving vehicles; however, NHTSA has established recommended guidelines and recently proposed a regulation for self-driving vehicles. Certain states have legal restrictions on self-driving vehicles, and many other states are considering them. In Europe, certain vehicle safety regulations apply to self-driving braking and steering systems, and certain treaties also restrict the legality of certain higher levels of self-driving vehicles. Both the U.S. and Europe have proposed new rules for ADAS technologies that are expected to come into effect in future years. Self-driving laws and regulations are expected to continue to evolve in numerous jurisdictions in the United States and foreign countries, which increases the likelihood of a patchwork of complex or conflicting regulations or may delay products or restrict self-driving features and availability, which could adversely affect our business. Our vehicles may not achieve compliance with the regulatory requirements in some countries or jurisdictions for certification and rollout to consumers or satisfy changing regulatory requirements which could require us to redesign, modify or update our ADAS hardware and related software systems. Any such requirements or limitations could impose significant expense or delays and could harm our competitive position, which could adversely affect our business, prospects, results of operations and financial condition.

We are subject to U.S. and foreign anti-corruption, anti-money laundering and anti-boycott 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 expect to conduct activities, as well as the antiboycott regulations of the U.S. Export Administration regulations. 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. Anti-money laundering laws and regulations of the U.S. and other countries may require additional due diligence of counterparties and for us to provide ownership and financial information to counterparties. The antiboycott regulations of the U.S. Export Administration require us to refuse to comply with the Arab League boycott of Israel and report any requests to do so. 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.

We are subject to governmental export and import controls and laws that could subject us to liability if we are not in compliance with such laws.

Our vehicles and the equipment we use are subject to export control, import and economic sanctions 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 Control. Exports of our vehicles 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. In addition, our existing and future international operations for the reassembly or manufacture of our vehicles may subject us to additional constraints under applicable export and import controls and laws.

In addition, changes to our vehicles, or changes in applicable export control, import or economic sanctions laws and regulations, may create delays in the introduction and sale of our vehicles and solutions or, in some cases, prevent the export or import of our vehicles to certain countries, governments, or persons altogether. Any change in export, import, or economic sanctions laws and regulations, shift in the enforcement or scope of existing laws and regulations or change in the countries, governments, persons or technologies targeted by such laws and regulations could also result in decreased use of our vehicles, as well decreasing our ability to export or market our vehicles to potential customers. Any decreased use of our vehicles or limitation on our ability to export or market our vehicles could adversely affect our business, prospects, results of operations and financial condition.

Changes in U.S. trade policy, including the imposition of tariffs or revocation of normal trade relations and the resulting consequences, could adversely affect our business, prospects, results of operations and financial condition.

The U.S. government has adopted an evolving approach to trade policy and in some cases has attempted to renegotiate or terminate certain existing bilateral or multi-lateral trade agreements. It has also imposed, or proposed to impose, tariffs on certain foreign goods, including steel, certain vehicle parts and software, which have resulted in increased costs for goods imported into the United States. In response to these tariffs, a number of U.S. trading partners have imposed retaliatory tariffs on a wide range of U.S. products, which could make it costlier for us to export our vehicles to those countries. If we are unable to pass the costs of such tariffs on to our customer base or otherwise mitigate such costs, or if demand for our exported vehicles decreases due to the higher cost, our results of operations could be materially adversely affected. In addition, further tariffs have been proposed or imposed by the current administration of the United States and its trading partners, and additional trade restrictions could be implemented on a broad range of products or raw materials. The current U.S. presidential administration has also issued an executive order to review U.S. trade policies, practices, and agreements to address trade deficits and other economic security matters, including assessing whether the imposition of new or increased tariffs or other measures is required. The resulting environment of retaliatory trade or other practices could harm our ability to obtain necessary inputs or sell our vehicles at prices customers are willing to pay, which could have a material adverse effect on our business, prospects, results of operations and financial condition. Threat of tariffs and trade war among the United States, Canada, Mexico, China, the EU and other countries could impede the transition to electric vehicles, disrupt global supply chains, and delay the implementation of economic competitiveness policies.

In December 2021, the United States adopted the Uyghur Forced Labor Prevention Act (“UFLPA”) which creates a rebuttable presumption that any goods, wares, articles, and merchandise mined, produced, or manufactured in whole or in part in the Xinjiang Uyghur Administrative Region of China or that are produced by certain entities are prohibited from importation into the United States and are not entitled to entry. These import restrictions came into effect on June 21, 2022. While we are not presently aware of any direct impacts these restrictions will have on our supply chain, the UFLPA may materially and negatively impact our ability to import the goods and products we rely on to manufacture our products and operate our business. The UFLPA may further impact our supply chain and costs of goods as it may restrict the available supply of goods and products eligible for importation into the United States, including among other things, electronics assemblies, extractives (including coal, copper, hydrocarbons, oil, uranium, and zinc), textiles and fabrics (in particular, cotton) and renewable energy products (including polysilicon, ingots, wafers, crystalline silicon solar cells, and crystalline silicon solar photovoltaic modules). The full potential impact to us of the UFLPA remains uncertain and could have an adverse effect on our business and results of operations.

In 2022, in response to actions taken by Russia against Ukraine, the United States and other countries around the world undertook rapidly evolving and escalating campaigns targeting Russia and Belarus, and Russian and Belarussian entities and persons, with significant new economic sanctions designations and embargoes, financial restrictions, trade controls and other government restrictions.

Although we are not aware of any company-related operations or activities in these jurisdictions, these economic sanctions and other laws and regulations could disrupt our supply chains, impair our ability to compete in current or future markets, or otherwise subject us to potential liability. While we have implemented certain procedures to facilitate compliance with applicable laws and regulations in connection with the growing sanctions and trade control programs around the globe related to Russia and Belarus, we cannot be assured that these procedures are always effective or that we, or third parties, many of whom we do not control, have complied with all laws or regulations in this regard. Failure by our employees, representatives, contractors, agents, intermediaries, or other third parties to comply with applicable laws and regulations could also have negative consequences for us, including reputational harm, government investigations, loss of export privileges, and penalties or fines. These economic sanctions and other restrictions continue to evolve, and the long-term potential impact on our operations and business is still unclear.

In addition, the United States enacted federal regulations that significantly constrain trade relations with Russia and Belarus. As a result of this and executive action increasing import duty rates on certain Russia-origin products, imports of merchandise that is of Russian- or Belarussian-origin are subject to potentially higher import duty rates. To the extent such merchandise is found in our cross-border supply chains and subject to higher duties, the suspension of normal trade relations with Russian and Belarus could increase our input costs, which could have adverse impacts on our business and financial condition.

A failure to properly comply with foreign trade zone laws and regulations could increase the cost of our duties and tariffs.

We have established a foreign trade zone with respect to certain of our facilities in Casa Grande, Arizona, through qualification with U.S. Customs and Border Protection. Materials received in a foreign trade zone are not subject to certain U.S. duties or tariffs until the material enters U.S. commerce. We expect to benefit from the adoption of a foreign trade zone by reduced duties, deferral of certain duties and tariffs, and reduced processing fees, which we expect to help us realize a reduction in duty and tariff costs. However, the operation of our foreign trade zone requires compliance with applicable regulations, including with respect to the physical security of the foreign trade zone, and continued support of U.S. Customs and Border Protection with respect to the foreign trade zone program. If we are unable to maintain the qualification of our foreign trade zone, or if foreign trade zones are limited or unavailable to us in the future, our duty and tariff costs could increase, which could have an adverse effect on our business and results of operations.

Risks Related to Intellectual Property

We may fail to adequately obtain, maintain, enforce, defend and protect our intellectual property and may not be able to prevent third parties from unauthorized use of our intellectual property and proprietary technology. If we are unsuccessful in any of the foregoing, our competitive position could be harmed and we could be required to incur significant expenses to enforce our rights.

Our ability to compete effectively is dependent in part upon our ability to obtain, maintain, enforce, defend and protect our intellectual property and proprietary technology. We may not be able to prevent third parties from unauthorized use of our intellectual property and proprietary technology, which could harm our business and competitive position. We establish and protect our intellectual property and proprietary technology through a combination of licensing agreements, third-party nondisclosure and confidentiality agreements and other contractual rights, as well as through patent, trademark, copyright and trade secret laws in the United States and other jurisdictions. Monitoring unauthorized use of our intellectual property is costly and challenging, and the steps we have taken or will take to prevent infringement, misappropriation and other violations may not be successful. Despite our efforts to obtain and protect intellectual property rights, there can be no assurance that these protections will be available in all cases or will be adequate to prevent our competitors or other third parties from copying, reverse engineering or otherwise obtaining and using our technology or products or seeking court declarations that they do not infringe, misappropriate or otherwise violate our intellectual property. Failure to adequately obtain, maintain, enforce, defend and protect our intellectual property could result in our competitors offering identical or similar products, potentially resulting in the loss of our competitive advantage and a decrease in our revenue which would adversely affect our business, prospects, financial condition and results of operations.

The measures we take to obtain, maintain, protect, defend and enforce our intellectual property, including preventing unauthorized use by third parties, may not be effective for various reasons, including the following:

- any trademark or patent applications we file may not result in the issuance of trademarks or patents;
- we may not be the first inventor of the subject matter to which we have filed a particular patent application, and we may not be the first party to file such a patent application;
- the claims under any of our issued patents may not be broad enough to (i) protect our inventions and proprietary technology nor (ii) prevent third parties from creating, developing, or implementing technologies that are similar to ours or offer similar performance;
- our issued patents may be challenged or invalidated by our competitors or other third parties;
- patents have a finite term, and competitors and other third parties may offer identical or similar products after the expiration of our patents that cover such products;
- our employees, contractors or business partners may breach their confidentiality, non-disclosure and non-use obligations;
- competitors and other third parties may independently develop technologies that are the same or similar to ours;
- the intellectual property rights of others could also bar us from licensing and exploiting any patents that issue from our pending applications;
- the costs associated with enforcing patents or other intellectual property rights, or confidentiality and invention assignment agreements may make enforcement impracticable; and
- competitors and other third parties may circumvent or otherwise design around our patents or other intellectual property.

Patent, trademark, copyright and trade secret laws vary significantly throughout the world. The laws of some foreign countries, including countries in which our products are sold, may not be as protective of intellectual property rights as those in the United States, and mechanisms for obtaining and enforcing intellectual property rights may be inadequate. Therefore, our intellectual property may not

be as strong or as easily obtained or enforced outside of the United States. Further, policing the unauthorized use of our intellectual property in foreign jurisdictions may be difficult. In addition, third parties may seek to challenge, invalidate or circumvent our patents, trademarks, copyrights, trade secrets or other intellectual property, or applications for any of the foregoing, which could permit our competitors or other third parties to develop and commercialize products and technologies that are the same or similar to ours.

While we have registered and applied for trademarks in an effort to protect our brand and goodwill with customers, competitors or other third parties have in the past and may in the future oppose our trademark applications or otherwise challenge our use of the trademarks and other brand names in which we have invested. Such oppositions and challenges can be expensive and may adversely affect our ability to maintain the goodwill gained in connection with a particular trademark. In addition, we may lose our trademark rights if we are unable to submit specimens of use by the applicable deadline to perfect such trademark rights. For example, in June 2024, we reached an agreement with Gravity, Inc. to settle a claim before the USPTO that opposed and requested cancellation of our trademark application and registration for the use of “Gravity.”

It is our policy to enter into confidentiality and invention assignment agreements with our employees and contractors that have developed material intellectual property for us, but these agreements may not be self-executing and may not otherwise adequately protect our intellectual property, particularly with respect to conflicts of ownership relating to work product generated by the employees and contractors. Furthermore, we cannot be certain that we have entered into these agreements with every such employee and contractor, that these agreements will not be breached or that third parties will not gain access to our trade secrets, know-how or other proprietary technology. Third parties may also independently develop the same or substantially similar proprietary technology. Monitoring unauthorized use of our intellectual property is difficult and costly, as are the steps we have taken or will take to prevent misappropriation.

We have licensed and plan to further license patents and other intellectual property from third parties, including, but not limited to, suppliers and service providers, and we may face claims that our use of this in-licensed intellectual property infringes, misappropriates or otherwise violates the intellectual property rights of third parties. In such cases, we will seek indemnification from our licensors. However, our rights to indemnification may be unavailable or insufficient to cover our costs and losses. Furthermore, disputes may arise with our licensors regarding the intellectual property subject to, and any of our rights and obligations under, any license or other commercial agreement. The resolution of such disputes could narrow what we believe to be the scope of our rights to the relevant intellectual property or increase what we believe to be our financial or other obligations under the relevant agreement. If we are unable to renew our key license or other intellectual property-related agreements on acceptable terms, or our current and future licensors conclude that we have materially breached our obligations under our license agreements and terminate such license agreements, we may lose the legal right to use some of the intellectual property we employ to manufacture certain products or only be able to maintain such right at a substantially higher cost. In some circumstances, we may not have the right to control the maintenance, prosecution, preparation, filing, enforcement, defense or litigation of patents and patent applications that we license from third parties and are reliant on our licensors to do so. We cannot be certain that activities such as patent maintenance and prosecution by our licensors have been or will be conducted consistent with our best interests or in compliance with applicable laws and regulations, or will result in valid and enforceable patents and other intellectual property rights. It is possible that our licensors' infringement proceedings or defense activities may be less vigorous than had we conducted them ourselves or may not be conducted in accordance with our best interests.

To prevent unauthorized use of our intellectual property, it may be necessary to prosecute actions for infringement, misappropriation or other violation of our intellectual property against third parties. Any such action may be time-consuming and could result in significant costs and diversion of our resources and management's attention, and there can be no assurance that we will be successful in any such action. Furthermore, many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce their intellectual property rights than we do. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing, misappropriating or otherwise violating our intellectual property. Any of the foregoing could adversely affect our business, prospects, financial condition and results of operations.

We may be sued by third parties for alleged infringement, misappropriation or other violation of their intellectual property, which could be time-consuming and costly and result in significant legal liability.

There are considerable issued patents, pending patent applications, and other intellectual property development, ownership, and activity in our industry. Companies, organizations and individuals, including our competitors, may hold or obtain patents, trademarks or other intellectual property that would prevent, limit or interfere with our ability to make, use, develop, sell, lease, market or otherwise exploit our vehicles, components or other technology, which could make it more difficult for us to operate our business. Our success depends in part on not infringing, misappropriating or otherwise violating the intellectual property of third parties. From time-to-time, we may receive communications from third parties, including our competitors, alleging that we are infringing, misappropriating or otherwise violating their intellectual property or otherwise asserting their rights and urging us to take licenses, and we may be found to be infringing, misappropriating or otherwise violating such rights. There can be no assurance that we can adequately mitigate the risk of potential suits or other legal demands by our competitors or other third parties. Patent and other types of intellectual property litigation

can involve complex factual and legal questions, and their outcome is uncertain. Even if we believe such claims are without merit, a court of competent jurisdiction could hold that such third-party intellectual property is valid, enforceable and infringed, which could adversely affect our ability to commercialize our products or technologies. Accordingly, we may consider entering into license agreements with respect to such rights, although no assurance can be given that such licenses can be obtained on acceptable terms or at all or that litigation will not occur, and such licenses and associated litigation could significantly increase our operating expenses. We may be unaware of the intellectual property and other proprietary rights of third parties that may cover some or all of our products or technologies. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against it, could have adverse effects on our business, including requiring that it:

- pay substantial damages, including treble damages for willful infringement, or ongoing royalty payments;
- cease developing, selling, leasing, using or incorporating certain components into vehicles or offering goods or services that incorporate or use the asserted intellectual property;
- seek a license from the owner of the asserted intellectual property, which license may not be available on reasonable terms, or at all;
- comply with other unfavorable terms; or
- establish and maintain alternative branding for our products and services.

If any of our customers or indemnitees are alleged to have infringed, misappropriated or otherwise violated any third-party intellectual property, we would in general be required to defend or settle the litigation on their behalf. In addition, if we are unable to obtain licenses or modify our products or technologies to make them non-infringing, we may have to refund a portion of license fees paid to us and terminate those agreements, which could further exhaust our resources. In addition, we may pay substantial settlement amounts or royalties on future product sales to resolve claims or litigation, whether or not legitimately or successfully asserted against us. Even if we were to prevail in the actual or potential claims or litigation against us, any claim or litigation regarding our intellectual property could be costly and time-consuming and divert the attention and resources of our management and key employees from our business operations. Such disputes, with or without merit, could also cause potential customers to refrain from purchasing our products or otherwise cause us reputational harm and negative publicity.

Furthermore, many of our employees were previously employed by other automotive companies or by suppliers to automotive companies, or related industries. 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 these employees' 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 be enjoined from using certain technology, product, services, or knowledge or, we may lose valuable intellectual property or employees. A loss of key employees, our trade secrets, or our other 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. Any of the foregoing could materially adversely affect our business, prospects, results of operations and financial condition.

Some of our products contain open-source software, which may pose particular risks to our proprietary software, products and services in a manner that could harm our business.

We use open-source software, available from third parties, in our products and anticipate using open-source software in the future. Some open-source software licenses require those who distribute open-source software as part of their own software product to publicly disclose all or part of the source code to such software product or to make available any derivative works of the open-source code on unfavorable terms or at no cost, and we may be subject to such terms. The terms of many open-source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that open-source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of contract could harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours. While we monitor our as well as our third-party software suppliers' use of open-source software and compliance with open-source licenses and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open-source license, such use could inadvertently occur or be claimed to have occurred. Additionally, we could face claims from third parties claiming ownership of, or demanding release of, the open-source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce, or alleging non-compliance with the terms of the applicable open-source license. These claims could result in litigation and could require us to make our proprietary source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement, which may be a costly and time-consuming process, and we may not be able to complete the re-engineering process successfully.

Additionally, the use of certain open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties or controls on the origin of software or other contractual protections regarding infringement claims or the quality of the code, including with respect to security vulnerabilities. Moreover, some open-source projects have known security and other vulnerabilities and architectural instabilities, or are otherwise subject to security attacks due to their wide availability, and are provided on an "as-is" basis. There is typically no support available for open-source software, and we cannot ensure

that the authors of such open-source software will implement or push updates to address security risks or will not abandon further development and maintenance. Many of the risks associated with the use of open-source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business. Any of these risks could be difficult to eliminate or manage and, if not addressed, could have a material adverse effect on our business, prospects, results of operations and financial condition.

Risks Related to Financing and Strategic Transactions

We will require additional capital to support business growth, and this capital might not be available on commercially reasonable terms, or at all.

We have funded our operations since inception primarily through equity and debt financings. For example, we issued \$2.0 billion of 1.25% convertible senior notes due 2026 in December 2021 (the “2026 Notes”), entered into a credit agreement that provides for a \$1.0 billion senior secured asset-based revolving credit facility in June 2022 (the “ABL Credit Facility”), completed an “at-the-market” equity offering program for aggregate net proceeds of \$594.3 million after deducting commissions and other issuance costs and consummated a private placement of common stock to Ayar for aggregate proceeds of \$915.0 million in December 2022. In addition, we have, through our subsidiary, entered into a loan agreement with the Saudi Industrial Development Fund for an aggregate principal amount of up to SAR 5.19 billion in February 2022 (the “SIDF Loan Agreement”), entered into a revolving credit facility agreement with Gulf International Bank for an aggregate principal amount of SAR 1.0 billion in April 2022, which was amended in March 2023 (as amended, the “2023 Amended GIB Facility Agreement”), and also entered into \$750 million unsecured delayed draw term loan credit facility (the “DDTL Credit Facility”) in August 2024. In June 2023, we completed an underwritten public offering of common stock for aggregate net proceeds of \$1.2 billion and consummated a private placement to Ayar for aggregate net proceeds of \$1.8 billion, after deducting issuance costs. We also consummated private placements of Redeemable Convertible Preferred Stock to Ayar for aggregate net proceeds of \$997.6 million after deducting issuance cost in March 2024 and aggregate net proceeds of \$749.4 million after deducting issuance costs in August 2024. In addition, in October 2024, we completed an underwritten public offering of common stock for aggregate net proceeds of \$718.4 million after deducting issuance costs and consummated a private placement to Ayar for aggregate net proceeds of approximately \$1.0 billion after deducting issuance costs. We anticipate that we will continue to need to raise additional funds through equity, equity-linked or debt financings. Our business is capital-intensive, and we expect the costs and expenses associated with our planned operations will continue to increase in the near term. We do not expect to achieve positive cash flow from operations for several years, if at all. In addition, we have and we expect to settle tax withholding obligations in connection with vesting of the restricted stock units granted to certain employees through “net settlement,” i.e., by remitting the Company’s cash to satisfy the tax withholding obligation and simultaneously withholding a number of the vested shares on each vesting date with a value equal to that remitted cash. The amount of the tax withholding due on each vesting date will be based on the fair value of our common stock on such vesting date. Depending on the fair value of our common stock and the number of restricted stock units vesting on any applicable vesting date, such net settlement could require us to expend substantial funds to satisfy tax withholding.

Our plan to continue the commercial production of our vehicles and grow our business is dependent upon the timely availability of funds and further investment in design, engineering, component procurement, testing, and the build-out of manufacturing capabilities. For example, we have entered into amended agreements with Panasonic Energy Co., Ltd. and certain of its affiliates. As of December 31, 2024, pursuant to the terms of the amended agreements, we have remaining minimum purchase commitments of an aggregate of approximately \$2.7 billion of lithium-ion battery cells using the current base prices, which could vary period-to-period primarily as a result of changes in raw material indexes. In addition, the fact that we have a limited operating history means that we have limited historical data on the demand for our vehicles. As a result, our future capital requirements are uncertain, and actual capital requirements may be greater than what we currently anticipate.

If we raise additional funds through further issuances of equity or equity-linked securities, our stockholders could experience significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing in the future could involve additional restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

We may not be able to obtain additional financing on terms favorable to us, if at all. Our ability to obtain such financing could be adversely affected by a number of factors, including general conditions in the global economy and in the global financial markets, including recent volatility and disruptions in the capital and credit markets, including as a result of inflation, government closures of banks and liquidity concerns at other financial institutions, interest rate changes, global conflicts or other geopolitical events, or investor acceptance of our business model. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, we will have to significantly reduce our spending, delay or cancel our planned activities or substantially change our corporate structure, and we might not have sufficient resources to conduct or support our business as projected, which would have a material adverse effect on our business, prospects, results of operations and financial condition.

We may not be able to realize the anticipated benefits of our agreement with Aston Martin.

In June 2023, we entered into an agreement (the “Implementation Agreement”) with Aston Martin Lagonda Global Holdings plc (together with its subsidiaries, “Aston Martin”) under which we and Aston Martin have established a long-term strategic technology arrangement. On November 6, 2023, pursuant to the terms of the Implementation Agreement, integration and supply arrangements became effective, under which we will provide Aston Martin access to our powertrain, battery system, and software technologies, work with Aston Martin to integrate our powertrain and battery components with Aston Martin’s battery electric vehicle chassis, and supply powertrain and battery components to Aston Martin (collectively, the “Strategic Technology Arrangement”). See Item 1 “Business” and Note 16 “Related Party Transactions” to the consolidated financial statements included elsewhere in this Annual Report for more information.

We may not be able to realize the anticipated benefits of the Strategic Technology Arrangement if we experience delays, fail to successfully integrate our powertrain and battery components with Aston Martin’s vehicles, or fail to enter into a long form supply agreement on terms acceptable to us, or if we experience delays or fail to deliver the components ordered by Aston Martin. Any such delay or failure for any reason, including for reasons beyond our control, may have an adverse effect on our brand and reputation, and our business, prospects, results of operations and financial condition.

The accounting method for reflecting the 2026 Notes on our consolidated balance sheet, accruing interest expense for the 2026 Notes and reflecting the underlying shares of our common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition.

In August 2020, the Financial Accounting Standards Board published an Accounting Standards Update, which we refer to as ASU 2020-06, which simplifies certain of the accounting standards that apply to convertible debt such as the 2026 Notes. ASU 2020-06 will be effective for SEC-reporting entities for fiscal years beginning after December 15, 2021 (or, in the case of smaller reporting companies, December 15, 2023), including interim periods within those fiscal years. However, early adoption is permitted in certain circumstances for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. We adopted ASU 2020-06 for the year ended December 31, 2021, including interim periods within that fiscal year.

In accordance with ASU 2020-06, we accounted for the issuance of the 2026 Notes as a liability on our balance sheets, with the initial carrying amount equal to the principal amount of the 2026 Notes, net of issuance costs. The issuance costs will be treated as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the 2026 Notes. As a result of this amortization, the interest expense that we expect to recognize for the 2026 Notes for accounting purposes will be greater than the cash interest payments we will pay on the 2026 Notes, which will result in a higher reported loss.

In addition, the shares underlying the 2026 Notes will be reflected in our diluted earnings per share using the “if converted” method, in accordance with ASU 2020-06. Under that method, diluted earnings per share would generally be calculated assuming that all the 2026 Notes were converted solely into shares of 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, and accounting standards may change in the future in a manner that may adversely affect our diluted earnings per share.

Furthermore, if any of the conditions to the convertibility of the 2026 Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the 2026 Notes as a current, rather than a long-term liability. This reclassification could be required even if no noteholders convert their 2026 Notes and could materially reduce our reported working capital.

Servicing our current and future debt and potential payment obligations in certain circumstances under the terms of our Redeemable Convertible Preferred Stock may require a significant amount of cash, and we may not have sufficient cash flow from our business to pay our indebtedness or satisfy our payment obligations. Our payment obligations under such indebtedness and, if applicable, our Redeemable Convertible Preferred Stock may limit the funds available to us, and the terms of our debt agreements may restrict our flexibility in operating our business or otherwise adversely affect our results of operations.

In December 2021, we issued \$2.0 billion principal amount of 2026 Notes and have entered into several credit facilities in 2022. See Note 6 “Debt” to the consolidated financial statements included elsewhere in this Annual Report for further information on our outstanding debt obligations. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness from time-to-time depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt, our obligations under the Redeemable Convertible Preferred Stock and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or preferred stock or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any current or future indebtedness or preferred stock will depend on the capital markets and our financial condition at such time. Our obligations to the holders of our Redeemable Convertible Preferred Stock could also limit our ability to obtain additional financing, which could have an adverse effect on our financial condition. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. In addition, our existing debt agreements contain, and any of our future debt agreements may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt.

In addition, our indebtedness and our obligations under our Redeemable Convertible Preferred Stock, combined with our other existing and future financial obligations and contractual commitments, could have other important consequences. For example, it could:

- make us more vulnerable to adverse changes in general U.S. and worldwide economic, industry and competitive conditions and adverse changes in government regulation;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- place us at a disadvantage compared to our competitors who have less debt or other obligations;
- limit our ability to borrow or raise additional amounts to fund acquisitions, for working capital and for other general corporate purposes; and
- make an acquisition of our company less attractive or more difficult.

In addition, under the SIDF Loan Agreement, the 2023 Amended GIB Facility Agreement, the ABL Credit Facility, and the DDTL Credit Facility, we are subject to customary affirmative and negative covenants regarding our business and operations, including limitations on our ability to, among other things, pay dividends, incur debt, create liens and encumbrances, redeem or repurchase stock, dispose of assets (including dispositions of material intellectual property), consummate acquisitions or other investments, prepay certain debt, engage in transactions with affiliates, engage in sale and leaseback transactions, consummate mergers and other fundamental changes, enter in to restrictive agreements or modify their organizational documents. Any debt financing secured by us in the future could also involve such covenants as well as additional restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital to pursue business opportunities, including potential acquisitions or divestitures. Any default under our debt arrangements could require that we repay our indebtedness immediately, and may limit our ability to obtain additional financing, which in turn may have an adverse effect on our cash flows and liquidity.

Further, shares of our common stock are subordinate in right of payment to all of our current and future debt and Redeemable Convertible Preferred Stock. We cannot assure that there would be any remaining funds for any distribution to our stockholders after the payment of all of our debt or, in the case of our Redeemable Convertible Preferred Stock, payment of all of our obligations upon liquidation or, in certain limited circumstances where cash settlement is required, our obligations upon mandatory conversion, optional redemption or a fundamental change. See “*We may be unable to raise the funds necessary to pay the cash amounts due upon mandatory conversion, redeem our Redeemable Convertible Preferred Stock or repurchase the Redeemable Convertible Preferred Stock upon a fundamental change.*”

Any of these factors could harm our business, results of operations and financial condition. In addition, if we incur additional indebtedness or issue additional Redeemable Convertible Preferred Stock, the risks related to our business and our ability to service or repay our indebtedness would increase.

We have incurred and may still incur substantially more debt.

We and our subsidiaries have incurred and may need to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. The ABL Credit Facility and Certificate of Designations imposes certain restrictions on our ability to incur additional debt, but we are not restricted under the terms of the indenture governing our 2026 Notes from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of such indenture governing our 2026 Notes that could have the effect of diminishing our ability to make payments on our 2026 Notes when due.

The conditional conversion feature of the 2026 Notes, if triggered, may adversely affect our financial condition and operating results.

From and after September 15, 2026, noteholders may convert their 2026 Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. In the event the conditional conversion feature of the 2026 Notes is triggered, holders of such 2026 Notes will be entitled under the indenture governing such 2026 Notes to convert their 2026 Notes at any time during specified periods at their option. If one or more holders of 2026 Notes elect to convert such 2026 Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock, 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. In addition, in certain circumstances, such as conversion by holders or redemption, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2026 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

We may be unable to raise the funds necessary to repurchase the 2026 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 2026 Notes or pay cash upon their conversion.

Noteholders may, subject to a limited exception, require us to repurchase their 2026 Notes following a fundamental change at a cash repurchase price generally equal to the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid interest, if any. In addition, upon conversion, we will satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in shares of our common stock. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the 2026 Notes or pay any cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing our other indebtedness, such as the covenants in the ABL Credit Facility and Certificate of Designations, may restrict our ability to repurchase the 2026 Notes or pay any cash amounts due upon conversion. Our failure to repurchase 2026 Notes or pay any cash amounts due upon conversion when required will constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, 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 2026 Notes.

We may be unable to raise the funds necessary should any cash amounts become payable upon mandatory conversion or in connection with a fundamental change or optional redemption in relation to our Redeemable Convertible Preferred Stock.

In March 2024, we issued 100,000 shares of our Series A Redeemable Convertible Preferred Stock and in August 2024, we issued 75,000 shares of our Series B Redeemable Convertible Preferred Stock. The holders of our Redeemable Convertible Preferred Stock have the right to receive payment in cash upon a mandatory conversion or redemption at our option, or upon the occurrence of a fundamental change (as defined in the Certificate of Designations), if certain liquidity conditions are not satisfied. In general, we are entitled to exercise a mandatory conversion right regarding the Redeemable Convertible Preferred Stock to convert into shares of common stock after the third anniversary of the date of original issuance if the daily VWAP (as defined in the Certificate of

Designations) has been at least 200% of the Conversion Price (as defined above) for at least twenty (20) trading days (whether or not consecutive) during any thirty (30) consecutive trading day period (including the last day of such period), and we are entitled to redeem all or any portion of the Redeemable Convertible Preferred Stock on or after the fifth anniversary of the date of original issuance at a redemption price specified in the Certificate of Designations.

The holders of our Redeemable Convertible Preferred Stock also have the right to receive certain Minimum Consideration (as defined below) upon a mandatory conversion, optional redemption, fundamental change or liquidation event. While we largely can control the occurrence of such events, if we are required to cash settle any of these obligations as a result of the liquidity conditions not being met, the amount of such cash settlement is subject to factors beyond our control and we cannot presently predict the amount of such cash settlement, which increases over time is not subject to any cap or limitation. A requirement to cash settle any obligations in relation to the Redeemable Convertible Preferred Stock may have a material adverse effect on our business, prospects, results of operations and financial condition. See “—*The settlement of our obligations upon conversion, optional redemption or required repurchase of our Redeemable Convertible Preferred Stock is expected to dilute the ownership of common stockholders and the number of shares of common stock issuable upon mandatory conversion, optional redemption or fundamental change is presently indeterminable.*”

The settlement of our obligations upon conversion, optional redemption or required repurchase of our Series A or Series B Redeemable Convertible Preferred Stock is expected to dilute the ownership of common stockholders and the number of shares of common stock issuable upon mandatory conversion, optional redemption or fundamental change is presently indeterminable.

The Series A Redeemable Convertible Preferred Stock and the Series B Redeemable Convertible Preferred Stock are convertible into our common stock at an initial conversion price of \$3.5952 per share and \$4.3799 per share, respectively (the “Conversion Price”). The Conversion Price is subject to customary anti-dilution adjustments, including in the event of any stock split, stock dividend, recapitalization or similar event. Dividends on the Redeemable Convertible Preferred Stock are payable at an initial rate of 9% per annum in the form of dividends compounding on a quarterly basis. Such compounded dividends are not subject to any cap or sunset provisions and can accrue into perpetuity. At issuance, the Series A Redeemable Convertible Preferred Stock was initially convertible into 278.15 million shares of common stock, representing approximately 12% of our then issued and outstanding common stock. Upon entry into the Series B Subscription Agreement, the Series B Redeemable Convertible Preferred Stock is expected to be initially convertible into 171.24 million shares of common stock, representing approximately 7% of our then issued and outstanding common stock. Holders of the Redeemable Convertible Preferred Stock may convert their shares (a) at any time that the closing price per share of our common stock on the trading day immediately preceding the date of the relevant notice of conversion is at least \$5.50 (subject to certain adjustments), unless we otherwise consent to such conversion in our sole discretion, or (b) in all events during certain specified periods relating to a fundamental change or optional redemption by us. The number of shares of common stock issuable upon conversion (other than a mandatory conversion) in the future, subject to certain exceptions, is determined by dividing (i) the applicable Accrued Value (as defined in the Certificate of Designations) as of the conversion date by (ii) the applicable Conversion Price in effect as of such conversion date. As such, the number of shares of common stock issuable upon conversion may continue to increase in perpetuity as each of the compounded dividends increases the Accrued Value. Meeting these conversion obligations could impact our financial condition, liquidity, ability to obtain additional financing, or ability to allocate resources to addressing other aspects of our business including addressing the interests of the holders of our common stock. Except in the case of a mandatory conversion for which we elect (or are required) to satisfy our conversion obligation in cash (as further described under “—*We may be unable to raise the funds necessary should any cash amounts become payable upon mandatory conversion or in connection with a fundamental change in relation to our Redeemable Convertible Preferred Stock, or to optionally redeem our Redeemable Convertible Preferred Stock*”), any conversion of the Redeemable Convertible Preferred Stock will also increase the number of shares of our common stock available for public trading, which could adversely affect prevailing market prices of our common stock.

In addition, the holders of the Redeemable Convertible Preferred Stock may also be entitled to receive “Minimum Consideration” in certain situations in the case the Company exercises its rights in respect of a mandatory conversion or optional redemption or in the case of a fundamental change (as defined in the Certificate of Designations). Such Minimum Consideration is determined by multiplying the Accrued Value by the relevant percentage set forth in the Certificate of Designations based on the number of months that have elapsed since the initial issuance of the Redeemable Convertible Preferred Stock. In the event that the Minimum Consideration exceeds the Accrued Value, we would be required to pay or deliver, as the case may be, consideration having a value in excess of Accrued Value in order to redeem or refinance the Redeemable Convertible Preferred Stock. If an event occurs that requires us to deliver Minimum Consideration, the number of shares of common stock issuable to satisfy such obligation is presently indeterminable and, in particular if our stock price is substantially below the initial conversion price, meeting such common stock issuance obligation may result in significant dilution to the common stockholders which could have a material adverse effect on the market prices of our common stock and on our financial condition, liquidity, and ability to obtain additional financing. In addition, the holders of the Redeemable Convertible Preferred Stock may also be entitled to receive Minimum Consideration in the event of our liquidation, dissolution or winding up, which may reduce or eliminate the value of any remaining assets for distribution to common stockholders in such an event.

The holders of our Redeemable Convertible Preferred Stock are entitled to vote on an as-converted to common stock basis and have rights to approve certain actions, which reduces the relative voting power of the holders of our common stock.

The holders of our Redeemable Convertible Preferred Stock are entitled to vote, on an as-converted basis together with holders of our common stock, the number of votes (subject to a voting cap in accordance with Nasdaq listing rules) equal to the number of whole shares of common stock into which the shares of the Redeemable Convertible Preferred Stock held by such holder are convertible on the record date for determining stockholders entitled to vote on such matter, which reduces the relative voting power of our common stockholders.

In addition, as long as at least 10% of the aggregate number of shares of the Series A and Series B Redeemable Convertible Preferred Stock originally issued remain outstanding, respectively, and subject to certain other conditions, holders of such Redeemable Convertible Preferred Stock are entitled to a separate class vote with respect to, among other things, amendments to our organizational documents that have an adverse effect on the respective Redeemable Convertible Preferred Stock, authorizations or issuances by us of capital stock that ranks senior or equal to the respective Redeemable Convertible Preferred Stock with respect to dividends or distributions on liquidation or the terms of which provide for cash dividends (other than the common stock), winding-up or dissolution, and decreases in the number of authorized shares of the Redeemable Convertible Preferred Stock.

As a result of these consent and voting rights of the Redeemable Convertible Preferred Stock, holders of the Redeemable Convertible Preferred Stock have significant power to influence the outcome over any matter submitted for the vote of the holders of our common stock and to influence certain matters affecting our governance and capitalization.

Our Redeemable Convertible Preferred Stock has rights, preferences and privileges that are not held by, and are senior to the rights of, our common stockholders.

The Redeemable Convertible Preferred Stock ranks senior to the common stock with respect to dividends and distributions of assets upon the Company's liquidation, dissolution or winding up. In addition, the Redeemable Convertible Preferred Stock creates substantial obligations upon us in the case of a conversion, mandatory conversion, optional redemption, fundamental change or liquidation event that may have an adverse effect upon our financial condition and the interests of the holders of our common stock. The Redeemable Convertible Preferred Stock ranks senior to the common stock with respect to dividends substantially limits our ability to issue parity securities, junior securities or cash dividend securities, and may in some circumstances limit our ability to pay dividends on our common stock. Furthermore, the Certificate of Designations also provides that as long as Ayar owns at least 50% of the Redeemable Convertible Preferred Stock, we will comply with certain debt incurrence covenants in our ABL Credit Facility.

Holders of the Redeemable Convertible Preferred Stock also have rights to a guaranteed Minimum Consideration in the event that the Company exercises its right to mandatory conversion or optional redemption of the Redeemable Convertible Preferred Stock, and in the event of a fundamental change or liquidation event. See “—*The settlement of our obligations upon conversion, optional redemption or required repurchase of our Redeemable Convertible Preferred Stock is expected to dilute the ownership of common stockholders and the number of shares of common stock issuable upon mandatory conversion, optional redemption or fundamental change is presently indeterminable.*” In addition, holders of our Redeemable Convertible Preferred Stock have the right to receive payment in cash upon a mandatory conversion, optional redemption or a fundamental change if certain liquidity conditions are not satisfied. See “—*Servicing our current and future debt and potential payment obligations in certain circumstances under our Redeemable Convertible Preferred Stock may require a significant amount of cash, and we may not have sufficient cash flow from our business to pay our indebtedness. Our payment obligations under such indebtedness and, if applicable, our Redeemable Convertible Preferred Stock may limit the funds available to us, and the terms of our debt agreements may restrict our flexibility in operating our business or otherwise adversely affect our results of operations*” and “—*We may be unable to raise the funds necessary should any cash amounts become payable upon mandatory conversion or in connection with a fundamental change or optional redemption in relation to our Redeemable Convertible Preferred Stock.*”

We may be unable to draw down the full amounts available under the ABL Credit Facility, the SIDF Loan Agreement, the 2023 Amended GIB Facility Agreement or the DDTL Credit Facility.

The ABL Credit Facility has an initial aggregate principal commitment amount of up to \$1.0 billion. However, availability of the committed amounts under the ABL Credit Facility is subject to the value of the eligible borrowing base and certain debt compliance covenants in the Certificate of Designations. We are currently able to draw down only a portion of the full amount available under the ABL Credit Facility. In addition, there is no guarantee that we will have sufficient eligible borrowing base in the future to be able to draw down the full amount available under the ABL Credit Facility. In addition, amounts committed under the SIDF Loan Agreement and the 2023 Amended GIB Facility Agreement are only available for certain specific purposes and subject to conditions on drawdowns. The DDTL Credit Facility provides for a \$750.0 million delayed draw term loan credit facility subject to drawdown conditions, including the requirement that there is no availability under the ABL Credit Facility. Any inability to draw down the full amounts committed under these facilities, should the need arise, may have an adverse effect on our cash flows and liquidity.

We may not be able to identify adequate strategic relationship opportunities or form strategic relationships, in the future.

Strategic business relationships are and will continue to be an important factor in the growth and success of our business. From time-to-time, we explore opportunities to enter into strategic relationships, including partnerships with original equipment manufacturers. However, there are no assurances that we will be able to identify or secure suitable business relationship opportunities in the future or that we will be able to maintain such relationships. In addition, our competitors may capitalize on such opportunities before we do and we may not be able to offer similar benefits to other companies with which we would like to establish and maintain strategic relationships, which could impair our ability to establish such relationships. For example, we have partnered with third-party electric vehicle charging providers to provide our customers with access to charging infrastructure, and we will rely on ongoing access to such infrastructure to provide our customers with charging solutions. If third-party electric vehicle charging providers terminate their partnerships or otherwise fail to deliver the anticipated benefits of their partnerships, our ability to provide a satisfactory customer experience will be harmed. In addition, although we have agreed to join Tesla's Supercharger network, there may be delays in making changes to our vehicles or the network necessary for Lucid vehicles to charge at Tesla Superchargers. Our current and future alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the third party and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

Moreover, identifying and executing on such opportunities could demand substantial management time and resources, and negotiating and financing relationships involves significant costs and uncertainties. If we are unable to successfully source and execute on strategic relationship opportunities in the future, our overall growth could be impaired, and our business, prospects and results of operations could be materially adversely affected.

We may acquire other businesses, which could require significant management attention, disrupt our business, dilute stockholder value and adversely affect our results of operations.

As part of our business strategy, we may make investments in complementary companies, solutions or technologies. We may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. In addition to possible stockholder approval, we may need approvals and licenses from relevant government authorities for the 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. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals. In addition, if we are unsuccessful at integrating such acquisitions or developing the acquired technologies, the revenue and results of operations of the combined company could be adversely affected. Further, the integration of acquired businesses or assets typically requires significant time and resources, which could result in a diversion of resources from our existing business, which could have an adverse effect on our operations, and we may not be able to manage the process successfully. We may not successfully evaluate or utilize the acquired technology or personnel or accurately forecast the financial impact of an acquisition transaction, including accounting charges. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition or the value of our common stock. The sale of equity or issuance of debt to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness could result in increased fixed obligations and exposure to potential unknown liabilities of the acquired business and could also include covenants or other restrictions that could impede our ability to manage our operations.

Our financial results may vary significantly from period-to-period due to fluctuations in our production levels, operating costs, product demand and other factors.

Our period-to-period financial results may vary based on our production levels, operating costs and product demand, which we anticipate will fluctuate as we continue to design, develop and manufacture new vehicles (which could also reduce sales of our existing vehicles), increase production capacity and establish or expand design, research and development, production, sales and service facilities. Our revenues from period-to-period may fluctuate as we identify and investigate areas of demand, adjust volumes and add new incentives or product derivatives based on market demand and margin opportunities, develop and introduce new vehicles or introduce existing vehicles to new markets for the first time. Our production levels also depend on our ability to obtain vehicle components from our suppliers, the effective operation of our manufacturing facilities, our ability to expand our production capacity, and our ability to timely deliver finished vehicles to customers. Lower production and sales volumes and an inability to fully utilize our purchase commitments with suppliers may result in increased costs and excess inventory as well as potential inventory write-offs. In addition, automotive manufacturers typically experience significant seasonality, with comparatively low sales in the first quarter and comparatively high sales in the fourth quarter, and we expect to experience similar seasonality as we scale commercial production and sale of our current and future vehicles. Our period-to-period results of operations may also fluctuate because of other factors including labor availability and costs for hourly and management personnel; profitability of our vehicles in all of our markets, including price adjustments and/or incentives; changes in interest rates; impairment of long-lived assets; macroeconomic conditions; negative publicity relating to our vehicles; changes in consumer preferences and competitive conditions; investment in expansion to new markets; or increase in our sales, service and marketing activities. As a result of these factors, we believe that quarter-to-quarter comparisons of our financial results, especially in the short-term, may have limited utility as an indicator of future performance. Significant variation in our quarterly performance could significantly and adversely affect the trading price of our common stock.

Risks Related to Tax

Our ability to use net operating loss carryforwards and certain other tax attributes may be limited.

We have accumulated U.S. federal and state net operating loss (“NOL”) carryforwards and research and development credits which may be available to offset and reduce future taxable income. While our U.S. federal NOL carryforwards arising in taxable years beginning after December 31, 2017, will not be subject to expiration, some of our U.S. federal and state NOL carryforwards from taxable years prior to 2018 will begin to expire in 2028. As of December 31, 2024, we also had U.S. federal research and development credit carryforwards which will begin to expire in 2036 and state research and development credit carryforwards with no expiration. As of December 31, 2024, we have foreign net operating loss carryforwards, the majority of which will begin to expire in 2043. As of December 31, 2024, we maintain a full valuation allowance for our U.S. and the majority of our non-U.S. net deferred tax assets.

Our U.S. federal and state NOL 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 NOL 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 have completed a formal Section 382 study of our equity transactions through December 31, 2020. The study determined that we experienced an “ownership change” in 2016, and we will not be able to utilize \$12 million of our U.S. federal NOL and \$3 million of U.S. federal research and development tax credit carryforwards. Similar provisions of state law may also apply to limit our use of accumulated state tax attributes from the same period.

We have not yet completed an analysis of whether the business combination between the Company and Legacy Lucid also caused an “ownership change.” In addition, future changes in our stock ownership may be outside of our control. If we undergo an ownership change, we may be prevented from fully utilizing the NOL carryforwards and tax credits existing at the time of the ownership change prior to their expiration. Future regulatory changes could also limit our ability to utilize NOL carryforwards and tax credits. To the extent we are not able to offset future taxable income with our NOL carryforwards and tax credits, our net income and cash flows may be adversely affected.

It is possible that we will not generate taxable income in time to use any of our NOL carryforwards and research and development credits before their expiration.

Unanticipated tax laws or any change in the application of existing tax laws to us or our customers or any change to our corporate structure may adversely impact our profitability and business.

We are subject to income and other taxes in the United States and a growing number of foreign jurisdictions. Existing domestic and foreign tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified, or applied adversely to us (possibly with retroactive effect), which could require us to change our transfer pricing policies and pay additional tax amounts, fines or penalties, surcharges, and interest charges for past amounts due, the amounts and timing of which are difficult to discern. Existing tax laws, statutes, rules, regulations, or ordinances could also be interpreted, changed, modified, or applied adversely to our customers (possibly with retroactive effect) and, if our customers are required to pay additional surcharges, it could adversely affect demand for our vehicles.

Furthermore, changes to federal, state, local, or international tax laws on income, sales, use, import/export, indirect, or other tax laws, statutes, rules, regulations, or ordinances on multinational corporations continue to be considered by the United States and other countries where we currently operate or plan to operate. For example, the Tax Cuts and Jobs Act of 2017 introduced a Base Erosion and Anti-Abuse Tax which imposes a minimum tax on adjusted income of corporations with average applicable gross receipt of at least \$500 million for prior three tax years and that make certain payments to related foreign persons. While these rules do not impact our results of operations in the current year, these could impact our financial results in future periods. In addition, the Organization for Economic Cooperation and Development has issued model rules in connection with the Base Erosion and Profit Shifting integrated framework that determine multi-jurisdictional taxing rights and the rate of tax applicable to certain types of income.

These contemplated tax initiatives, if finalized and adopted by the United States or other countries where we do business, and the other tax issues described above may materially and adversely impact our operating activities, transfer pricing policies, effective tax rate, deferred tax assets, operating income, and cash flows.

We may change our corporate structure, our business operations or certain agreements that we have entered into relating to taxes in a particular jurisdiction. These changes may materially and adversely impact our consolidated financial statements.

Our warrants are accounted for as liabilities and the changes in value of our warrants could have a material effect on our financial results.

On April 12, 2021, the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the SEC together issued a public statement (the “SEC Warrant Accounting Statement”) on accounting and reporting considerations for warrants issued by special purpose acquisition companies (“SPACs”). The SEC Warrant Accounting Statement discussed “certain features of warrants issued in SPAC transactions” that “may be common across many entities.” The SEC Warrant Accounting Statement indicated that when one or more of such features is included in a warrant, the warrant “should be classified as a liability measured at fair value, with changes in fair value each period reported in earnings.” In light of the SEC Warrant Accounting Statement and guidance in Accounting Standards Codification (“ASC”) 815-40, “Derivatives and Hedging — Contracts in Entity’s Own Equity,” Churchill’s management evaluated the terms of the Warrant Agreement entered into in connection with the Churchill IPO and concluded that the warrants include provisions that, based on the SEC Warrant Accounting Statement, preclude the warrants from being classified as components of equity. As a result, Churchill classified the warrants as liabilities. Under this accounting treatment, we are required to measure the fair value of the Private Placement Warrants at the end of each reporting period and recognize changes in the fair value from the prior period in our operating results for the current period. As a result of the recurring fair value measurement, our financial statements and results of operations may fluctuate quarterly based on factors which are outside our control. We expect that we will recognize non-cash gains or losses due to the quarterly fair valuation of the warrants and that such gains or losses could be material.

In addition, following the issuance of the SEC Warrant Accounting Statement, and after consultation with Churchill's independent registered public accounting firm and Churchill's management team, Churchill concluded that, in light of the SEC Warrant Accounting Statement, it was appropriate to restate its financial statements for the period ended December 31, 2020, and the financial statements as of August 3, 2020 and as of and for the period ended September 30, 2020, in the financial statements accompanying Churchill's Annual Report on Form 10-K/A.

Risks Related to Public Company Requirements

The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business.

We are required to comply with various regulatory and reporting requirements, including those required by the SEC and Nasdaq. Complying with these reporting and other regulatory requirements is time-consuming and will result in increased costs to us and could have a negative effect on our results of operations, financial condition or business. Those requirements and their interpretation and application may also change from time-to-time and those changes could have a material adverse effect on our results of operations, financial condition or business. A failure to comply with such requirements, as interpreted and applied, could also have a material adverse effect on our results of operations, financial condition or business. These obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, results of operations, cash flows, and financial condition.

As a public company, we are subject to the reporting requirements of the Exchange Act and the requirements of the Sarbanes-Oxley Act. These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we implement and maintain effective disclosure controls and procedures and internal controls over financial reporting. In addition, changing laws, regulations, and standards related to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

To implement, maintain and improve the effectiveness of our disclosure controls and procedures, we will need to commit significant resources, hire additional staff and provide additional management oversight. To comply with the requirements of being a public company, we have undertaken, and expect to continue to further undertake in the future, various actions, such as hiring additional accounting staff and implementing new internal controls and procedures for the purpose of addressing the standards and requirements applicable to public companies. Sustaining our growth also will require us to commit additional management, operational and financial resources to identify new professionals to join us and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our results of operations, financial condition or business.

If we identify material weaknesses or otherwise fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and the value of our common stock.

We are subject to the SEC's internal control over financial reporting requirements. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules.

As part of such requirements, we are required to provide management's attestation on the report on internal control over financial reporting by our independent registered public accounting firm. The design of internal controls over financial reporting for our business has required and will continue to require significant time and resources from management and other personnel.

In addition, we are required to report any control deficiencies that constitute a "material weakness" in our internal control over financial reporting. We cannot guarantee that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that our internal control over financial reporting was effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. Matters impacting our internal control over financial reporting may result in material misstatements of our consolidated financial statements, cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. This could materially adversely affect us by, for example, leading to a decline in our stock price and impairing our ability to raise capital.

We may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and stock price, which could cause our stockholders to lose some or all of their investment.

We may be required to later write-down or write-off assets, restructure operations, or incur impairment or other charges that could result in losses. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, charges of this nature could contribute to negative market perceptions about us or our securities. Accordingly, any of our stockholders could suffer a reduction in the value of their shares.

Risks Related to Our Common Stock

The price of our common stock has been, and may continue to be, volatile, and this volatility may negatively impact the trading price of our common stock and the 2026 Notes.

The trading price of our common stock has fluctuated substantially. The trading price of our securities depends on many factors, including those described elsewhere in this “Risk Factors” section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause investors to lose all or part of the investment in our securities since investors might be unable to sell them at or above the price the investor paid for them. Any of the factors listed below could have a material adverse effect on stockholders’ investment in our securities and our securities may trade at prices significantly below the price stockholders paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of our securities may include:

- market conditions in the broader stock market in general, or in our industry in particular;
- actual or anticipated fluctuations in our quarterly financial or operating results or the quarterly financial or operating results of companies perceived to be similar to ours;
- changes in the market’s expectations about our operating results;
- the public’s reaction to our press releases, other public announcements and filings with the SEC;
- the public’s reaction to financial projections and any other guidance or metrics that we may publicly disclose from time-to-time;
- speculation in the press or investment community;
- actual or anticipated developments in our business, competitors’ businesses or the competitive landscape generally;
- the operating results failing to meet the expectation of securities analysts or investors in a particular period;
- the timing of the achievement of objectives under our business plan and the timing and amount of costs we incur in connection therewith;
- changes in financial estimates and recommendations by securities analysts concerning us or the market in general;
- operating and stock price performance of other companies that investors deem comparable to ours;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation or investigations involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;

- the volume of our common stock available for public sale, including as a result of conversion of our 2026 Notes or our Redeemable Convertible Preferred Stock;
- any major change in our Board or management;
- sales of substantial amounts of our common stock by our directors, officers or significant stockholders or the perception that such sales could occur;
- general economic and political conditions, such as recessions, interest rates, inflation, government closures of banks and liquidity concerns at other financial institutions, changes in diplomatic and trade relationships, fluctuations in foreign currency exchange rates, acts of war or terrorism, and natural disasters; and
- other risk factors listed in this section “Risk Factors.”

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and Nasdaq have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for the stocks of other companies which investors perceive to be similar to ours could depress our stock price and the trading price of the 2026 Notes regardless of our business, prospects, financial conditions or results of operations. Broad market and industry factors, including global conflicts and other geopolitical events, natural disasters, and any other global pandemics, as well as general economic, political and market conditions such as recessions, inflation, government closures of banks and liquidity concerns at other financial institutions, or interest rate changes, may seriously affect the market price of our common stock and other securities, regardless of our actual operating performance. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

Furthermore, the stock markets in general, and the markets for technology and electric vehicle stocks in particular, have experienced extreme volatility that has sometimes been unrelated to the operating performance of the issuer. The trading price of our common stock may be adversely affected by third parties trying to drive down or drive up the market price. Short sellers and others, some of whom post anonymously on social media, may be positioned to profit if our stock declines or otherwise exhibits volatility, and their activities can negatively affect our stock price and increase the volatility of our stock price. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance. In addition, hedging activity by holders of the 2026 Notes may impact the market price of our common stock, in particular during any redemption conversion period in connection with a redemption of the 2026 Notes or any observation period for a conversion of the 2026 Notes.

In addition, in the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require that we make significant payments.

The issuance of additional shares of our common stock or other equity or equity-linked securities, or sales of a significant portion of our common stock, could depress the market price of our common stock.

Future issuances of shares of our common stock, or of securities convertible into or exercisable for our common stock, could depress the market price of our common stock and result in significant dilution for holders of our common stock. The exercise of our outstanding warrants and options, the vesting and settlement of our restricted stock units and/or the conversion of our 2026 Notes or of our Redeemable Convertible Preferred Stock would result in additional dilution to holders of our common stock. Similarly, the redemption or repurchase of our Redeemable Convertible Preferred Stock may result in additional dilution to holders of our common stock if, under the terms of our Redeemable Convertible Preferred Stock, we are then permitted, and elect, to satisfy our obligations in respect thereof by delivery of our common stock. In the future, we may issue additional shares of our common stock, or securities convertible into or exercisable for common stock, in connection with generating additional capital, future acquisitions, repayment of outstanding indebtedness, under our stock incentive plan, or for other reasons.

The market price of shares of our common stock could decline as a result of substantial sales of common stock, particularly by our significant stockholders, a large number of shares of common stock becoming available for sale or the perception in the market that holders of a large number of shares intend to sell their shares.

In addition, pursuant to the Investor Rights Agreement, Ayar, and certain other parties thereto are entitled to, among other things, certain registration rights, including demand, piggy-back and shelf registration rights with respect to its shares of common stock (including shares of common stock underlying the Redeemable Convertible Preferred Stock held by Ayar) and Ayar's shares of the

Redeemable Convertible Preferred Stock. If either pursuant to any registration statement filed pursuant to the Investor Rights Agreement or through another avenue, one or more of these stockholders were to sell a substantial portion of the securities they hold, including any common stock issued upon conversion, redemption or repurchase of our Redeemable Convertible Preferred Stock, it could cause the trading price of our common stock to decline. Furthermore, given Ayar's substantial concentration in ownership of our common stock and the Redeemable Convertible Preferred Stock, if Ayar were to elect to sell in the open market or in private placement transactions, it could have the effect of increasing the volatility in our stock price or putting significant downward pressure on the price of our common stock.

Pursuant to the Series A Subscription Agreement and the Series B Subscription Agreement, Ayar has agreed to restrictions on the sale or transfer of shares of Redeemable Convertible Preferred Stock or any shares of common stock issued pursuant to the terms thereof held by it for a period of twelve months following the closing of the transaction. In addition, pursuant to the 2024 Subscription Agreement, Ayar has agreed to restrictions on the sale or transfer of shares of our common stock for a period of 120 days after the closing of the transaction. However, following the expiration of the respective lock-up period, Ayar will not be restricted from selling applicable securities, other than by applicable securities laws.

We are a “controlled company” within the meaning of the applicable Nasdaq rules and, as a result, qualify for exemptions from certain corporate governance requirements. Our stockholders will not have the same protections afforded to stockholders of companies that are not controlled companies.

As of December 31, 2024, the PIF, both directly and indirectly through Ayar, held over 50% of the voting power for the election of our directors. As a result, we are a “controlled company” within the meaning of the Nasdaq rules, and as a result, we qualify for exemptions from certain corporate governance requirements. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including the requirements to have: (a) a majority of independent directors on the board; (b) a nominating committee comprised solely of independent directors; (c) compensation of executive officers determined by a majority of the independent directors or a compensation committee comprised solely of independent directors; and (d) director nominees selected, or recommended for the selection by the board, either by a majority of the independent directors or a nominating committee comprised solely of independent directors. Although currently we do not utilize any of these exemptions, we may elect to utilize one or more of these exemptions for so long as we remain a “controlled company.” As a result, our stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements. Ayar also has the ability to nominate five of the eight directors to our Board.

In addition, for so long as Ayar holds the Redeemable Convertible Preferred Stock and as result of the consent and voting rights of the Redeemable Convertible Preferred Stock, coupled with the voting rights associated with Ayar’s existing ownership of common stock in the Company, Ayar has significant power to influence the outcome over any matter submitted for the vote of the holders of our common stock and to influence certain matters affecting our governance and capitalization. This concentration of ownership and voting power allows Ayar to control over certain decisions, in particular with regards to governance and capitalization matters, including matters requiring approval by our stockholders (such as, subject to the Investor Rights Agreement, the election of directors and the approval of mergers or other extraordinary transactions), regardless of whether or not other stockholders believe that the transaction is in their own best interests.

The interests of Ayar may differ from the interests of our other stockholders and, as such, Ayar’s voting power and influence over us may decrease the relative interests of our other stockholders or of the Company. Such concentration of voting power could also have the effect of delaying, deterring or preventing a change of control or other business combination that might otherwise be beneficial to our stockholders, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock and the trading price of the 2026 Notes.

The PIF and Ayar beneficially own a significant equity interest in us and may take actions that conflict with other stockholders’ interests.

The interests of the PIF and Ayar may not align with our interests and the interests of our other stockholders or securityholders. The PIF and Ayar are each in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. The PIF and Ayar and their respective affiliates, may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.

Securities or industry analysts may not publish or cease publishing research or reports about us, our business, our market, or change their recommendations regarding our common stock adversely, which could cause the price and trading volume of our common stock to decline.

The trading market for our common stock can be influenced by the research and reports that industry or securities analysts may publish about us, our business and operations, our market, or our competitors. Similarly, if any of the analysts who do cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, the

price of our common stock may decline. If any analyst who covers 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 our stock price or trading volume to decline.

We do not anticipate paying any cash dividends for the foreseeable future.

We have never declared or paid cash dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future. In addition, the ABL Credit Facility, the DDTL Credit Facility and our Redeemable Convertible Preferred Stock limits our and certain of our subsidiaries' ability to pay cash dividends. We currently intend to retain our future earnings, if any, for the foreseeable future, to fund the development and growth of our business.

Any future determination to pay cash dividends will be at the discretion of our Board and will be dependent upon our financial condition, results of operations, capital requirements, applicable contractual restrictions and such other factors as the Board may deem relevant. As a result, capital appreciation in the price of our common stock, if any, will be our stockholders' only source of gain on an investment in our common stock.

There is no guarantee that an active and liquid public market for our securities will be sustained.

If a liquid trading market for our common stock is not sustained:

- holders of our common stock may not be able to liquidate their investment in shares of our common stock;
- holders of our common stock may not be able to resell their shares of our common stock at favorable prices, or at all;
- the market price of shares of our common stock may experience significant price volatility; and
- there may be less efficiency in carrying out purchase and sale orders with respect to our common stock.

Additionally, if our securities become delisted from Nasdaq for any reason, and are quoted on the OTC Bulletin Board, 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. Our stockholders may be unable to sell their securities unless a market can be established or sustained.

Our current bylaws designate a state court within the State of Delaware, to the fullest extent permitted by law, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit the ability of our stockholders to obtain a favorable judicial forum for disputes with us or with our directors, officers or employees and may discourage stockholders from bringing such claims.

Under our current bylaws, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum will be a state court within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or employees to us or our stockholders;
- any action asserting a claim against us or any of our directors or officers or other employees arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws (as either may be amended, restated, modified, supplemented or waived from time-to-time); or
- any action asserting a claim against us or any of our directors or officers or other employees governed by the internal affairs doctrine.

For the avoidance of doubt, the foregoing provisions of our current bylaws will not apply to any action or proceeding asserting a claim under the Securities Act or the Exchange Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our current bylaws provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Although investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder, 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 provisions of our current bylaws described in the preceding sentences. These provisions of our current bylaws could limit the ability of our stockholders to obtain a favorable judicial forum for certain disputes with us or with our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our current bylaws inapplicable to, or unenforceable in respect of, one or more of the types of actions or proceedings listed above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial

condition and results of operations. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions.

Some provisions of Delaware law, our current certificate of incorporation and our current bylaws, our Certificate of Designations and the indenture for the 2026 Notes may deter third parties from acquiring us and diminish the value of our common stock, the 2026 Notes and the Redeemable Convertible Preferred Stock.

Our current certificate of incorporation and our current bylaws provide for, among other things:

- the ability of our Board to issue one or more series of preferred stock with voting or other rights or preferences that could have the effect of impeding the success of an attempt to acquire us or otherwise effect a change in control;
- subject to the Investor Rights Agreement, advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at stockholder meetings; and

- certain limitations on convening special stockholder meetings.

In addition, in our current certificate of incorporation, we have not opted out of Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in certain “business combinations” with any “interested stockholder” for a three-year period following the time that the stockholder became an interested stockholder, unless:

- prior to such time, the Board approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our Board and by the affirmative vote of holders of at least two-thirds of the votes of our outstanding voting stock that is not owned by the interested stockholder.

Generally, a “business combination” includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an “interested stockholder” is a person who, together with that person’s affiliates and associates, owns, or within the previous three years owned, 15% or more of the votes of our outstanding voting stock. For purposes of this provision, “voting stock” means any class or series of stock entitled to vote generally in the election of directors.

Under certain circumstances, this provision will make it more difficult for a person who would be an “interested stockholder” to effect various business combinations with us for a three-year period. This provision may encourage companies interested in acquiring us to negotiate in advance with our Board because the stockholder approval requirement would be avoided if our Board approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our Board and may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

In addition, certain terms of our Redeemable Convertible Preferred Stock and the 2026 Notes may make it more difficult for an entity to acquire us. As the current holder of our Convertible Preferred Stock, Ayar has certain repurchase, conversion and consent rights, including the right, at the option of Ayar, to require us to repurchase for cash or, if under the terms of our Redeemable Convertible Preferred Stock we are then permitted, and we so elect, shares of our common stock (or other securities to be received by a holder of common stock in such fundamental change) in connection with a fundamental change, based on the applicable Minimum Consideration. See “Risks Related to Financing and Strategic Transactions—*Our Redeemable Convertible Preferred Stock has rights, preferences and privileges that are not held by, and are senior to the rights of, our common stockholders.*” Similarly, the indenture governing the 2026 Notes generally requires us, at the option of the holders, to repurchase the 2026 Notes for cash upon the occurrence of a fundamental change and, in certain circumstances, to increase the conversion rate for a holder that converts its 2026 Notes in connection with a make-whole fundamental change, as defined in the indenture for the 2026 Notes. These provisions may make it more costly for a potential acquirer to engage in a business combination transaction with us.

These provisions in our current certificate of incorporation, our current bylaws, our Certificate of Designations and the indenture for the 2026 Notes as well as Delaware law could increase the cost and difficulty of acquiring us or may discourage, delay or prevent a transaction involving a change in our control that is in the best interest of our minority stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock or the value of the 2026 Notes or the Redeemable Convertible Preferred Stock if they are viewed as discouraging future takeover attempts. These provisions could also make it more difficult for stockholders to nominate directors for election to our Board and take other corporate actions, which could also affect the price investors are willing to pay for our common stock, the 2026 Notes or the Redeemable Convertible Preferred Stock.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

At Lucid, cybersecurity risk management is an integral part of our overall enterprise risk management program. We have made significant investments in people, processes, and technology to protect Lucid's connected vehicles, services, confidential business information, and employee and consumer personal data. We have implemented multiple and varied processes and technologies for the avoidance, identification, assessment, mitigation, and remediation of risks from cybersecurity threats and incidents designated to protect against the cybersecurity risk landscape. We regularly assess and enhance our protection, detection, response, and recovery capabilities and engage with the cybersecurity communities including Auto-ISAC, third-party cybersecurity and compliance partners, internal stakeholders, and organizations leading best practices, to support our goals and objectives. Our cybersecurity risk management program integrates multiple teams across the organization, including our IT, digital and physical product, infrastructure, and legal teams, with leadership and oversight by executive management, the Audit Committee of the Board of Directors ("Audit Committee"), and the Board of Directors ("Board").

To date, Lucid is not aware of risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect Lucid, including our business strategy, results of operations or financial condition. See Item 1A. "Risk Factors" of this Annual Report for further information about our cybersecurity risk.

Governance

Board and Committee Oversight

Our Board has oversight responsibility for our overall enterprise risk management and delegates cybersecurity risk management oversight to the Audit Committee. The Audit Committee oversees Lucid's policies and practices with respect to risk assessment and risk management, including discussing with management (i) Lucid's major financial, cybersecurity, privacy and other information technology risk exposures; (ii) the steps that have been taken to monitor and control such exposures; and (iii) any material cybersecurity threats or incidents. The Audit Committee and the Board receive regular reporting from Lucid's management, including the leadership of our enterprise IT security and product cybersecurity departments ("Cybersecurity Leaders") on the status of our cybersecurity program and ad hoc reporting on material cybersecurity threats and incidents.

Management's Role

At the management level, our Information Security Steering Committee ("ISSC"), with oversight by our VP of IT and General Counsel, is responsible for leading our cybersecurity risk management program and enterprise cybersecurity matters. Under the ISSC, we have various cybersecurity working committees, led by our Cybersecurity Leaders, which are primarily responsible for operational review of cybersecurity threats and incidents as part of our incident response process. Cybersecurity Leaders receive reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity threats and incidents. For potentially material cybersecurity threats and incidents, we escalate these to the ISSC, which, with additional oversight and support from our interim CEO, would raise such threats and incidents to our Audit Committee Chair and, as appropriate, to our Board as they arise. If the cybersecurity incident is determined to be material, disclosure would be filed with the SEC within four business days of determination.

Our Cybersecurity Leaders and the dedicated personnel on their teams have industry-recognized certifications such as Certified Information Security Manager, Certified Information Systems Security Professional, and Boardroom qualified Technology Expert, and experienced information systems security professionals and information security managers with many years of technical cybersecurity management experience.

Management of Cybersecurity Risk

Our Cybersecurity Risk Management Processes

Our cybersecurity risk management program provides a framework for handling cybersecurity threats and incidents by identifying and escalating risks, issues, and key decisions to management, the Audit Committee, and our Board. We designed our program to protect our products and services, confidential business information (including intellectual property), and employee and consumer data and includes steps for detecting and monitoring cybersecurity threats and incidents, assessing the severity of such threats or incidents, identifying the source of such threats or incidents, including whether such threats or incidents are associated with a third-party vendor or service provider, implementing cybersecurity countermeasures and mitigation strategies and informing management, the Audit Committee, and our Board of potentially material cybersecurity threats and incidents. In addition, our cybersecurity team provides cybersecurity training to employees during the onboarding process and on a periodic basis thereafter, with specialized training and tabletop exercises for our core incident response teams and executive management on at least an annual basis.

Under the oversight of the ISSC, our cybersecurity risk management program is implemented day-to-day by our cybersecurity team, who identifies, considers, and assesses risks from cybersecurity threats and incidents on a regular basis; establishes processes to monitor such cybersecurity risks; provides mitigation and remediation measures; engages in policy review and development; provides product support and deployment; and maintains our cybersecurity program. Our cybersecurity team also implements data loss prevention tools and capabilities, customer security measures, incident response measures, and processes for management of third-party vendors and service providers. Our cybersecurity incident response is driven by our Lucid Data and Security Incident Response Plan. Based upon the severity assessment and ranking, incidents are handled by the relevant teams for technical, operational, and legal risk management.

In addition, Lucid has implemented processes to integrate our cybersecurity risk management processes into our overall enterprise risk management system including within our greater product management, personnel management, and third-party vendor and service provider management processes.

Third-Party Auditors and Consultants in Cybersecurity Risk Management

Our cybersecurity team also periodically engages third-party cybersecurity experts for risk assessment and system enhancements. We utilize third-party auditors and assessors in connection with our cybersecurity risk management program to identify gaps and develop policies, procedures, and strategies designed to improve the cybersecurity program. We also use third-party consultants to obtain and will use them to maintain relevant organizational cybersecurity certifications, including UN Regulation 155 Vehicle Cybersecurity Approval. As a general matter, we have from time-to-time utilized third-party cybersecurity consultants on an ad hoc basis in specific instances, including (i) to address potential cybersecurity threats and incidents, (ii) to conduct cybersecurity assessments and penetration testing on high-value systems and applications; and (iii) to develop internal capabilities to improve our cybersecurity defense.

Cybersecurity Risk Management of Third-Party Vendors and Service Providers

We have also implemented risk management practices designed to minimize cybersecurity risks that arise from utilizing third-party vendors and service providers that receive or have access to Lucid confidential information or personal data. In order to oversee and identify such risks, we have implemented the following processes: (i) a third-party security risk management program designed to assess security risk of new third-party vendors or service providers and develop countermeasures to manage unacceptable risks; (ii) provisions in our third-party vendors and service provider contracts with added security requirements; (iii) training procurement teams on management of third-party vendor and service providers; (iv) role-based access controls for third-party personnel; and (v) data transfer mechanisms for the sharing of data with third parties. While we are in the process of increasing the resiliency of these capabilities across the board, our control over and ability to monitor the security posture of third-party vendors and service providers remains limited and there can be no assurance that we can prevent, mitigate or remediate the risk of any compromise or failure in the security infrastructure owned or controlled by such third parties. In addition, any contractual protections with such third parties, including our right to indemnification, if any at all, may be limited or insufficient to prevent a negative impact on our business from such compromise or failure.

Item 2. Properties.

We are headquartered in Newark, California. Our principal facilities include properties in North America, Europe and the Middle East, which are primarily for manufacturing, assembly, warehousing, engineering, retail and service, and administrative activities. We have opened 57 studios and service centers (excluding temporary and satellite service centers) under leases: 42 in North America, eleven in Europe and four in the Middle East. Our current manufacturing facilities are in Casa Grande, Arizona and Saudi Arabia. We currently lease or own the land on which our material properties are situated, and the leased properties are subject to various lease arrangements with third-party entities.

Excluding our growing portfolio of retail and service locations, a list of certain of our principal facilities are outlined below:

Primary Use	Location	Owned or Leased
Headquarters	Newark, CA	Leased
Manufacturing (AMP-1, LPM-1)	Casa Grande, AZ	Owned/Leased ⁽¹⁾
Manufacturing (AMP-2)	King Abdullah Economic City, Saudi Arabia	Leased

⁽¹⁾ We own a substantial portion of the AMP-1 property and have an option to purchase the land for the portion of the AMP-1 property that is under lease. The property relating to LPM-1 is under lease.

Item 3. Legal Proceedings.

For a description of our legal proceedings, please see the description set forth in the “Legal Matters” section in Note 12 “Commitments and Contingencies” in the notes to the consolidated financial statements in Item 8 of Part II of this Annual Report, which is incorporated herein by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is listed on the Nasdaq Stock Market LLC under the ticker symbol "LCID."

Holders of Record

As of January 31, 2025, there were 246 holders of record of our common stock. The number of beneficial owners is substantially greater than the number of record holders because a large portion of our common stock is held through banks, brokers and other financial institutions.

Dividend Policy

We have not paid any cash dividends on our common stock to date. The payment of cash dividends in the future is dependent upon our revenues and earnings, if any, capital requirements, the terms of any indebtedness and general financial condition. The payment of any cash dividends will be within the discretion of the Board at such time. In addition, the Board is not currently considering and does not anticipate declaring any stock dividends in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

For a description of securities authorized under our equity compensation plans, see Note 10 "Stock-based awards" to the consolidated financial statements included elsewhere in this Annual Report for more information.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Offerings

At-the-Market Offering and Underwritten Public Offerings

On November 8, 2022, we entered into an equity distribution agreement (the "Equity Distribution Agreement") with BofA Securities, Inc., Barclays Capital Inc. and Citigroup Global Markets Inc., under which we could offer and sell shares of our common stock having an aggregate offering price up to \$600.0 million (the "At-the-Market Offering"). During the year ended December 31, 2022, we issued 56,203,334 shares at a weighted average price per share of \$10.68, and received net proceeds of \$594.3 million after deducting commissions and other issuance costs of \$5.7 million. No shares remain available for sale under the Equity Distribution Agreement.

On May 31, 2023, we entered into an underwriting agreement (the "2023 Underwriting Agreement") with BofA Securities, Inc. (the "Underwriter"), under which the Underwriter agreed to purchase 173,544,948 shares of our common stock at a price per share of \$6.83, for aggregate net proceeds of \$1.2 billion. In June 2023, we issued the shares to the Underwriter pursuant to the 2023 Underwriting Agreement and received aggregate net proceeds of \$1.2 billion after deducting issuance costs of \$1.1 million.

On October 16, 2024, we entered into an underwriting agreement (the "2024 Underwriting Agreement") with the Underwriter, under which the Underwriter agreed to purchase 262,446,931 shares of our common stock. We also granted the Underwriter a 30-day option to purchase up to 39,367,040 additional shares of our common stock (the "Overallotment Option"). On October 17, 2024, the Underwriter exercised the Overallotment Option to purchase an additional 15,037,594 shares. On October 18, 2024, we completed the public offering pursuant to the 2024 Underwriting Agreement, at a price per share of \$2.59, for aggregate net proceeds of \$718.4 million after deducting issuance costs of \$0.6 million.

The shares issued under the Equity Distribution Agreement and the 2023 Underwriting Agreement were sold pursuant to a shelf registration statement on Form S-3 (File No. 333-267147) which became effective on September 2, 2022, and prospectus supplements filed with the SEC on November 8, 2022 and June 2, 2023.

The shares issued under the 2024 Underwriting Agreement were sold pursuant to an automatic shelf registration statement on Form S-3 (File No. 333-282677) which became effective upon filing on October 16, 2024, and prospectus supplements filed with the SEC on October 18, 2024.

Subscription Agreements

On November 8, 2022, we entered into a subscription agreement (the “2022 Subscription Agreement”) with Ayar Third Investment Company, the controlling stockholder of the Company (“Ayar”), pursuant to which Ayar agreed to purchase from us, up to \$915.0 million of shares of our common stock in one or more private placements through March 31, 2023. During the year ended December 31, 2022, we issued 85,712,679 shares to Ayar pursuant to the 2022 Subscription Agreement at a weighted average price per share of \$10.68, and received aggregate proceeds of \$915.0 million.

On May 31, 2023, we entered into a subscription agreement (the “2023 Subscription Agreement”) with Ayar, pursuant to which Ayar agreed to purchase from the Company 265,693,703 shares of our common stock at a price per share of \$6.83 in a private placement for aggregate net proceeds of \$1.8 billion. In June 2023, we issued the shares to Ayar pursuant to the 2023 Subscription Agreement and received aggregate net proceeds of \$1.8 billion after deducting issuance costs of \$2.0 million.

On October 16, 2024, we entered into a subscription agreement (the “2024 Subscription Agreement”) with Ayar, pursuant to which Ayar agreed to purchase from us 374,717,927 shares of our common stock. In addition, given the Underwriter’s exercise of the Overallotment Option, Ayar agreed to purchase an additional 21,470,459 shares of our common stock. On October 31, 2024, we consummated the private placement of shares to Ayar pursuant to the 2024 Subscription Agreement, at a price per share of \$2.59, for aggregate net proceeds of \$1,025.7 million after deducting issuance costs of \$0.8 million.

Common stock acquired by Ayar under the 2022 Subscription Agreement, the 2023 Subscription Agreement, and the 2024 Subscription Agreement is subject to the Investor Rights Agreement, dated February 22, 2021 (as amended from time-to-time, the “Investor Rights Agreement”), which governs the registration for resale of such common stock.

The shares issued under the 2022 Subscription Agreement, the 2023 Subscription Agreement, and the 2024 Subscription Agreement were sold in reliance on the exemption from registration provided in Section 4(a)(2) of the Securities Act.

Redeemable Convertible Preferred Stock

In March 2024, we entered into a subscription agreement (the “Series A Subscription Agreement”) with Ayar, pursuant to which Ayar agreed to purchase from us 100,000 shares of our Series A convertible preferred stock, par value \$0.0001 per share (the “Series A Redeemable Convertible Preferred Stock”) in a private placement for an aggregate gross purchase price of \$1.0 billion. Subsequently, in March 2024, we issued 100,000 shares to Ayar pursuant to the Series A Subscription Agreement and received aggregate net proceeds of \$997.6 million, after deducting issuance cost of \$2.4 million.

In August 2024, we entered into a subscription agreement (the “Series B Subscription Agreement”) with Ayar, pursuant to which Ayar agreed to purchase from us 75,000 shares of our Series B convertible preferred stock, par value \$0.0001 per share (the “Series B Redeemable Convertible Preferred Stock”) in a private placement, for an aggregate gross purchase price of \$750.0 million. Subsequently, in August 2024, we issued 75,000 shares to Ayar pursuant to the Series B Subscription Agreement and received aggregate net proceeds of \$749.4 million, after deducting issuance cost of \$0.6 million.

The common stock issuable upon conversion under the Series A Subscription Agreement and the Series B Subscription Agreement is subject to the Investor Rights Agreement, which governs the registration for resale of such common stock.

The shares issued under the Series A subscription Agreement and Series B Subscription Agreement were sold in reliance on the exemption from registration provided in Section 4(a)(2) of the Securities Act.

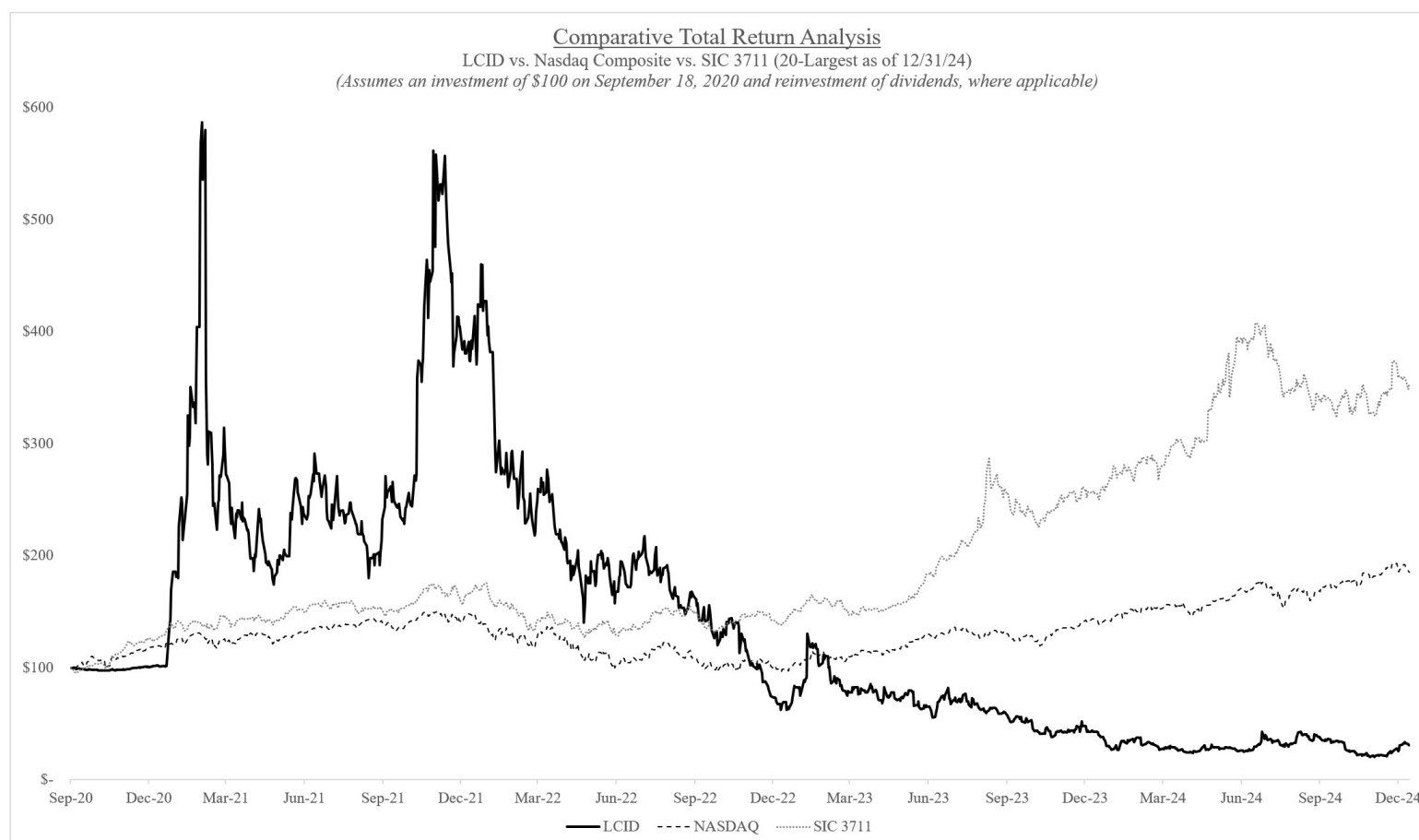
Issuer Purchases of Equity Securities

None.

Stock Performance Graph

This performance graph shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference into any of our other filings under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

The following graph shows a comparison, from September 18, 2020 through December 31, 2024, of the cumulative total return on our common stock, The NASDAQ Composite Index and the 20 largest public companies sharing the same SIC code as us, which is SIC code 3711, “Motor Vehicles and Passenger Car Bodies” (Motor Vehicles and Passenger Car Bodies Public Company Group). Such returns are based on historical results and are not intended to suggest future performance. Data for The NASDAQ Composite Index and the Motor Vehicles and Passenger Car Bodies Public Company Group assumes an investment of \$100 on September 18, 2020 and reinvestment of dividends. We have never declared or paid cash dividends on our common stock nor do we anticipate paying any such cash dividends in the foreseeable future.



Item 6. [Reserved].

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information that Lucid management believes is relevant to an assessment and understanding of Lucid’s consolidated results of operations and financial condition as of December 31, 2024 and for the fiscal year

ended December 31, 2024. The discussion should be read together with our consolidated financial statements and related notes that are included elsewhere in this Annual Report on Form 10-K (this “Annual Report”). For discussion related to our financial condition as of December 31, 2023, results of operations for the fiscal year ended December 31, 2023 and year-to-year comparison between the years ended December 31, 2023 and 2022, refer to the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed on February 27, 2024 with the U.S. Securities and Exchange Commission (the “SEC”). This discussion may contain forward-looking statements based upon Lucid’s current expectations, estimates and projections that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Risk Factors” in Part I, Item 1A of this Annual Report.

Overview

We are a technology company with a mission to advance the state-of-the-art of EV technology for the benefits of all. We are setting new standards with the world's most advanced EVs, the award-winning Lucid Air and all-new Lucid Gravity. Our focus on in-house hardware and software innovation, vertical integration, and a "clean sheet" approach to engineering and design led to the development of the award-winning Lucid Air and Lucid Gravity.

We sell vehicles directly to consumers through our retail sales network and through direct online sales, including utilizing Lucid Financial Services. We believe that owning and operating our sales network provides an opportunity to closely manage the customer experience, gather direct customer feedback, and ensure that customer interactions are tailored to our customers' needs. We own and operate a vehicle service network comprised of service centers in major metropolitan areas and a fleet of mobile service vehicles. In addition to our in-house service capabilities, we established and continue to grow an approved list of specially trained collision repair shops which also serve in some cases as repair hubs for our mobile service offerings.

We began delivering the Lucid Air to customers in October 2021. We have leveraged and expanded the technological advancements from the Lucid Air to the Lucid Gravity, which offers an unprecedented combination of performance, interior space, and efficiency, and started commercial production in December 2024. Beyond the Lucid Air and the Lucid Gravity, we plan to expand our vehicle lineup with the upcoming Midsize platform, which is scheduled for start of production in late 2026.

Recent Developments

2024 Underwriting Agreement

On October 16, 2024, we entered into an underwriting agreement (the "2024 Underwriting Agreement") with BofA Securities, Inc. (the "Underwriter"), under which the Underwriter agreed to purchase 262,446,931 shares of our common stock. We also granted the Underwriter an Overallotment Option to purchase additional shares of our common stock (the "Overallotment Option"). On October 17, 2024, the Underwriter exercised the Overallotment Option to purchase an additional 15,037,594 shares. On October 18, 2024, we completed the public offering pursuant to the 2024 Underwriting Agreement, at a price per share of \$2.59, for aggregate net proceeds of \$718.4 million after deducting issuance costs of \$0.6 million.

2024 Subscription Agreement

On October 16, 2024, we also entered into a subscription agreement (the "2024 Subscription Agreement") with Ayar Third Investment Company, our controlling stockholder ("Ayar"), pursuant to which Ayar agreed to purchase from us 374,717,927 shares of our common stock in a private placement. In addition, given the Underwriter's exercise of the Overallotment Option, Ayar agreed to purchase an additional 21,470,459 shares of our common stock. On October 31, 2024, we consummated the private placement of shares to Ayar pursuant to the 2024 Subscription Agreement, at a price per share of \$2.59, for aggregate net proceeds of \$1,025.7 million after deducting issuance costs of \$0.8 million.

Potential Impact of an Economic Downturn on our Business

A global economic recession or other economic downturn, whether due to inflation, global conflicts or other geopolitical events, public health crises, interest rate increases or other policy actions by major central banks, government closures of banks and liquidity concerns at other financial institutions, or other factors, may have an adverse impact on our business, prospects, financial condition and results of operations. Adverse economic conditions as well as uncertainty about the current and future global economic conditions may cause our customers to defer purchases or cancel their orders in response to higher interest rates, availability of consumer credit, decreased cash availability, fluctuations in foreign currency exchange rates, and weakened consumer confidence. Reduced demand for our products

may result in significant decreases in our product sales, which in turn would have a material adverse impact on our business, prospects, financial condition and results of operations. Due to our premium brand positioning and pricing, an economic downturn is likely to have a heightened adverse effect on us compared to many of our electric vehicle and traditional automotive industry competitors, to the extent that consumer demand for luxury goods is reduced in favor of lower-priced alternatives. In addition, an economic recession or other economic downturn could also cause logistical challenges and other operational risks if any of our suppliers, sub-suppliers or partners become insolvent or are otherwise unable to continue their operations, fulfill their obligations to us, or meet our future demand. In addition, the deterioration of conditions in global credit markets may limit our ability to obtain external financing to fund our operations and capital expenditures on terms favorable to us, if at all. See “Risk Factors” in Item 1A of Part I of this Annual Report for more information regarding risks associated with a global economic recession, including under the caption *“A global economic recession, government closures of banks and liquidity concerns at other financial institutions, or other downturn may have a material adverse impact on our business, prospects, results of operations and financial condition.”*

Key Factors Affecting Our Performance

We believe that our future success and financial performance depend on a number of factors that present significant opportunities for our business, but also pose risks and challenges, including those discussed below and in the section entitled “Risk Factors” in Item 1A of Part I of this Annual Report.

Design and Technology Leadership

We believe that we are positioned to be a leader in the electric vehicle market by unlocking the potential for advanced, high-performance, and long-range electric vehicles to co-exist. We design the Lucid Air and the Lucid Gravity with race-proven battery and powertrain technologies, offering robust performance together with a sleek exterior design and expansive interior space due to our miniaturized key drivetrain components. The Lucid Gravity is a groundbreaking new class of SUV, conceived from the ground up. Enabled by our revolutionary technology, the Lucid Gravity provides the interior space and practicality of a full-size SUV within the exterior footprint of a mid-size SUV. As a result, it provides a sophisticated space for up to seven adults, game-changing versatility, and an unparalleled driving experience.

The Lucid Air and the Lucid Gravity are true software-defined vehicles, designed to improve over time, with OTA software updates and key hardware already in place in the vehicle. This holistic systems approach to the integration of hardware and software is what allows us to provide these value-add updates and is what sets us apart in the automotive industry.

The Lucid Gravity is designed to share components with the Lucid Air where possible, and we continue to evaluate opportunities to apply components developed for the Lucid Gravity to the Lucid Air, further expanding the number of common parts while also enhancing the customer experience in the Lucid Air. We anticipate that all of these measures will enable efficiency in design, engineering, and capital expenditure deployment for the Lucid Gravity. We anticipate continued consumer demand for the Lucid Air based on its luxurious design, high-performance technology, sustainability leadership, and the growing acceptance of and demand for electric vehicles as substitutes for gasoline-fueled vehicles. We also expect that these attributes will drive customer demand for the Lucid Gravity, and our future models, including our Midsize platform.

Direct-to-Consumer Model

We operate a direct-to-consumer sales and service model, which we believe allows us to offer a personalized experience for our customers based on their purchase and ownership preferences. We expect to continue to incur significant expenses in our sales, service and marketing operations for sale of the Lucid Air, the Lucid Gravity, and other electric vehicles that we may offer over the coming decade, including to open additional studios, expand our sales force, grow marketing and brand awareness, and establish a robust service center operation. As of December 31, 2024, we have opened 57 studios and service centers (excluding temporary and satellite service centers): 37 in the United States (12 in California, four in each of Florida and New York, two in each of Arizona, Illinois, Massachusetts, Texas, Virginia and Washington, and one in each of Colorado, Georgia, Michigan, New Jersey and Pennsylvania), five in Canada, seven in Germany, two in Switzerland, one in Netherlands, one in Norway, three in Saudi Arabia, and one in the United Arab Emirates. We also plan to hire additional sales, customer service, and service center personnel. We believe that investing in our direct-to-consumer sales and service model will be critical to delivering and servicing the Lucid electric vehicles we manufacture and sell.

Establishing Manufacturing Capacity

Achieving commercialization and growth for each generation of our electric vehicles requires us to make significant capital expenditures to scale our production capacity and improve our supply chain processes in the United States and internationally. We expect our capital expenditures to increase as we continue constructing the completely-built-up (“CBU”) portion of AMP-2 and expanding AMP-1. The amount and timing of our future manufacturing capacity requirements, and resulting capital expenditures, will

depend on many factors, including the pace and results of our research and development efforts to meet technological development milestones, our ability to develop and launch new electric vehicles, our ability to achieve sales and meet customer demand at anticipated levels, our ability to utilize planned capacity in our existing facilities and our ability to enter new markets.

Technology Innovation

We develop in-house battery and powertrain technology, which requires significant capital investment in research and development. The electric vehicle market is highly competitive, including both established automotive manufacturers and new entrants. To establish market position and attract customers, we plan to continue making substantial investments in research and development for the commercialization and continued enhancements of the Lucid Air and the Lucid Gravity, the development of our Midsize platform, as well as future generations of our electric vehicles and other products.

Results of Operations

Revenue

The following table presents our revenue for the periods presented (in thousands):

	Year Ended December 31,			
	2024	2023	\$ Change	% Change
Revenue	\$ 807,832	\$ 595,271	\$ 212,561	36 %

We recognize revenue from vehicle sales when the customer obtains control of the vehicle, which is upon delivery. We also generate revenue from non-warranty after-sales vehicle services and parts, sales of battery pack systems, powertrain kits, retail merchandise, and regulatory credits. We generate regulatory credits revenue from the sale of tradable credits we earn under various regulations. This include credits related to zero emission vehicles and greenhouse gas, and the Corporate Average Fuel Economy (“CAFE”) credits.

Revenue increased by \$212.6 million, or 36%, for the year ended December 31, 2024, as compared to the year ended December 31, 2023. The increase was primarily driven by an increase of 4,240 in deliveries of the Lucid Air vehicles and an increase of \$29.1 million of regulatory credit sales, partially offset by a lower average selling price of vehicles for the year ended December 31, 2024, as compared to the year ended December 31, 2023.

Cost of Revenue and Gross Profit (Loss)

The following table presents our cost of revenue for the periods presented (in thousands):

	Year Ended December 31,			
	2024	2023	\$ Change	% Change
Cost of revenue	\$ 1,730,943	\$ 1,936,066	\$ (205,123)	(11)%
Gross profit (loss)	\$ (923,111)	\$ (1,340,795)	\$ 417,684	(31)%

Cost of vehicle sales includes direct parts, materials, shipping and handling costs, allocable overhead costs such as depreciation of manufacturing related equipment and facilities, information technology costs, personnel costs, including wages and stock-based compensation, estimated warranty costs, charges to reduce inventories to their net realizable value, charges for any excess or obsolete inventories, and losses from firm purchase commitments. Cost of vehicle sales also includes depreciation of operating lease vehicles. Manufacturing credits earned are recorded as a reduction to cost of vehicle sales.

Cost of other revenue includes direct parts, material and labor costs, manufacturing overhead, including depreciation of tooling costs, shipping and logistic costs. Cost of other revenue also includes costs associated with providing non-warranty after-sales services and costs for retail merchandise.

Cost of revenue decreased by \$205.1 million, or 11%, for the year ended December 31, 2024, as compared to the year ended December 31, 2023, primarily due to the decreases in inventory write-downs including losses from firm purchase commitments, and lower material and other cost, partially offset by higher deliveries of the Lucid Air vehicles. We expect our cost per vehicle to improve in fiscal year 2025 as compared to fiscal year 2024 while ramping up production volumes. In the near term, we expect our production volume of vehicles to continue to be less than our manufacturing capacity.

We recorded write-downs of \$617.4 million and \$926.9 million for the years ended December 31, 2024 and 2023, respectively, to reduce our inventories to their net realizable values, for any excess or obsolete inventories, and losses from firm purchase commitments. The decrease in the inventory write-downs and losses from firm purchase commitments and reduction of inventory obsolescence was primarily due to improvement of cost per unit and lower inventory balance for the year ended December 31, 2024. We expect inventory write-downs could negatively affect our costs of vehicle sales in upcoming periods in the near term as we ramp production volumes up toward our manufacturing capacity.

On August 16, 2022, the Inflation Reduction Act of 2022 (the “IRA”) was enacted with clean energy incentives. For the year ended December 31, 2024 and 2023, the impact of the IRA on our results of operations was not material. We will continue to evaluate the expected future impact of the IRA on our business and financial statements upon the issuance of additional regulatory guidance.

Gross profit losses decreased by \$417.7 million, or 31% for the year ended December 31, 2024, as compared to the year ended December 31, 2023, primarily driven by improvement in costs, decrease in inventory write-downs and losses from firm purchase commitments, partially offset by a lower average selling price of vehicles.

Operating Expenses

The following table presents our operating expenses for the periods presented (in thousands):

	Year Ended December 31,			
	2024	2023	\$ Change	% Change
Research and development	\$ 1,176,453	\$ 937,012	\$ 239,441	26 %
Selling, general and administrative	900,952	797,235	103,717	13 %
Restructuring charges	20,304	24,546	(4,242)	(17)%
Total operating expenses	<u>\$ 2,097,709</u>	<u>\$ 1,758,793</u>	<u>\$ 338,916</u>	19 %

Research and Development

Our research and development efforts have primarily focused on the development of our battery and powertrain technology, the Lucid Air, the Lucid Gravity, and future generations of our electric vehicles, including our Midsize platform. Research and development expenses primarily consist of materials, supplies and personnel-related expenses for employees involved in the engineering, designing, and testing of electric vehicles. Personnel-related expenses primarily include salaries, benefits and stock-based compensation. In addition, research and development expenses include prototype material, engineering, design and testing services, and allocated facilities costs, such as office and rent expense and depreciation expense.

Research and development expense increased by \$239.4 million, or 26%, for the year ended December 31, 2024, as compared to the year ended December 31, 2023. The increase was primarily attributable to higher personnel-related expenses of \$198.5 million (\$164.0 million increase due to our growth in headcount and \$34.5 million higher stock-based compensation expenses) and an increase of \$54.3 million for prototype material, engineering, design and testing services primarily related to Lucid Gravity, partially offset by lower utilization of contractors and professional fees of \$26.5 million.

Selling, General, and Administrative

Selling, general, and administrative expenses primarily consist of personnel-related expenses for employees involved in general corporate, selling and marketing functions, including executive management and administration, legal, human resources, facilities and real estate, accounting, finance, tax, and information technology. Personnel-related expenses primarily include salaries, benefits and stock-based compensation. Selling, general, and administrative expenses also include allocated facilities costs, such as office, rent and depreciation expenses, professional services fees, sales and marketing expenses and other general corporate expenses. As we continue to grow as a company, build out our sales force, and commercialize the Lucid Air and Lucid Gravity, and future generations of our electric vehicles, including the development of our Midsize platform, we expect that our selling, general and administrative costs will increase.

Selling, general, and administrative expense increased by \$103.7 million, or 13%, for the year ended December 31, 2024, as compared to the year ended December 31, 2023. The increase was primarily attributable to higher personnel-related expenses of \$82.6 million (\$89.2 million increase due to our growth in headcount, partially offset by \$6.6 million lower stock-based compensation expense), an increase in sales and marketing expenses of \$19.9 million, and an increase of \$14.6 million in allocated facilities costs, partially offset by a decrease of \$12.6 million in other general corporate expenses.

Restructuring Charges

On May 24, 2024, we announced a restructuring plan (the “2024 Restructuring Plan”) intended to optimize operating expenses in response to evolving business needs and productivity improvement through a reduction in workforce. We substantially completed the 2024 Restructuring Plan in 2024.

During the year ended December 31, 2024, we recorded restructuring charges of \$20.3 million related to the 2024 Restructuring Plan within restructuring charges in the consolidated statements of operations and comprehensive loss. The restructuring charges were primarily related to severance payments, employee benefits, employee transition and stock-based compensation, net of a reversal of previously recognized stock-based compensation expense.

On March 28, 2023, we announced a restructuring plan (the “2023 Restructuring Plan”) intended to reduce operating expenses in response to evolving business needs and productivity improvement through a reduction in workforce. We completed the 2023 Restructuring Plan during the first quarter of 2024. During the year ended December 31, 2023, we recorded restructuring charges of \$24.5 million. The restructuring charges were primarily related to severance payments, employee benefits, employee transition and stock-based compensation, net of a reversal of previously recognized stock-based compensation expense.

Other Income (Expense), net

The following table presents our other income (expense), net for the periods presented (in thousands):

	Year Ended December 31,		\$ Change	% Change
	2024	2023		
Other income (expense), net:				
Change in fair value of common stock warrant liability	\$ 34,150	\$ 86,926	\$ (52,776)	(61)%
Change in fair value of equity securities of a related party	(43,057)	5,999	(49,056)	*nm
Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)	155,350	—	155,350	*nm
Interest income	213,026	204,274	8,752	4 %
Interest expense	(32,923)	(24,915)	(8,008)	32 %
Other income (expense), net	(18,469)	(90)	(18,379)	*nm
Total other income, net	<u>\$ 308,077</u>	<u>\$ 272,194</u>	<u>\$ 35,883</u>	13 %

*nm - not meaningful

Change in Fair Value of Common Stock Warrant Liability

Our common stock warrant liability relates to the privately placed common stock warrants (the “Private Placement Warrants”) to purchase shares of our common stock that were effectively issued upon the closing in connection with the merger. Our common stock warrant liability is subject to remeasurement to fair value at each reporting period.

The Private Placement Warrants remained unexercised as of December 31, 2024. The liability was remeasured to fair value, resulting in gains of \$34.2 million and \$86.9 million for the years ended December 31, 2024 and 2023, respectively, and was classified within change in fair value of common stock warrant liability in the consolidated statements of operations and comprehensive loss. See Note 7 “Common Stock Warrant Liability” to our consolidated financial statements included elsewhere in this Annual Report for more information.

Change in Fair Value of Equity Securities of a Related Party

On November 6, 2023, pursuant to the terms of the Implementation Agreement, integration and supply arrangements became effective, under which we will provide Aston Martin access to our powertrain, battery system, and software technologies, work with Aston Martin to integrate our powertrain and battery components with Aston Martin’s battery electric vehicle chassis, and supply powertrain and battery components to Aston Martin (collectively, the “Strategic Technology Arrangement”). In connection with the commencement of the Strategic Technology Arrangement with Aston Martin, we received 28,352,273 ordinary shares of Aston Martin (subject to a lock-up provision of 365 days from its issuance). The ordinary shares of Aston Martin are subject to remeasurement to fair value at each reporting period. Such shares were initially measured at a fair value of \$73.2 million and were remeasured to a fair value of \$37.8

million and \$81.5 million as of December 31, 2024 and 2023, respectively. The change in fair value resulted in an unrealized loss of \$43.1 million and an unrealized gain of \$6.0 million for the years ended December 31, 2024 and 2023, respectively, and was classified within change in fair value of equity securities of a related party in the consolidated statements of operations and comprehensive loss. See Note 5 “Fair Value Measurements and Financial Instruments” and Note 16 “Related Party Transactions” to our consolidated financial statements included elsewhere in this Annual Report for more information.

Change in Fair Value of Derivative Liabilities Associated with Redeemable Convertible Preferred Stock (Related Party)

In March 2024, we entered into a subscription agreement (the “Series A Subscription Agreement”) with Ayar. Pursuant to the Series A Subscription Agreement, Ayar agreed to purchase from us 100,000 shares of our Series A Convertible Preferred Stock, par value \$0.0001 per share (the “Series A Redeemable Convertible Preferred Stock”) for an aggregate purchase price of \$1.0 billion in a private placement. Subsequently, in March 2024, we issued the shares to Ayar pursuant to the Series A Subscription Agreement and received aggregate net proceeds of \$997.6 million after deducting issuance costs of \$2.4 million.

In August 2024, we entered into the Series B Subscription Agreement with Ayar. Pursuant to the Series B Subscription Agreement, Ayar agreed to purchase from us 75,000 shares of our Series B Redeemable Convertible Preferred Stock for an aggregate purchase price of \$750.0 million in a private placement. Subsequently, in August 2024, we issued the shares to Ayar pursuant to the Series B Subscription Agreement and received aggregate net proceeds of \$749.4 million after deducting issuance costs of \$0.6 million.

We concluded that the conversion features, inclusive of all settlement outcomes where the pay-off is indexed to the if-converted value, meets all the requirements to be separately accounted for as a bifurcated derivative. As a result, we bifurcated the Series A Redeemable Convertible Preferred Stock and Series B Redeemable Convertible Preferred Stock (the “Redeemable Convertible Preferred Stock”) between (i) the host contracts which are accounted for within mezzanine equity, and (ii) the bifurcated derivative liabilities related to the conversion features. The bifurcated derivatives are remeasured to fair value at each reporting period with changes in fair value recorded in the consolidated statement of operations and comprehensive loss.

The derivative liabilities of the Series A Redeemable Convertible Preferred Stock and Series B Redeemable Convertible Preferred Stock were initially measured at fair values of \$497.1 million and \$297.7 million, respectively. The derivative liabilities of the Redeemable Convertible Preferred Stock were remeasured to a fair value of \$639.4 million as of December 31, 2024. We recognized a gain of \$88.3 million related to the Series A Redeemable Convertible Preferred Stock for the year ended December 31, 2024, primarily driven by the decreases in term to maturity and credit spread, partially offset by an increase in our stock price. We also recognized a gain of \$67.1 million related to the Series B Redeemable Convertible Preferred Stock for the year ended December 31, 2024, primarily driven by decreases in term to maturity, credit spread, and our stock price. We recognized the combined gains of \$155.4 million related to the Series A Redeemable Convertible Preferred Stock and Series B Redeemable Convertible Preferred Stock for the year ended December 31, 2024 within change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party) in the consolidated statements of operations and comprehensive loss. See Note 8 “Redeemable Convertible Preferred Stock” to our consolidated financial statements included elsewhere in this Annual Report for more information.

Interest Income

Interest income increased by \$8.8 million, or 4%, for the year ended December 31, 2024, as compared to the year ended December 31, 2023, primarily due to higher interest rates from cash on hand and our investments of available for sale securities.

Interest Expense

Interest expense primarily consists of contractual interest and amortization of debt discounts and debt issuance costs incurred related to the 2026 Notes issued in December 2021, commitment fees and amortization of deferred issuance costs from the five-year senior secured asset-based revolving credit facility (“ABL Credit Facility”) and the \$750.0 million five-year unsecured delayed draw term loan credit facility (the “DDTL Credit Facility”), interest on committed SAR 1.0 billion (approximately \$266.1 million) revolving credit facility (the “2023 GIB Credit Facility”) and on our finance leases, and capitalized interest on construction in progress related to significant capital asset construction.

Interest expense increased by \$8.0 million, or 32%, for the year ended December 31, 2024, as compared to the year ended December 31, 2023. The increase was primarily due to higher interest expense of \$4.3 million from the 2023 GIB credit facility resulting from higher average borrowings and commitment fees related to the DDTL Credit Facility, and a decrease of \$2.7 million in interest capitalized on construction in progress related to significant capital asset construction during the year ended December 31, 2024, as compared to the year ended December 31, 2023.

Other Income (Expense), net

Other income (expense), net primarily consists of foreign currency gains and losses and changes in residual value guarantee reserve. Our foreign currency exchange gains and losses relate to transactions and monetary asset and liability balances denominated in currencies other than the U.S. dollar. We expect our foreign currency gains and losses to continue to fluctuate in the future due to changes in foreign currency exchange rates.

Other income (expense), net changed by \$18.4 million for the year ended December 31, 2024, as compared to the year ended December 31, 2023, primarily due to changes in foreign exchange rates and residual value guarantee reserve.

Provision for Income Taxes

The following table presents our provision for income taxes for the periods presented (in thousands):

	Year Ended December 31,			
	2024	2023	\$ Change	% Change
Provision for income taxes	\$ 1,199	\$ 1,026	\$ 173	17 %

Our provision for income taxes consists primarily of U.S., state and foreign income taxes in jurisdictions in which we operate. We maintain a valuation allowance against the full value of our U.S. and state net deferred tax assets because we believe it is more likely than not that the recoverability of these deferred tax assets will not be realized.

Liquidity and Capital Resources

Sources of Liquidity

As of December 31, 2024, we had \$5,043.2 million of cash, cash equivalents and investments and \$37.8 million of investment in equity securities of a related party. We also had \$750.0 million, \$163.8 million, and \$139.2 million of unused available credit amounts from the DDTL Credit Facility, the ABL Credit Facility, and the 2023 GIB Credit Facility, respectively, as of December 31, 2024. Our existing sources of liquidity include cash, cash equivalents, investments, and credit facilities. We funded operations primarily with issuances of common stock, convertible preferred stock and convertible notes.

We expect that our current sources of liquidity together with our projection of cash flows from operating activities will provide us with adequate liquidity for at least the next 12 months, including investment in funding (i) ongoing operations, (ii) research and development projects for new products/ technologies, (iii) further construction of AMP-1 phase 2 in Casa Grande, Arizona, (iv) construction of the CBU portion of AMP-2 in Saudi Arabia, (v) vendor tooling, (vi) expansion of retail studios and service centers, and (vii) other initiatives related to the sale of vehicles and/or technology.

We anticipate our cumulative spending on capital expenditures to be approximately \$1.4 billion for the fiscal year 2025 to support our continued commercialization and growth objectives as we strategically invest in manufacturing capacity and capabilities, our retail studios and service center capabilities throughout North America and across the globe, development of different products and technologies, and other areas supporting the growth of Lucid's business. We expect to continue to receive financing and support for certain capital expenditures in connection with AMP-2 construction and purchases of machinery, tooling, and equipment. Refer to Note 6 "Debt" and Note 16 "Related Party Transactions" to the consolidated financial statements included elsewhere in this Annual Report for more information. Our future capital expenditures may vary and will depend on many factors including the timing and extent of spending and other growth initiatives. In addition, we expect our operating expenses to increase in order to grow and support the operations of a global technology automotive company targeting volumes in line with Lucid's aspirations.

As of December 31, 2024, our total minimum lease payments are \$472.7 million, of which \$71.3 million is due in fiscal year 2025. We also have non-cancellable long-term commitments of approximately \$2.7 billion, primarily relating to certain inventory component purchases. For details regarding these obligations, refer to Note 11 "Leases" and Note 12 "Commitments and Contingencies" to the consolidated financial statements included elsewhere in this Annual Report for more information.

2026 Notes

In December 2021, we issued \$2,012.5 million of the 2026 Notes. The 2026 Notes accrue interest at a rate of 1.25% per annum, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2022. The 2026 Notes will mature on December 15, 2026, unless earlier repurchased, redeemed or converted. Before the close of business on the business day immediately before September 15, 2026, noteholders will have the right to convert their Notes only upon the occurrence of certain events. From and after September 15, 2026, noteholders may elect at any time to convert their Notes until the close of business on the second scheduled trading day immediately before the maturity date. We will settle conversions by paying or delivering, as applicable, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. The initial conversion rate is 18.2548 shares of common stock per \$1,000 principal amount of Notes, which represents an initial conversion price of approximately \$54.78 per share of common stock. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events. In addition, if certain corporate events that constitute a "Make-Whole Fundamental Change" (as defined in the indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time. As of December 31, 2024 and 2023, we were in compliance with applicable covenants under the indenture governing the 2026 Notes.

International Manufacturing Expansion

On February 27, 2022, we announced the selection of King Abdullah Economic City (“KAEC”) in Saudi Arabia as the location of our first international manufacturing plant and signed related agreements with the Ministry of Investment of Saudi Arabia, the Saudi Industrial Development Fund, and the Economic City at KAEC. We started the AMP-2 operations with re-assembly of the Lucid Air vehicle “kits” pre-manufactured in the U.S. and, over time, will commence production of complete vehicles.

Saudi Industrial Development Fund (“SIDF”) Loan Agreement

On February 27, 2022, Lucid LLC, a limited liability company established in Saudi Arabia and our subsidiary (“Lucid LLC”) entered into a loan agreement (as subsequently amended, the “SIDF Loan Agreement”) with SIDF, a related party of the Public Investment Fund (“PIF”), which is an affiliate of Ayar. Under the SIDF Loan Agreement, SIDF has committed to provide loans (the “SIDF Loans”) to Lucid LLC in an aggregate principal amount of up to SAR 5.19 billion (approximately \$1.4 billion); provided that SIDF may reduce the availability of SIDF Loans under the facility in certain circumstances. SIDF Loans will be subject to repayment in semi-annual installments in amounts ranging from SAR 25 million (approximately \$6.7 million) to SAR 350 million (approximately \$93.1 million), commencing on April 3, 2026 and ending on November 12, 2038. SIDF Loans are financing and will be used to finance certain costs in connection with the development and construction of AMP-2. Lucid LLC may repay SIDF Loans earlier than the maturity date without penalty. Obligations under the SIDF Loan Agreement do not extend to us or any of our other subsidiaries.

SIDF Loans will not bear interest. Instead, Lucid LLC will be required to pay SIDF service fees, consisting of follow-up and technical evaluation fees, ranging, in aggregate, from SAR 415 million (approximately \$110.4 million) to SAR 1.77 billion (approximately \$471.1 million), over the term of the SIDF Loans. SIDF Loans will be secured by security interests in the equipment, machines and assets funded thereby.

The SIDF Loan Agreement contains certain restrictive financial covenants and imposes annual caps on Lucid LLC’s payment of dividends, distributions of paid-in capital, or certain capital expenditures. The SIDF Loan Agreement also defines customary events of default, including abandonment of or failure to commence operations at the plant in KAEC, and drawdowns under the SIDF Loan Agreement are subject to certain conditions precedent. As of December 31, 2024 and 2023, no amount was outstanding under the SIDF Loan Agreement.

Ministry of Investment of Saudi Arabia (“MISA”) Agreements

In February 2022, Lucid LLC entered into agreements with MISA, a related party of the PIF, which is an affiliate of Ayar, pursuant to which MISA has agreed to provide economic support for certain capital expenditures in connection with Lucid LLC’s on-going design and construction of AMP-2. The support by MISA is subject to Lucid LLC’s completion of certain milestones related to the construction and operation of AMP-2. Following the commencement of construction, if operations at the plant do not commence within 30 months, or if the agreed scope of operations is not attained within 55 months, MISA may suspend availability of subsequent support.

Pursuant to the agreements, MISA has the right to require Lucid LLC to transfer the ownership of AMP-2 to MISA, at the fair market value thereof, reduced by an amortized value of the support provided in the event of customary events of default including abandonment or material and chronically low utilization of AMP-2. Alternatively, Lucid LLC is entitled to avoid the transfer of the ownership of AMP-2 by electing to pay such amortized value. The agreements will terminate on the fifteenth anniversary of the commencement of CBU operations at AMP-2 at the latest.

During the year ended December 31, 2022, we received support of SAR 366 million (approximately \$97.3 million) in cash, of which \$64.0 million was recorded as deferred liability within other long-term liabilities and \$33.3 million was recorded as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet as of December 31, 2022. Subsequently, we recorded \$64.0 million as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet as of December 31, 2023.

During the year ended December 31, 2023, we received support of SAR 366 million (approximately \$97.5 million) in cash, of which \$62.5 million was recorded as deferred liability within other long-term liabilities and \$35.0 million was recorded as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet as of December 31, 2023. As of December 31,

2024, we recorded \$97.5 million as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet. There were no unfulfilled conditions and contingencies attached to the payments received.

GIB Facility Agreement

On April 29, 2022, Lucid LLC entered into a revolving credit facility agreement (the “GIB Facility Agreement”) with GIB, maturing on February 28, 2025. GIB is a related party of the PIF, which is an affiliate of Ayar. The GIB Facility Agreement provided for two committed revolving credit facilities in an aggregate principal amount of SAR 1.0 billion (approximately \$266.1 million). SAR 650 million (approximately \$173.0 million) under the GIB Facility Agreement was available as bridge financing (the “Bridge Facility”) of Lucid LLC’s capital expenditures in connection with AMP-2. The remaining SAR 350 million (approximately \$93.1 million) might be used for general corporate purposes (the “Working Capital Facility”). Loans under the Bridge Facility and the Working Capital Facility had a maturity of no more than 12 months. The Bridge Facility incurred interest at a rate of 1.25% per annum over 3-month SAIBOR and the Working Capital Facility incurred interest at a rate of 1.70% per annum over 1~3-month SAIBOR and associated fees.

On March 12, 2023, Lucid LLC entered into an amendment of the GIB Facility Agreement (together with the GIB Facility Agreement, the “2023 Amended GIB Facility Agreement”) to combine the Bridge Facility and the Working Capital Facility into a committed SAR 1.0 billion (approximately \$266.1 million) revolving credit facility (the “2023 GIB Credit Facility”) which may be used for general corporate purposes. Loans under the 2023 Amended GIB Credit Facility Agreement have a maturity of no more than 12 months and bear interest at a rate of 1.40% per annum over SAIBOR (based on the term of borrowing) and associated fees.

We are required to pay a quarterly commitment fee of 0.15% per annum based on the unutilized portion of the 2023 GIB Credit Facility. Commitments under the 2023 Amended GIB Facility Agreement will terminate, and all amounts then outstanding thereunder would become payable, on the maturity date of the 2023 Amended GIB Facility Agreement. The 2023 Amended GIB Facility Agreement contains certain conditions precedent to drawdowns, representations and warranties and covenants of Lucid LLC and events of default.

As of December 31, 2024 and 2023, we had outstanding borrowings of SAR 475 million (approximately \$126.4 million) and SAR 272 million (approximately \$72.5 million), respectively. The weighted average interest rate on the outstanding borrowings was 7.04% and 7.49% as of December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, availability under the 2023 GIB Credit Facility was SAR 523 million (approximately \$139.2 million) and SAR 727 million (approximately \$193.9 million), respectively, after giving effect to the outstanding letters of credit. The outstanding borrowings were recorded within other current liabilities in the consolidated balance sheets. As of December 31, 2024 and 2023, we were in compliance with applicable covenants under the 2023 Amended GIB Facility Agreement.

On February 24, 2025, Lucid LLC entered into an agreement to renew the 2023 GIB Credit Facility (the “2025 GIB Credit Facility”) maturing on February 24, 2028 to increase the credit facility committed amount from SAR 1.0 billion (approximately \$266.1 million) to SAR 1.9 billion (approximately \$506.7 million). Loans under the 2025 GIB Credit Facility may be used for general corporate purposes, have a maturity of no more than 12 months, and bear interest at a rate of 1.40% per annum over SAIBOR (based on the term of borrowing) and associated fees. See Note 18 “Subsequent Event” to the consolidated financial statements included elsewhere in this Annual Report for more information.

ABL Credit Facility

In June 2022, we entered into the ABL Credit Facility with a syndicate of banks that may be used for working capital and general corporate purposes. The ABL Credit Facility provides for an initial aggregate principal commitment amount of up to \$1.0 billion (including a \$350.0 million letter of credit subfacility and a \$100.0 million swingline loan subfacility) and has a stated maturity date of June 9, 2027. Borrowings under the ABL Credit Facility bear interest at the applicable interest rates specified in the credit agreement governing the ABL Credit Facility. In June 2024, we amended the ABL Credit Facility to update the Canadian reference rate. Availability under the ABL Credit Facility is subject to the value of eligible assets in the borrowing base and is reduced by outstanding loan borrowings and issuances of letters of credit which bear customary letter of credit fees. Subject to certain terms and conditions, we may request one or more increases in the amount of credit commitments under the ABL Credit Facility in an aggregate amount up to the sum of \$500.0 million plus certain other amounts. We are required to pay a quarterly commitment fee of 0.25% per annum based on the unutilized portion of the ABL Credit Facility.

The ABL Credit Facility contains customary covenants that limit our ability and our restricted subsidiaries to, among other activities, pay dividends, incur debt, create liens and encumbrances, redeem or repurchase stock, dispose of certain assets, consummate acquisitions or other investments, prepay certain debt, engage in transactions with affiliates, engage in sale and leaseback transactions or consummate mergers and other fundamental changes. The ABL Credit Facility also includes a minimum liquidity covenant which, at our option following satisfaction of certain pre-conditions, may be replaced with a springing, minimum fixed charge coverage ratio financial covenant, in each case on terms set forth in the credit agreement governing the ABL Credit Facility. As of December 31, 2024 and 2023, we were in compliance with applicable covenants under the ABL Credit Facility.

As of December 31, 2024 and 2023, we had no outstanding borrowings under the ABL Credit Facility. Outstanding letters of credit under the ABL Credit Facility were \$56.9 million and \$45.4 million as of December 31, 2024 and 2023, respectively. Availability under the ABL Credit Facility was \$354.9 million (including \$191.1 million cash and cash equivalents) and \$413.4 million (including \$144.0 million cash and cash equivalents) as of December 31, 2024 and 2023, respectively, after giving effect to the borrowing base and the outstanding letters of credit.

DDTL Credit Facility

In August 2024, we entered into the DDTL Credit Facility with Ayar that may be used for working capital and general corporate purposes. The DDTL Credit Facility provides for a delayed draw term loan credit facility in an aggregate principal amount of \$750.0 million and has a stated maturity date of August 4, 2029. Borrowings under the DDTL Credit Facility bear interest at the applicable interest rates specified in the credit agreement governing the DDTL Credit Facility. We are required to pay a quarterly undrawn fee of 0.50% per annum based on the unutilized portion of the DDTL Credit Facility.

The DDTL Credit Facility contains customary covenants that limit our ability and our restricted subsidiaries to, among other activities, pay dividends, incur debt, create liens and encumbrances, redeem or repurchase stock, dispose of certain assets, consummate acquisitions or other investments, prepay certain debt, engage in sale and leaseback transactions or consummate mergers and other fundamental changes. The DDTL Credit Facility also includes a minimum liquidity covenant. As of December 31, 2024, we were in compliance with applicable covenants under the DDTL Credit Facility.

As of December 31, 2024, we had no outstanding borrowings under the DDTL Credit Facility.

At-the-Market Offering, Subscription Agreements and Underwriting Agreements

In December 2022, we completed our at-the-market offering program (the “At-the-Market Offering”) pursuant to the equity distribution agreement for net proceeds of \$594.3 million after deducting commissions and other issuance costs and also consummated a private placement of shares to Ayar (the “2022 Subscription Agreement”) pursuant to the 2022 Subscription Agreement for \$915.0 million.

In June 2023, we completed the public offering pursuant to the 2023 Underwriting Agreement for aggregate net proceeds of \$1.2 billion and also consummated a private placement of shares to Ayar pursuant to the 2023 Subscription Agreement for aggregate net proceeds of \$1.8 billion after deducting issuance costs. See Note 9 “Stockholders’ Equity” to the consolidated financial statements included elsewhere in this Annual Report, for more information.

In March 2024, we issued 100,000 shares of our Series A Redeemable Convertible Preferred Stock to Ayar pursuant to the Series A Subscription Agreement and received aggregate net proceeds of \$997.6 million after deducting issuance costs. In August 2024, we also issued 75,000 shares of our Series B Redeemable Convertible Preferred Stock to Ayar pursuant to the Series B Subscription Agreement and received aggregate net proceeds of \$749.4 million after deducting issuance costs. See Note 8 “Redeemable Convertible Preferred Stock” to the consolidated financial statements included elsewhere in this Annual Report, for more information.

In October 2024, we completed the public offering pursuant to the 2024 Underwriting Agreement and received net proceeds of \$718.4 million and also consummated the private placement of shares to Ayar pursuant to the 2024 Subscription Agreement for net proceeds of \$1,025.7 million after deducting issuance costs. See Note 9 “Stockholders’ Equity” to the consolidated financial statements included elsewhere in this Annual Report, for more information.

We have generated significant losses from our operations as reflected in our accumulated deficit of \$12.9 billion and \$10.2 billion as of December 31, 2024 and 2023, respectively. Additionally, we have generated significant negative cash flows from operations and investing activities as we continue to support the growth of our business.

The expenditures associated with the development and commercial launch of our vehicles, the anticipated increase in manufacturing capacity, and the international expansion of our business operations are subject to significant risks and uncertainties, many of which are beyond our control, and therefore, may affect the timing and magnitude of these anticipated expenditures. These risk and uncertainties are described in more detail in the section entitled “Risk Factors” in Item 1A of Part I of this Annual Report.

Cash Flows

The following table summarizes our cash flows for the periods presented (in thousands):

	Year Ended December 31,	
	2024	2023
Cash used in operating activities	\$ (2,019,674)	\$ (2,489,753)
Cash used in investing activities	(1,294,454)	(946,975)
Cash provided by financing activities	3,549,673	3,070,915
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 235,545	\$ (365,813)

Cash Used in Operating Activities

Our cash flows used in operating activities to date have been primarily comprised of cash outlays to support overall growth of the business, especially the costs related to inventory and sale of our vehicles, costs related to research and development, payroll and other general and administrative activities. As we continue to ramp up hiring after starting commercial operations, we expect our cash used in operating activities to increase significantly before it starts to generate any material cash flows from our business.

Net cash used in operating activities decreased by \$470.1 million to \$2,019.7 million during the year ended December 31, 2024, as compared to the year ended December 31, 2023. The decrease was primarily due to an overall decrease in net operating assets and liabilities of \$635.7 million, partially offset by an increase in net loss excluding non-cash expenses and gains of \$165.7 million during the year ended December 31, 2024, as compared to the year ended December 31, 2023. The change in net operating assets and liabilities was primarily attributable to a decrease in inventory of \$323.8 million due to lower purchases of raw materials and continuous improvement in inventory management, and a decrease in accounts payable of \$174.3 million due to timing of payments. The decreases were partially offset by an increase in other current assets of \$145.9 million due to an increase in advanced payments to suppliers recorded during the year ended December 31, 2024.

Cash Used in Investing Activities

Our cash flows used in investing activities primarily relate to purchases of investments and capital expenditures to support our growth, net of proceeds from maturities of investments.

Net cash used in investing activities increased by \$347.5 million to \$1,294.5 million during the year ended December 31, 2024, as compared to the year ended December 31, 2023. The increase was primarily attributable to an increase in purchases of investments of \$624.6 million, partially offset by an increase in proceeds from maturities of investments of \$391.2 million. The increase was also attributable to \$97.5 million of proceeds from a government grant we received during the year ended December 31, 2023.

Cash Provided by Financing Activities

Since inception, we have financed our operations primarily from the issuances of equity securities, including the At-the-Market Offering, the private placements to Ayar, convertible preferred stock, the proceeds of the merger, and the 2026 Notes.

Net cash provided by financing activities increased by \$478.8 million to \$3,549.7 million during the year ended December 31, 2024, as compared to the year ended December 31, 2023. We received net proceeds of \$1,744.0 million from the issuance of common stock under the 2024 Subscription Agreement and Underwriting Agreement, \$997.6 million from the issuance of Series A Redeemable Convertible Preferred Stock, and \$749.4 million from the issuance of Series B Redeemable Convertible Preferred Stock during the year ended December 31, 2024. We also received net proceeds of \$2,996.9 million from the issuance of common stock under the 2023 Subscription Agreement and the 2023 Underwriting Agreement during the year ended December 31, 2023.

Critical Accounting Estimates

The consolidated financial statements and the related notes thereto included elsewhere in this Annual Report are prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts and related disclosures in our financial statements and accompanying notes. We base our estimates on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions due to the inherent uncertainty involved in making those estimates and any such differences may be material.

We believe that the following accounting policies involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations. For more information about our accounting policies, see Note 2 “Summary of Significant Accounting Policies” to the consolidated financial statements included elsewhere in this Annual Report.

Revenue Recognition

We follow a five-step process in which we identify the contract, identify the related performance obligations, determine the transaction price, allocate the transaction price to the identified performance obligations, and recognize revenue when (or as) the performance obligations are satisfied.

Vehicle Sales

Vehicle Sales without Residual Value Guarantee

Vehicle sales revenue is generated from the sale of electric vehicles to customers. There are two performance obligations identified in vehicle sale arrangements. These are the vehicle including an onboard advanced driver assistance system (“ADAS”), and the right to unspecified over-the-air (“OTA”) software updates to be provided as and when available over the term of the basic vehicle warranty, which is generally four years. Shipping and handling provided by us is considered a fulfillment activity.

Payment is typically received at the time of delivery or shortly after delivery of the vehicle to the customer, except for vehicle sales under the EV Purchase Agreement. Generally, control transfers to the customer at the time of delivery when the customer takes physical possession of the vehicle, which may be at a Lucid studio or other destination chosen by the customer. Our vehicle contracts do not contain a significant financing component. We have elected to exclude sales taxes from the measurement of the transaction price. We estimate the standalone selling price of all performance obligations by considering costs used to develop and deliver the good or service, third-party pricing of similar goods or services and other information that may be available. The transaction price is allocated among the performance obligations in proportion to the standalone selling price of our performance obligations.

We recognize revenue related to the vehicle when the customer obtains control of the vehicle which occurs at a point in time either upon completion of delivery to the agreed upon delivery location or upon pick up of the vehicle by the customer. As the unspecified OTA software updates are provided when-and-if they become available, revenue related to OTA software updates is recognized ratably over the basic vehicle warranty term, commencing when control of the vehicle is transferred to the customer.

At the time of revenue recognition, we reduce the transaction price and record a sales return reserve against revenue for estimated variable consideration related to future product returns. Such return rate estimates are based on historical experience.

We provide a manufacturer's warranty on all vehicles sold. The warranty covers the rectification of reported defects via repair, replacement, or adjustment of faulty parts or components. The warranty does not cover any item where failure is due to normal wear and tear. This assurance-type warranty does not create a performance obligation separate from the vehicle. The estimated cost of the assurance-type warranty is accrued at the time of vehicle sale.

Vehicle Sales with Residual Value Guarantee

We provide a residual value guarantee ("RVG") to our commercial banking partners in connection with its vehicle leasing program. Under the vehicle leasing program, we generally receive payment for the vehicle sales price at the time of delivery or shortly after delivery, do not bear casualty and credit risks during the lease term, and are contractually obligated (or entitled) to share a portion of the shortfall (or excess) between the resale value realized by the commercial banking partners and a predetermined resale value. At the lease inception, we are required to deposit cash collateral equal to a contractual percentage of the residual value of the leased vehicles with the commercial banking partners. The cash collateral is held in a restricted bank account owned by the commercial banking partner until it is used, as applicable, in settlement of the RVG at the end of the lease term. Cash collateral is recorded in other noncurrent assets, subject to an asset impairment review at each reporting period.

We account for the vehicle leasing program in accordance with ASC 842, *Leases*, ASC 460, *Guarantees* and ASC 606, *Revenue from Contracts with Customers*. We are the lessor at inception of a lease and immediately transfer the lease as well as the underlying vehicle to our commercial banking partners, with the transaction being accounted for as a sale under ASC 606. We recognize revenue when control transfers upon delivery when the consumer-lessee takes physical possession of the vehicle, and bifurcate the RVG at fair value and account for it as a guarantee liability. The remaining amount of the transaction price is allocated among the performance obligations, including the vehicle, the right to unspecified OTA software updates and remarketing activities, in proportion to the standalone selling price of our performance obligations. Any fees or incentives that are paid or payable by us to commercial banking partners are recognized as a reduction to vehicle sales revenue.

The guarantee liability represents the estimated amount we expect to pay at the end of the lease term. We are released from residual risk upon either expiration or settlement of the RVG. We evaluate variables such as third-party residual value publications, risk of future price deterioration due to changes in market conditions and reconditioning costs to determine the estimated residual value guarantee liability. As we accumulate more data related to the resale value of our vehicles or as market conditions change, there could be material changes to the estimated guarantee liabilities.

Vehicle Operating Lease Revenue

We account for sales of vehicles with repurchase obligations as operating leases. We sell vehicles primarily to rental companies with an obligation to repurchase the vehicles at an agreed upon repurchase price. We record the difference between the proceeds received and the agreed upon repurchase price as vehicle leasing revenue on a straight-line basis over the term of the lease. Deferred leasing revenue and repurchase obligation were recorded in other current liabilities and other long-term liabilities in the consolidated balance sheets.

Inventory Valuation

Inventories are stated at the lower of cost or net realizable value. Cost is computed using standard cost for vehicles, which approximates actual cost on a first-in, first-out basis. We record inventory write-downs for excess or obsolete inventories based upon assumptions about current and future demand forecasts. If inventory on-hand is in excess of future demand forecast and market conditions, the excess amounts are written-off.

Inventory is also reviewed to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires an assessment to determine the selling price of the vehicles less the estimated cost to convert the inventory on-hand into a finished product. Once inventory is written down, a new lower cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

In the event there are changes in our estimates of future selling prices or production costs, we might be required to record additional and potentially material write-downs. A small change in our estimates may result in a material change in our reported financial results.

We periodically review and record write-downs for excess or obsolete inventories based upon assumptions about current and future demand forecasts, considering shelf-life and technological obsolescence of certain inventories. Our current and future demand forecasts are based on our historical sales, market share performance, macroeconomic factors and trends in quantities or prices of orders for our products. We evaluate whether raw materials are approaching the end of their shelf-lives or becoming technologically obsolete, and the likelihood that we will be able to use the raw materials in production. If our inventory on-hand is in excess of future demand forecast and market conditions, the excess amounts are provisioned or written-down.

Once inventory is written-down, a new lower cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

Redeemable Convertible Preferred Stock

Accounting for the redeemable convertible preferred stock requires an evaluation to determine if liability classification is required under ASC 480-10. Liability classification is required for freestanding financial instruments that are (1) subject to an unconditional obligation requiring the issuer to redeem the instrument by transferring assets, such as those that are mandatorily redeemable, (2) instruments other than equity shares that embody an obligation of the issuer to repurchase its equity shares, or (3) certain types of instruments that obligate the issuer to issue a variable number of equity shares.

Securities that do not meet the scoping criteria to be classified as a liability under ASC 480 are subject to redeemable equity guidance, which prescribes securities that may be subject to redemption upon an event not solely within the control of the issuer to be classified as temporary equity. Securities classified in temporary equity are initially measured at the proceeds received, net of issuance costs and excluding the fair value of bifurcated embedded derivatives, if any. Subsequent measurement of the carrying value of the redeemable convertible preferred stock is required as the instrument is probable of becoming redeemable. We accrete the redeemable convertible preferred stock to its redemption value. In certain circumstances, the redemption price may vary based on changes in stock price, in which case we will recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the then current maximum redemption value at the end of each reporting period.

Derivative Liabilities

In connection with the issuance of the redeemable convertible preferred stock, we evaluated the instruments for any features that must be bifurcated and separately accounted for as embedded derivatives. We concluded that the conversion features, inclusive of all settlement outcomes where the pay-off is indexed to the if-converted value, meets all the requirements to be separately accounted for as a bifurcated derivative. As a result, we bifurcated the redeemable convertible preferred stock between (i) the host contracts which are accounted for within mezzanine equity, and (ii) the bifurcated derivative liabilities. The proceeds from issuance are first allocated to the fair value of the bifurcated derivatives with the residual being allocated to the host contracts. The bifurcated derivatives are remeasured to fair value each reporting period with changes in fair value recorded in earnings. We estimated the fair value of the derivative liabilities using a binomial lattice model. Inherent in a binomial lattice model are unobservable inputs and assumptions. The inputs for the valuation of the derivative liabilities included the volatility, credit spread, and term. Assumptions used in the valuation also consider the contractual terms as well as the quoted price of our common stock in an active market. Significant changes in any of those inputs in

isolation would result in significant changes to the fair value measurement. We remeasure the derivative liabilities at each reporting period and recognize the changes in fair value in the consolidated statement of operations and comprehensive loss.

Recently Adopted Accounting Pronouncements

See Note 2 “Summary of Significant Accounting Policies” to our consolidated financial statements included elsewhere in this Annual Report for more information.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates, equity price and inflationary pressure.

Interest Rate Risk

We are exposed to market risk for changes in interest rates applicable to our cash and cash equivalents, and investments. We had cash, cash equivalents, and investments totaling approximately \$5.04 billion as of December 31, 2024. Our investment policy is focused on the preservation of capital and supporting our liquidity needs. Under the policy, we invest in highly rated securities, primarily issued by the U.S. government or liquid money market funds. We do not invest in financial instruments for trading or speculative purposes. We utilize external investment managers who adhere to the guidelines of our investment policy. Based on investment positions as of December 31, 2024, a hypothetical 100 basis point increase in interest rates would result in \$26.5 million incremental decline in the fair market value of our portfolio.

Equity Price Risk

We hold equity securities of Aston Martin Lagonda Global Holdings plc (together with its subsidiaries, "Aston Martin"). The fair value of these equity securities was \$37.8 million as of December 31, 2024. Changes in fair value of these equity securities are impacted by the volatility of the stock market and changes in general economic conditions, among other factors. A hypothetical 10% decrease in the stock price of these equity securities would decrease the fair value as of December 31, 2024 by \$3.8 million.

Supply Risk

We are dependent on our suppliers, the majority of which are single-source suppliers, and the inability of these suppliers to deliver necessary components of its products according to the schedule and at prices, quality levels and volumes acceptable to us, or its inability to efficiently manage these components, could have a material adverse effect on our results of operations and financial condition.

Item 8. Financial Statements and Supplementary Data.

Index of Consolidated Financial Statements for the fiscal years ended December 31, 2024, 2023 and 2022.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
Lucid Group, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Lucid Group, Inc. and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders' equity, and cash flows for the years then ended, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of net realizable value of certain inventories

As discussed in Notes 2 and 4 to the consolidated financial statements, the Company has inventories with a carrying value of \$407.8 million as of December 31, 2024. The Company adjusts the carrying value of inventory when the cost of inventory exceeds the estimated net realizable value. The Company records inventory write-downs for excess or obsolete inventories based upon assumptions about current and future demand forecasts. Additionally, the Company reviews inventory to determine whether the carrying value exceeds the net amount realizable upon the ultimate sale of the inventory, requiring the Company to determine the estimated selling price of vehicles and the estimated cost to convert the inventory on-hand into a finished product.

We identified the evaluation of the Company's determination of net realizable value of certain inventories as a critical audit matter. Subjective auditor judgment and significant audit effort were required to assess key inputs within the Company's determination of net realizable value of certain inventories. Specifically, the key inputs within the calculation include the estimated selling prices and the estimated cost to convert the inventory on-hand into a finished product.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's inventory process, including controls related to the estimated selling prices and the estimated cost to convert the inventory on-hand into a finished product. We evaluated estimated selling prices by comparing them to internal sales documentation, actual sales, peer company data, and relevant market information. We evaluated the Company's ability to accurately forecast the estimated cost to convert inventory on-hand by comparing historical production projections to actual results. We assessed the estimated cost to convert the inventory on-hand by comparing it to future sales projections. For certain inventories, we also evaluated the estimated cost to convert inventory on-hand by comparing the historical estimated cost to convert to actual results.

Evaluation of redeemable convertible preferred stock issuances

As discussed in Notes 2, 8 and 16 to the consolidated financial statements, in March 2024, the Company entered into the Series A Subscription Agreement with a related party. Pursuant to the Series A Subscription Agreement, the related party purchased 100,000 shares of the Series A Redeemable Convertible Preferred Stock for an aggregate purchase price of \$1.0 billion in a private placement. In addition, in August 2024, the Company entered into the Series B Subscription Agreement with the same related party. Pursuant to the Series B Subscription Agreement, the related party purchased 75,000 shares of the Series B Redeemable Convertible Preferred Stock for an aggregate purchase price of \$750.0 million in a private placement. The Series A Redeemable Convertible Preferred Stock and the Series B Redeemable Convertible Preferred Stock (the Redeemable Convertible Preferred Stock) are convertible at the option of the holder (i) at any time the closing price per share of the common stock on the trading date immediately preceding the date on which the holder delivers the relevant notice of conversion is at least a certain price threshold or (ii) during specified periods preceding a fundamental change or optional redemption by the Company under the terms of the Redeemable Convertible Preferred Stock. As of December 31, 2024, the Redeemable Convertible Preferred Stock mezzanine equity and derivative liabilities were \$1.3 billion and \$639.4 million, respectively.

We identified the assessment of the initial US GAAP accounting treatment of the Redeemable Convertible Preferred Stock as a critical audit matter. Specifically, the evaluation of the appropriate accounting treatment, including: 1) determination of whether the preferred stock was a debt or equity host, 2) identification of the embedded features, and 3) determination of whether any of the embedded features require bifurcation and separate accounting, involved complex, challenging and subjective auditor judgments. In addition, a high degree of auditor judgment was involved in determining the nature and extent of the procedures performed and audit evidence obtained to evaluate the Company's conclusions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of an internal control related to the initial accounting treatment of the Redeemable Convertible Preferred Stock. We obtained and reviewed the Redeemable Convertible Preferred Stock agreements to understand the terms, conditions, and features within the agreements to assist in (i) evaluating relevant contract terms and conditions of the agreements in relation to the appropriate accounting literature, (ii) comparing the relevant terms and provisions to management's analysis, and (iii) assessing the appropriateness of conclusions reached by the

Company with respect to the initial accounting treatment, including the determination of the host contract, and identification and bifurcation of embedded features within the Redeemable Convertible Preferred Stock. We evaluated the conclusions made by the Company related to the accounting treatment for issuance of the Redeemable Convertible Preferred Stock, including the Company's conclusions of relevant accounting standards to analyze and assess the identification and determination of embedded features requiring bifurcation and separate accounting of the Redeemable Convertible Preferred Stock.

/s/ KPMG LLP

We have served as the Company's auditor since 2023.

Santa Clara, California

February 25, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Lucid Group, Inc.

Opinion on the financial statements

We have audited the consolidated balance sheet of Lucid Group, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2022 (not presented herein), the related consolidated statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders’ equity, and cash flows for the year then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We served as the Company’s auditor from 2020 to 2022.

San Francisco, California

February 28, 2023 (except for Note 17, as to which the date is February 25, 2025)

LUCID GROUP, INC.
CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,606,865	\$ 1,369,947
Short-term investments (including \$15,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	2,424,103	2,489,798
Accounts receivable, net (including \$57,909 and \$35,526 from a related party as of December 31, 2024 and 2023, respectively)	112,025	51,822
Inventory	407,774	696,236
Prepaid expenses	52,951	69,682
Other current assets (including \$34,503 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	270,218	79,670
Total current assets	4,873,936	4,757,155
Property, plant and equipment, net	3,262,612	2,810,867
Right-of-use assets	211,886	221,508
Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	1,012,223	461,029
Other noncurrent assets	249,443	180,626
Investments in equity securities of a related party	37,831	81,533
TOTAL ASSETS	\$ 9,647,931	\$ 8,512,718
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 133,832	\$ 108,724
Finance lease liabilities, current portion	6,788	8,202
Other current liabilities (including \$126,417 and \$92,258 associated with related parties as of December 31, 2024 and 2023, respectively)	1,024,671	891,484
Total current liabilities	1,165,291	1,008,410
Finance lease liabilities, net of current portion	76,096	77,653
Common stock warrant liability	19,514	53,664
Long-term debt	2,002,151	1,996,960
Other long-term liabilities (including \$121,136 and \$178,311 associated with related parties as of December 31, 2024 and 2023, respectively)	572,800	524,339
Derivative liabilities associated with redeemable convertible preferred stock (related party)	639,425	—
Total liabilities	4,475,277	3,661,026
Commitments and contingencies (Note 12)		
REDEEMABLE CONVERTIBLE PREFERRED STOCK		
Preferred stock 10,000,000 shares authorized as of December 31, 2024 and 2023, Series A redeemable convertible preferred stock, par value \$0.0001; 100,000 and 0 shares issued and outstanding as of December 31, 2024 and 2023, respectively; liquidation preference of \$1,138,825 and nil as of December 31, 2024 and 2023, respectively (related party)	730,025	—
Preferred stock 10,000,000 shares authorized as of December 31, 2024 and 2023, Series B redeemable convertible preferred stock, par value \$0.0001; 75,000 and 0 shares issued and outstanding as of December 31, 2024 and 2023, respectively; liquidation preference of \$800,442 and nil as of December 31, 2024 and 2023, respectively (related party)	569,817	—

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

LUCID GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share data)

	Year Ended December 31,		
	2024	2023	2022
Revenue (including \$174,204, \$43,714, and nil from a related party for the years ended December 31, 2024, 2023, and 2022, respectively)	\$ 807,832	\$ 595,271	\$ 608,181
Costs and expenses			
Cost of revenue	1,730,943	1,936,066	1,646,086
Research and development	1,176,453	937,012	821,512
Selling, general and administrative	900,952	797,235	734,574
Restructuring charges	20,304	24,546	—
Total cost and expenses	3,828,652	3,694,859	3,202,172
Loss from operations	(3,020,820)	(3,099,588)	(2,593,991)
Other income (expense), net			
Change in fair value of common stock warrant liability	34,150	86,926	1,254,218
Change in fair value of equity securities of a related party	(43,057)	5,999	—
Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)	155,350	—	—
Interest income	213,026	204,274	56,756
Interest expense (including \$6,980, \$2,159, and \$283 to a related party for the years ended December 31, 2024, 2023, and 2022, respectively)	(32,923)	(24,915)	(30,596)
Other income (expense), net	(18,469)	(90)	9,532
Total other income, net	308,077	272,194	1,289,910
Loss before provision for income taxes	(2,712,743)	(2,827,394)	(1,304,081)
Provision for income taxes	1,199	1,026	379
Net loss	(2,713,942)	(2,828,420)	(1,304,460)
Accretion of redeemable convertible preferred stock (related party)	(347,610)	—	—
Net loss attributable to common stockholders, basic	(3,061,552)	(2,828,420)	(1,304,460)
Change in fair value of dilutive warrants	—	—	(1,254,218)
Net loss attributable to common stockholders, diluted	\$ (3,061,552)	\$ (2,828,420)	\$ (2,558,678)
Weighted-average shares outstanding attributable to common stockholders			
Basic	2,445,176,539	2,081,772,622	1,678,346,079
Diluted	2,445,176,539	2,081,772,622	1,693,258,608
Net loss per share attributable to common stockholders			
Basic	\$ (1.25)	\$ (1.36)	\$ (0.78)
Diluted	\$ (1.25)	\$ (1.36)	\$ (1.51)
Other comprehensive income (loss)			
Net unrealized gains (losses) on investments, net of tax	\$ 1,942	\$ 12,669	\$ (11,572)
Foreign currency translation adjustments	(8,891)	3,753	—
Total other comprehensive income (loss)	(6,949)	16,422	(11,572)

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

LUCID GROUP, INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS'
EQUITY

(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Accumulated						
	Shares	Amount	Common Stock		Additional Paid-In	Treasury	Other Comprehensive	Accumulated	Total
			Shares	Amount	Capital	Stock	Income (Loss)	Deficit	Stockholders' Equity
Balance as of January 1, 2022	—	\$ —	1,647,555,590	\$ 165	\$ 9,995,778	\$ (20,716)	\$ —	\$ (6,065,872)	\$ 3,909,355
Net loss	—	—	—	—	—	—	—	(1,304,460)	(1,304,460)
Other comprehensive loss	—	—	—	—	—	—	(11,572)	—	(11,572)
Tax withholding payments for net settlement of employee awards	—	—	—	—	(218,789)	—	—	—	(218,789)
Issuance of common stock upon vesting of employee RSUs	—	—	15,217,096	1	(1)	—	—	—	—
Issuance of common stock under employee stock purchase plan	—	—	2,106,158	—	24,562	—	—	—	24,562
Issuance of common stock upon exercise of stock options	—	—	22,519,879	2	17,786	—	—	—	17,788
Issuance of common stock under At-the-Market Offering, net of issuance costs	—	—	56,203,334	6	594,311	—	—	—	594,317
Issuance of common stock under 2022 Subscription Agreement (related party)	—	—	85,712,679	9	914,991	—	—	—	915,000
Stock-based compensation	—	—	—	—	423,500	—	—	—	423,500
Balance as of December 31, 2022	—	—	1,829,314,736	183	11,752,138	(20,716)	(11,572)	(7,370,332)	4,349,701
Net loss	—	—	—	—	—	—	—	(2,828,420)	(2,828,420)
Other comprehensive income	—	—	—	—	—	—	16,422	—	16,422
Tax withholding payments for net settlement of employee awards	—	—	—	—	(17,615)	—	—	—	(17,615)
Issuance of common stock upon vesting of employee RSUs	—	—	16,947,760	2	(2)	—	—	—	—
Issuance of common stock under employee stock purchase plan	—	—	4,748,875	—	23,836	—	—	—	23,836
Issuance of common stock upon exercise of stock options	—	—	9,003,642	1	10,342	—	—	—	10,343
Issuance of common stock under 2023 Underwriting Agreement, net of issuance costs	—	—	173,544,948	17	1,184,207	—	—	—	1,184,224
Issuance of common stock under 2023 Subscription Agreement, net of issuance costs (related party)	—	—	265,693,703	27	1,812,614	—	—	—	1,812,641
Stock-based compensation	—	—	—	—	300,560	—	—	—	300,560
Balance as of December 31, 2023	—	—	2,299,253,664	230	15,066,080	(20,716)	4,850	(10,198,752)	4,851,692
Net loss	—	—	—	—	—	—	—	(2,713,942)	(2,713,942)
Other comprehensive loss	—	—	—	—	—	—	(6,949)	—	(6,949)
Tax withholding payments for net settlement of employee awards	—	—	—	—	(10,021)	—	—	—	(10,021)
Issuance of common stock upon vesting of employee RSUs	—	—	44,945,260	5	(5)	—	—	—	—
Issuance of common stock under employee stock purchase plan	—	—	8,976,458	—	19,208	—	—	—	19,208

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

LUCID GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net loss	\$ (2,713,942)	\$ (2,828,420)	\$ (1,304,460)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	295,337	233,531	186,583
Amortization of insurance premium	33,330	39,507	35,620
Non-cash operating lease cost	30,765	26,201	19,711
Stock-based compensation	285,872	257,283	423,500
Inventory and firm purchase commitments write-downs	590,198	906,069	569,479
Change in fair value of common stock warrant liability	(34,150)	(86,926)	(1,254,218)
Change in fair value of equity securities of a related party	43,057	(5,999)	—
Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)	(155,350)	—	—
Net accretion of investment discounts/premiums	(76,739)	(105,432)	(20,695)
Other non-cash items	5,983	34,205	10,353
Changes in operating assets and liabilities:			
Accounts receivable (including \$(22,383), \$(35,526), and nil from a related party for the years ended December 31, 2024, 2023, and 2022, respectively)	(61,279)	(32,509)	(16,498)
Inventory	(334,242)	(658,010)	(1,256,349)
Prepaid expenses	(16,675)	(45,641)	(28,822)
Other current assets	(141,110)	4,758	(43,591)
Other noncurrent assets	(62,759)	(121,790)	(43,230)
Accounts payable	34,756	(139,519)	180,469
Other current liabilities	131,627	(42,508)	284,862
Other long-term liabilities (including \$4,900, \$107,763, and nil associated with a related party for the years ended December 31, 2024, 2023, and 2022, respectively)	125,647	75,447	31,028
Net cash used in operating activities	(2,019,674)	(2,489,753)	(2,226,258)
Cash flows from investing activities:			
Purchases of property, plant and equipment (including \$(164,683), \$(80,511), and \$(18,834) from a related party for the years ended December 31, 2024, 2023, and 2022, respectively)	(883,841)	(910,644)	(1,074,852)
Purchases of investments (including \$(35,000), nil, and nil from a related party for the years ended December 31, 2024, 2023, and 2022, respectively)	(4,622,890)	(3,998,282)	(3,854,129)
Proceeds from maturities of investments	4,112,084	3,720,890	1,149,714
Proceeds from sale of investments	100,193	148,388	—
Proceeds from government grant	—	97,500	97,267
Other investing activities	—	(4,827)	323
Net cash used in investing activities	\$ (1,294,454)	\$ (946,975)	\$ (3,681,677)

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

LUCID GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS - continued
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from financing activities:			
Proceeds from issuance of common stock under 2024 Underwriting Agreement, net of issuance costs	718,357	—	—
Proceeds from issuance of common stock under 2024 Subscription Agreement to a related party, net of issuance costs	1,025,660	—	—
Proceeds from issuance of common stock under 2023 Underwriting Agreement, net of issuance costs	—	1,184,224	—
Proceeds from issuance of common stock under 2023 Subscription Agreement to a related party, net of issuance costs	—	1,812,641	—
Proceeds from issuance of common stock under At-the-Market Offering, net of issuance costs	—	—	594,317
Proceeds from issuance of common stock under 2022 Subscription Agreement to a related party	—	—	915,000
Proceeds from issuance of Series A redeemable convertible preferred stock to a related party	1,000,000	—	—
Proceeds from issuance of Series B redeemable convertible preferred stock to a related party	750,000	—	—
Payments of issuance costs for Series A redeemable convertible preferred stock	(2,351)	—	—
Payments of issuance costs for Series B redeemable convertible preferred stock	(641)	—	—
Payment for credit facility issuance costs (including \$(5,625), nil, and nil to a related party for the years ended December 31, 2024, 2023, and 2022, respectively)	(6,244)	—	(6,631)
Payment for short-term insurance financing note	—	—	(15,330)
Payment for finance lease liabilities	(3,166)	(5,425)	(4,977)
Proceeds from borrowings from a related party	79,844	62,911	29,818
Repayment of borrowings to a related party	(25,856)	—	(20,223)
Proceeds from failed sale-leaseback transaction	—	—	31,700
Proceeds from exercise of stock options	4,883	10,343	17,788
Proceeds from employee stock purchase plan	19,208	23,836	24,562
Tax withholding payments for net settlement of employee awards	(10,021)	(17,615)	(218,789)
Net cash provided by financing activities	3,549,673	3,070,915	1,347,235
Net increase (decrease) in cash, cash equivalents, and restricted cash	235,545	(365,813)	(4,560,700)
Beginning cash, cash equivalents, and restricted cash	1,371,507	1,737,320	6,298,020
Ending cash, cash equivalents, and restricted cash	\$ 1,607,052	\$ 1,371,507	\$ 1,737,320

Supplemental disclosure of cash flow information:

Cash paid for interest, net of amounts capitalized	\$ 25,526	\$ 18,182	\$ 23,199
Cash paid for taxes	\$ 88	\$ 37	\$ 480

Supplemental disclosure of non-cash investing and financing activity:

Increases (decrease) in accounts payable and accrued liabilities related to property, plant and equipment (including \$(19,725), \$8,530 and \$11,196 associated with a related party for the years ended December 31, 2024, 2023 and 2022, respectively)	\$ (68,930)	\$ 35,849	\$ 42,728
Government grant (related party) reflected in property, plant and equipment	\$ (62,471)	\$ (99,025)	\$ (33,297)
Property, plant and equipment and right-of-use assets obtained through leases	\$ 24,173	\$ 32,477	\$ 157,894
Equity securities obtained through Strategic Technology Arrangement	\$ —	\$ 73,193	\$ —

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

LUCID GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – DESCRIPTION OF BUSINESS

Overview

Lucid Group, Inc. (“Lucid”) is a technology company that is setting new standards with the world’s most advanced electric vehicles (“EV”), the award-winning Lucid Air and all-new Lucid Gravity.

Throughout the notes to the consolidated financial statements, unless otherwise noted, the “Company,” “we,” “us” or “our” and similar terms refer to Legacy Lucid and its subsidiaries prior to the consummation of the merger, and Lucid and its subsidiaries after the consummation of the merger.

Liquidity

The Company devotes its efforts to business planning, selling and servicing of vehicles, providing technology access, research and development, construction and expansion of manufacturing facilities, expansion of retail studios and service center capacities, recruiting of management and technical staff, acquiring operating assets, and raising capital.

From inception through December 31, 2024, the Company has incurred operating losses and negative cash flows from operating activities. For the years ended December 31, 2024, 2023 and 2022, the Company has incurred net losses of \$2.7 billion, \$2.8 billion and \$1.3 billion, respectively. The Company had an accumulated deficit of \$12.9 billion as of December 31, 2024.

The Company completed the first phase of the construction of its Advanced Manufacturing Plant-1 in Casa Grande, Arizona (“AMP-1”) in 2021, transitioned general assembly to the AMP-1 phase 2 manufacturing facility and completed the semi knocked-down (“SKD”) portion of its Advanced Manufacturing Plant-2 in Saudi Arabia (“AMP-2”) in September 2023. The Company also completed key manufacturing activities, including the paint shop, stamping, a new body shop for the Lucid Gravity, and a majority of the powertrain shop, of the AMP-1 phase 2 manufacturing facility in 2024. The Company began commercial production of its first vehicle, the Lucid Air, in September 2021 and delivered its first vehicles in late October 2021. Currently, the AMP-1 phase 2 facility manufactures the Lucid Air and the Lucid Gravity. The Company continues to expand AMP-1, construct the completely-built-up (“CBU”) portion of AMP-2, and build a network of retail sales and service locations. The Company has plans for continued development of additional vehicle model types for future release. The aforementioned activities will require considerable capital, which is above and beyond the expected cash inflows from the initial sales of the Lucid Air. As such, the future operating plan involves considerable risk if secure funding sources are not identified and confirmed.

The Company’s existing sources of liquidity include cash, cash equivalents, investments, and credit facilities. The Company funded operations primarily with issuances of common stock, convertible preferred stock, and convertible notes.

In 2022, the Company entered into a loan agreement with the Saudi Industrial Development Fund (“SIDF”) with an aggregate principal amount of up to approximately \$1.4 billion, a five-year senior secured asset-based revolving credit facility (“ABL Credit Facility”) with an initial aggregate principal commitment amount of up to \$1.0 billion, and revolving credit facilities (the “GIB Facility Agreement”) with Gulf International Bank (“GIB”) in an aggregate principal amount of approximately \$266.1 million. The GIB Facility Agreement provided for two committed revolving credit facilities, of which \$173.0 million was available as a bridge financing (the “Bridge Facility”) and \$93.1 million was for general corporate purposes (the “Working Capital Facility”).

In March 2023, the Company amended the GIB Facility Agreement (together with the GIB Facility Agreement, the “2023 Amended GIB Facility Agreement”) to combine the Bridge Facility and the Working Capital Facility into a committed \$266.1 million revolving credit facility (the “2023 GIB Credit Facility”), which bears interest at a rate of 1.40% per annum over SAIBOR (based on the term of borrowing) and associated fees. See Note 6 “Debt” for more information.

In February 2025, Lucid LLC, a limited liability company established in Saudi Arabia and a subsidiary of the Company (“Lucid LLC”), entered into an agreement to renew the 2023 GIB Credit Facility (the “2025 GIB Credit Facility”) maturing on February 24, 2028 to increase the credit facility committed amount from SAR 1.0 billion (approximately \$266.1 million) to SAR 1.9 billion (approximately \$506.7 million). Loans under the 2025 GIB Credit Facility may be used for general corporate purposes, have a maturity of no more than 12 months, and bear interest at a rate of 1.40% per annum over SAIBOR (based on the term of borrowing) and associated fees. See Note 18 “Subsequent Event” for more information.

In November 2022, the Company entered into an equity distribution agreement (the “Equity Distribution Agreement”) with BofA Securities, Inc., Barclays Capital Inc. and Citigroup Global Markets Inc., under which the Company could offer and sell shares of its common stock having an aggregate offering price up to \$600.0 million (the “At-the-Market Offering”). On November 8, 2022, the Company also entered into a subscription agreement (the “2022 Subscription Agreement”) with Ayar Third Investment Company, the controlling stockholder of the Company (“Ayar”), pursuant to which Ayar agreed to purchase from the Company up to \$915.0 million of shares of its common stock in one or more private placements through March 31, 2023. In December 2022, the Company completed its At-the-Market Offering program pursuant to the Equity Distribution Agreement for net proceeds of \$594.3 million after deducting commissions and other issuance costs and also consummated a private placement of shares to Ayar pursuant to the 2022 Subscription Agreement for \$915.0 million. No shares remain available for sale under the Equity Distribution Agreement. See Note 9 “Stockholders’ Equity” and Note 16 “Related Party Transactions” for more information.

In May 2023, the Company entered into an underwriting agreement (the “2023 Underwriting Agreement”) with BofA Securities, Inc. (the “Underwriter”), under which the Underwriter agreed to purchase from the Company shares of the Company’s common stock in a public offering for aggregate net proceeds to the Company of \$1.2 billion. In May 2023, the Company also entered into a subscription agreement (the “2023 Subscription Agreement”) with Ayar, pursuant to which Ayar agreed to purchase from the Company shares of the Company’s common stock in a private placement for aggregate net proceeds of \$1.8 billion. In June 2023, the Company completed the public offering pursuant to the 2023 Underwriting Agreement for aggregate net proceeds of \$1.2 billion and also consummated the private placement to Ayar pursuant to the 2023 Subscription Agreement for aggregate net proceeds of \$1.8 billion. See Note 9 “Stockholders’ Equity” and Note 16 “Related Party Transactions” for more information.

In March 2024, the Company entered into a subscription agreement (the “Series A Subscription Agreement”) with Ayar. Pursuant to the Series A Subscription Agreement, Ayar agreed to purchase from the Company 100,000 shares of its Series A convertible preferred stock, par value \$0.0001 per share (the “Series A Redeemable Convertible Preferred Stock”), for an aggregate purchase price of \$1.0 billion in a private placement. Subsequently, in March 2024, the Company issued the shares to Ayar pursuant to the Series A Subscription Agreement and received aggregate net proceeds of \$997.6 million. In August 2024, the Company entered into a subscription agreement (the “Series B Subscription Agreement”) with Ayar. Pursuant to the Series B Subscription Agreement, Ayar agreed to purchase from the Company 75,000 shares of its Series B convertible preferred stock, par value \$0.0001 per share (the “Series B Redeemable Convertible Preferred Stock”), for an aggregate purchase price of \$750.0 million in a private placement. Subsequently, in August 2024, the Company issued the shares to Ayar pursuant to the Series B Subscription Agreement and received aggregate net proceeds of \$749.4 million. See Note 8 “Redeemable Convertible Preferred Stock” and Note 16 “Related Party Transactions” for more information.

The Series A Redeemable Convertible Preferred Stock and the Series B Redeemable Convertible Preferred Stock (the “Redeemable Convertible Preferred Stock”) are convertible at the option of the holder (i) at any time the closing price per share of the common stock on the trading date immediately preceding the date on which the holder delivers the relevant notice of conversion is at least a certain price threshold as noted in the certificate of designations of Series A Redeemable Convertible Preferred Stock (the “Series A Certificate of Designations”) and in the certificate of designations of the Series B Redeemable Convertible Preferred Stock (the “Series B Certificate of Designations”) of the Company or (ii) during specified periods preceding a fundamental change or optional redemption by the Company under the terms of the Redeemable Convertible Preferred Stock. See Note 8 “Redeemable Convertible Preferred Stock” for more information.

In August 2024, the Company entered into a \$750.0 million five-year unsecured delayed draw term loan credit facility (the “DDTL Credit Facility”) with Ayar. See Note 6 “Debt” and Note 16 “Related Party Transactions” for more information.

In October 2024, the Company entered into an underwriting agreement (the “2024 Underwriting Agreement”) with the Underwriter, under which the Underwriter agreed to purchase shares of the Company’s common stock. The Company also granted the Underwriter

a 30-day option to purchase additional shares of its common stock (the “Overallotment Option”), and the Underwriter exercised the Overallotment Option to purchase additional shares. In October 2024, the Company also entered into a subscription agreement (the “2024 Subscription Agreement”) with Ayar, pursuant to which Ayar agreed to purchase from the Company shares of the Company’s common stock in a private placement. In addition, given the Underwriter’s exercise of the Overallotment Option, Ayar agreed to purchase additional shares of the Company’s common stock. In October 2024, the Company completed the public offering pursuant to the 2024 Underwriting Agreement for aggregate net proceeds of \$718.4 million and also consummated the private placement of shares to Ayar pursuant to the 2024 Subscription Agreement for aggregate net proceeds of \$1,025.7 million. See Note 9 “Stockholders’ Equity” and Note 16 “Related Party Transactions” for more information.

Certain Significant Risks and Uncertainties

The Company's current business activities consist of (i) generating sales from the deliveries and service of vehicles, (ii) research and development efforts to design, engineer and develop high-performance fully electric vehicles and advanced electric vehicle powertrain components, including battery pack systems, (iii) construction of the CBU portion of AMP-2 in Saudi Arabia, (iv) further construction of AMP-1 phase 2 in Casa Grande, Arizona, (v) expansion of its retail studios and service centers capabilities throughout North America and across the globe, and (vi) providing its technology access to third parties. The Company is subject to the risks associated with such activities, including the need to further develop its technology, its marketing, and distribution channels; the need to further develop its supply chain and manufacturing; and the need to hire additional management and other employees. Successful completion of the Company's development program and, ultimately, the attainment of profitable operations are dependent upon future events, including our ability to access potential markets, and secure long-term financing on commercially reasonable terms.

The Company participates in a dynamic high-technology industry. Changes in any of the following areas could have a material adverse impact on the Company's future financial position, results of operations, and/or cash flows: changes in the overall demand for its products and services; advances and trends in new technologies; competitive pressures; acceptance of the Company's products and services; litigation or claims against the Company based on intellectual property (including patents), regulatory, or other factors; and the Company's ability to attract and retain employees necessary to support its business operations.

A global economic recession or other economic downturn, whether due to inflation, global conflicts or other geopolitical events, public health crises, interest rate increases or other policy actions by major central banks, government closures of banks and liquidity concerns at other financial institutions, or other factors, may have an adverse impact on the Company's business, prospects, financial condition and results of operations. Adverse economic conditions as well as uncertainty about the current and future global economic conditions may cause the Company's customers to defer purchases or cancel their orders in response to higher interest rates, availability of consumer credit, decreased cash availability, fluctuations in foreign currency exchange rates, and weakened consumer confidence. Reduced demand for the Company's products may result in significant decreases in product sales, which in turn would have a material adverse impact on the Company's business, prospects, financial condition and results of operations. Because of the Company's premium brand positioning and pricing, an economic downturn is likely to have a heightened adverse effect on the Company compared to many of its electric vehicle and traditional automotive industry competitors, to the extent that consumer demand for luxury goods is reduced in favor of lower-priced alternatives. In addition, any economic recession or other economic downturn could also cause logistical challenges and other operational risks if any of the Company's suppliers, sub-suppliers or partners become insolvent or are otherwise unable to continue their operations, fulfill their obligations to the Company, or meet the Company's future demand. In addition, the deterioration of conditions in the broad financing markets may limit the Company's ability to obtain external financing to fund its operations and capital expenditures on terms favorable to the Company, if at all. See "Risk Factors" in Item 1A of Part I of this Annual Report on Form 10-K (the "Annual Report") for more information regarding risks associated with a global economic recession, including under the caption "*A global economic recession, government closures of banks and liquidity concerns at other financial institutions, or other downturn may have a material adverse impact on our business, prospects, results of operations and financial condition.*"

In the current circumstances, any impact on the Company's financial condition, results of operations or cash flows in the future continues to be difficult to estimate and predict, as it depends on future events that are highly uncertain and cannot be predicted with accuracy.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements included herein have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Certain prior-period amounts have been reclassified in the accompanying consolidated financial statements and notes thereto in order to conform to the current period presentation.

Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker (“CODM”) in deciding how to allocate resources to an individual segment and in assessing performance. The Company’s CODM is its Chief Executive Officer. The Company has determined that it operates in one operating and one reportable segment, as the CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates, assumptions and judgments made by management include, among others, inventory valuation, warranty reserve, useful lives of property, plant and equipment, fair value of common stock warrants, fair value of derivative liabilities associated with the Redeemable Convertible Preferred Stock, estimates of residual value guarantee (“RVG”) liability, deferred revenue related to technology access fees and over-the-air (“OTA”) software updates, sales return reserves, assumptions used to measure stock-based compensation expense, income taxes, and estimated incremental borrowing rates for assessing operating and finance leases. These estimates and assumptions are based on management’s best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with an original maturity at the date of purchase of three months or less to be cash equivalents.

Restricted cash in other current assets is primarily related to letters of credit issued to the landlords for certain of the Company’s leased facilities.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash to amounts shown in the statements of cash flows (in thousands):

	December 31,	
	2024	2023
Cash and cash equivalents	\$ 1,606,865	\$ 1,369,947
Restricted cash included in other current assets	14	1,560
Restricted cash included in other noncurrent assets	173	—
Total cash, cash equivalents, and restricted cash	<u>\$ 1,607,052</u>	<u>\$ 1,371,507</u>

Investments

The Company’s investments in marketable debt securities have been classified and accounted for as available-for-sale and they are stated at fair value. The Company classifies its investments as either short-term or long-term based on each instrument’s underlying contractual maturity date. Unrealized gains and losses on our investments of available-for-sale securities are recorded in accumulated other comprehensive income (loss) which is included within stockholders’ equity. Interest, as well as amortization and accretion of purchase premiums and discounts on its investments of available-for-sale securities are included in interest income. The cost of securities sold is determined using the specific identification method. Realized gains and losses on the sale of available-for-sale securities are recorded in other income (expense), net in the consolidated statements of operations and comprehensive loss.

The Company regularly reviews its investment portfolio of available-for-sale securities for allowance for credit losses. Factors considered include severity of declines in fair values below amortized costs, adverse conditions related to securities, creditworthiness of the security issuers, and collectability of principal and interest payments.

Equity Securities

The Company's equity securities with readily determinable fair value are measured and stated at fair value with unrealized gains and losses recorded in the consolidated statements of operations and comprehensive loss.

Accounts Receivable, Net

Accounts receivable consists of receivables from our customers and from financial institutions offering financing products to our customers for the sale of vehicles, sales of powertrain kits, services, and regulatory credits. The Company provides an allowance against accounts receivable for any potential uncollectible amounts. The Company recorded immaterial allowance for credit losses as of December 31, 2024 and 2023.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash, cash equivalents, investments and accounts receivable. The Company places its cash primarily with domestic financial institutions that are federally insured within statutory limits, but its deposits exceed federally insured limits. As of December 31, 2024 and 2023, accounts receivable from the EV purchase agreement with the Government of Saudi Arabia, a related party of the Public Investment Fund (“PIF”), which is an affiliate of Ayar, as represented by the Ministry of Finance (the “EV Purchase Agreement”), represented 51.7% and 68.5% of the total accounts receivable balance, respectively. See Note 16 “Related Party Transactions” for more information.

Concentration of Supply Risk

The Company is dependent on its suppliers, the majority of which are single-source suppliers, and the inability of these suppliers to deliver necessary components of its products according to the schedule and at prices, quality levels and volumes acceptable to the Company, or its inability to efficiently manage these components, could have a material adverse effect on the Company’s results of operations and financial condition.

Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is computed using standard cost for vehicles, which approximates actual cost on a first-in, first-out basis. The Company records inventory write-downs for excess or obsolete inventories based upon assumptions about current and future demand forecasts. If inventory on-hand is in excess of future demand forecast and market conditions, the excess amounts are written-off.

Inventory is also reviewed to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires an assessment to determine the selling price of the vehicles less the estimated cost to convert the inventory on-hand into a finished product. Once inventory is written down, a new lower cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

In the event there are changes in our estimates of future selling prices or production costs, the Company may be required to record additional and potentially material write-downs. A small change in the Company’s estimates may result in a material change in its reported financial results.

Property, Plant, and Equipment, Net

Property, plant, and equipment are stated at cost, less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets. Interest expense capitalized for significant capital asset construction in progress is included within property, plant and equipment, net and is amortized over the life of the related assets. The Company capitalizes qualified costs incurred during the application development stage of internal use software. Costs incurred during the preliminary project stage and post-implementation stage are expensed.

The Company classifies vehicles sold with repurchase obligations that are accounted for as operating leases within Property, plant and equipment, which are initially measured at cost and depreciated on a straight-line basis to the estimated residual value over the contractual period.

The Company generally uses the following estimated useful lives for each asset category:

Asset Category	Life (years)
Machinery, tooling and vehicles	3 - 15
Computer equipment and software	3
Furniture and fixtures	5
Finance leases	Shorter of the lease term or the estimated useful lives of the assets
Building and improvements	5 - 40
Leasehold improvements	Shorter of remaining lease term or the estimated useful lives of the assets

Management determines the useful lives of the Company's property and equipment when those assets are initially recognized and routinely reviews the remaining estimated useful lives. Current estimate of useful lives represents the best estimate of the useful lives based on the Company's current facts and circumstances, but may differ from the actual useful lives due to changes to its business operations, changes in the planned use of assets, and the technological advancements. When management changes the estimate useful life assumption for any asset, the remaining carrying amount of the asset is accounted for prospectively and depreciated over the revised estimated useful life.

Expenditures for repair and maintenance costs are expensed as incurred, and expenditures for major renewals and improvements that increase functionality of the asset are capitalized and depreciated ratably over the identified useful life. Upon disposition or retirement of property and equipment, the related cost and accumulated depreciation and amortization are removed, and any gain or loss is reflected in the consolidated statement of operations and comprehensive loss. The disposition loss on fixed assets recorded for the years ended December 31, 2024, 2023 and 2022 was immaterial.

Impairment of Long-Lived Assets

Long-lived assets, including property, plant and equipment and right-of-use (“ROU”) assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for potential impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent the carrying amount of the underlying asset exceeds its fair value. The Company recognized impairment loss of \$15.3 million for the year ended December 31, 2023. Impairment loss recognized for the years ended December 31, 2024 and 2022 was immaterial.

Leases

The Company has lease agreements with lease and non-lease components and has elected not to utilize the practical expedient to account for lease and non-lease components together, rather the Company accounts for the lease and non-lease components separately in the consolidated financial statements. The Company has also elected not to record ROU assets and corresponding lease liabilities for short-term leases having initial terms of 12 months or less if the leases do not contain a purchase option or renewal term that the Company is reasonably certain to exercise. Instead, the Company recognizes lease payments on a straight-line basis over the lease term.

Operating lease assets are included within operating lease ROU assets. Finance lease assets are included within property, plant and equipment, net. The corresponding operating lease liabilities are included within other current liabilities and other long-term liabilities; the finance lease liabilities are included within finance lease liabilities, current portion and finance lease liabilities, net of current portion on the Company’s consolidated balance sheets as of December 31, 2024 and 2023.

All lease assets and lease liabilities are recognized based on the present value of lease payments over the lease term. The Company estimates the Company’s incremental borrowing rate based on the information available at lease commencement date in determining the present value of lease payments.

Foreign Currency

The Company determines the functional currency of our foreign subsidiaries based on the primary currency in which they operate. The Company translates all assets and liabilities of foreign subsidiaries to U.S. dollars at the current exchange rate as of each balance sheet date. Revenue and expenses are translated at the average exchange rate prevailing during the period. Any resulting translation adjustments are included in accumulated other comprehensive income (loss). The assets and liabilities of foreign subsidiaries whose local currency is not their functional currency are remeasured from their local currency to their functional currency and then translated to U.S. Dollars.

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Gains and losses arising from foreign currency transactions and the effects of remeasurements are recorded within other income (expense), net within the Company’s consolidated statements of operations and comprehensive loss. Foreign currency transaction gains and losses were not material for the years ended December 31, 2024, 2023 and 2022.

Revenue from Contracts with Customers

The Company follows a five-step process in which the Company identifies the contract, identifies the related performance obligations, determines the transaction price, allocates the transaction price to the identified performance obligations, and recognizes revenue when (or as) the performance obligations are satisfied.

Vehicle Sales

Vehicle Sales without Residual Value Guarantee

Vehicle sales revenue is generated from the sale of electric vehicles to customers. There are two performance obligations identified in vehicle sale arrangements. These are the vehicle including an onboard advanced driver assistance system (“ADAS”), and the right to unspecified OTA software updates to be provided as and when available over the term of the basic vehicle warranty, which is generally four years. Shipping and handling provided by the Company is considered a fulfillment activity.

Payment is typically received at the time of delivery or shortly after delivery of the vehicle to the customer, except for vehicle sales under the EV Purchase Agreement. Generally, control transfers to the customer at the time of delivery when the customer takes physical possession of the vehicle, which may be at a Lucid studio or other destination chosen by the customer. The Company's vehicle contracts do not contain a significant financing component. The Company has elected to exclude sales taxes from the measurement of the transaction price. The Company estimates the standalone selling price of all performance obligations by considering costs used to develop and deliver the good or service, third-party pricing of similar goods or services and other information that may be available. The transaction price is allocated among the performance obligations in proportion to the standalone selling price of the Company's performance obligations.

The Company recognizes revenue related to the vehicle when the customer obtains control of the vehicle which occurs at a point in time either upon completion of delivery to the agreed upon delivery location or upon pick up of the vehicle by the customer. As the unspecified OTA software updates are provided when-and-if they become available, revenue related to OTA software updates is recognized ratably over the basic vehicle warranty term, commencing when control of the vehicle is transferred to the customer.

At the time of revenue recognition, the Company reduces the transaction price and records a sales return reserve against revenue for estimated variable consideration related to future product returns. Return rate estimates are based on historical experience and the sales return reserve balance was not material as of December 31, 2024 and 2023.

The Company provides a manufacturer's warranty on all vehicles sold. The warranty covers the rectification of reported defects via repair, replacement, or adjustment of faulty parts or components. The warranty does not cover any item where failure is due to normal wear and tear. This assurance-type warranty does not create a performance obligation separate from the vehicle. The estimated cost of the assurance-type warranty is accrued at the time of vehicle sale.

Vehicle Sales with Residual Value Guarantee

The Company provides an RVG to its commercial banking partners in connection with its vehicle leasing program. Vehicle sales with RVG totaled \$442.7 million, \$190.9 million, and \$31.1 million during the years ended December 31, 2024, 2023, and 2022, respectively. Under the vehicle leasing program, the Company generally receives payment for the vehicle sales price at the time of delivery or shortly after the delivery, does not bear casualty and credit risks during the lease term, and is contractually obligated (or entitled) to share a portion of the shortfall (or excess) between the resale value realized by the commercial banking partners and a predetermined resale value. At the lease inception, the Company is required to deposit cash collateral equal to a contractual percentage of the residual value of the leased vehicles with the commercial banking partners. The cash collateral is held in a restricted bank account owned by the commercial banking partner until it is used, as applicable, in settlement of the RVG at the end of the lease term. Cash collateral is recorded in other current assets and other noncurrent assets on consolidated balance sheets, subject to an asset impairment review at each reporting period.

The Company accounts for the vehicle leasing program in accordance with ASC 842, *Leases*, ASC 460, *Guarantees* and ASC 606, *Revenue from Contracts with Customers*. The Company is the lessor at inception of a lease and immediately transfers the lease as well as the underlying vehicle to its commercial banking partners, with the transaction being accounted for as a sale under ASC 606. The Company recognizes revenue when control transfers upon delivery when the consumer-lessee takes physical possession of the vehicle, and bifurcates the RVG at fair value and accounts for it as a guarantee liability. The remaining amount of the transaction price is allocated among the performance obligations, including the vehicle, the right to unspecified OTA software updates and remarketing activities, in proportion to the standalone selling price of the Company's performance obligations. Any fees or incentives that are paid or payable by the Company to commercial banking partners are recognized as a reduction to vehicle sales revenue.

The guarantee liability represents the estimated amount the Company expects to pay at the end of the lease term. The Company is released from residual risk upon either expiration or settlement of the RVG. The Company evaluates variables such as third-party residual value publications, risk of future price deterioration due to changes in market conditions and reconditioning costs to determine the estimated RVG liability. As of December 31, 2024, the Company recorded \$58.0 million of RVG liabilities. The RVG liabilities were not material as of December 31, 2023. As the Company accumulates more data related to the resale value of our vehicles or as market conditions change, there could be material changes to the estimated guarantee liabilities. The maximum potential amount of future payments (in excess of RVG liabilities recorded) that the Company could be required to make was \$401.1 million and \$101.1 million as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Company recorded \$53.3 million and \$28.7 million of total deferred revenue from all vehicle sales primarily related to OTA and remarketing activities for vehicle sales, respectively. The Company recorded \$18.5 million and \$7.7 million of the total deferred revenue within other current liabilities and the remaining \$34.8 million and \$21.0 million within other long-term liabilities in the consolidated balance sheets as of December 31, 2024 and 2023, respectively. Revenue recognized during the years ended December 31, 2024, 2023, and 2022 from the prior period deferred revenue balances was not material.

Vehicle Operating Lease Revenue

The Company accounts for sales of vehicles with repurchase obligations as operating leases. The Company sells vehicles primarily to rental companies with an obligation to repurchase the vehicles at an agreed upon repurchase price. The Company records the difference between the proceeds received and the agreed upon repurchase price as vehicle leasing revenue on a straight-line basis over the term of the lease. Deferred leasing revenue and repurchase obligation were recorded in other current liabilities and other long-term liabilities in the consolidated balance sheets, and were not material as of December 31, 2024 and 2023. The operating lease revenue was not material for the years ended December 31, 2024, 2023, and 2022.

Other

Other consists of revenue from non-warranty after-sales vehicle services and parts, sales of battery pack systems, powertrain kits, retail merchandise, and regulatory credits. Battery pack system and powertrain kits revenue consists of the sales of battery pack systems or powertrain kits, supplies and related services for vehicles. The Company generates regulatory credits revenue from the sale of tradable credits the Company earns under various regulations. This include credits related to zero emission vehicles and greenhouse gas, and the Corporate Average Fuel Economy (“CAFE”) credits. The sale of battery pack systems, powertrain kits along with related supplies, and regulatory credits is a single performance obligation recognized at the point in time when control is transferred to the customer. Shipping and handling provided by the Company is considered a fulfillment activity. While customers generally have the right to return defective or non-conforming products, past experience has demonstrated that product returns have been immaterial. Customer remedies may include either a cash refund or an exchange of the returned product. Payment for the products sold are received upon invoice or in accordance with payment terms customary to the business. The Company’s battery pack system or powertrain kits contracts do not contain a significant financing component. The Company has elected to exclude sales taxes from the measurement of the transaction price.

Control transfers to the customer when the product or regulatory credit is delivered or transferred to the customer as the customer can then direct the use of the product or regulatory credit and obtain substantially all of the remaining benefits from the asset at that point in time.

Cost of Revenue

Vehicle Sales

Cost of vehicle sales includes direct parts, materials, shipping and handling costs, allocable overhead costs such as depreciation of manufacturing related equipment and facilities, information technology costs, personnel costs, including wages and stock-based compensation, estimated warranty costs, charges to reduce inventories to their net realizable value, charges for any excess or obsolete inventories, and losses from firm purchase commitments. Manufacturing credits earned are recorded as a reduction to cost of vehicle sales.

Vehicle Operating Lease

Depreciation of operating lease vehicles are classified as cost of vehicle operating lease revenue.

Other

Cost of other revenue includes direct parts, material and labor costs, manufacturing overhead, including depreciation of tooling costs, shipping and logistic costs. Cost of other revenue also includes costs associated with providing non-warranty after-sales services, and costs for retail merchandise.

Warranties

The Company provides a manufacturer's warranty on all vehicles it sells and accrues a warranty reserve for warranty coverage, as applicable. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency, and costs of future claims. The Company accrues a warranty reserve for all products sold which includes the Company's best estimates of the projected costs related to recalls identified and special campaigns to repair or replace items under warranties. The Company reviews the adequacy of warranty reserve on a regular basis. Changes to the Company's historical or projected warranty experience may cause material changes to the warranty reserve in the future. The portion of the warranty reserve for costs expected to be incurred within the next 12 months is included within other current liabilities, while the remaining balance is included within other long-term liabilities in the consolidated balance sheets. The warranty expense is recorded as a component of cost of revenue in the consolidated statements of operations and comprehensive loss.

The Company recognizes recovery from suppliers as an offset to the warranty expenses in the consolidated statements of operations and comprehensive loss and in other current assets in the consolidated balance sheet when the recovery amounts are contractually agreed with the suppliers. During the year ended December 31, 2024, the Company recorded supplier recovery of \$50 million.

Income Taxes

The Company utilizes the liability method to account for income taxes, under which deferred tax assets and liabilities arise from the temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements, as well as from net operating loss and tax credit carryforwards. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will actually be paid, or refunds received, as provided for under currently enacted tax law.

The Company recognizes deferred tax assets to the extent that these assets are more likely than not to be realized. In making such a determination, all available positive and negative evidence are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is determined that deferred tax assets would be realized in the future in excess of their net recorded amount, an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions on the basis of a two-step process which includes (1) determining whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position, and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company's policy is to recognize interest and penalties related to unrecognized tax benefits in provision for income taxes in the consolidated statements of operations and comprehensive loss. Accrued interest and penalties are included within other long-term liabilities in the consolidated balance sheets.

Stock-Based Compensation

The Company issues stock-based compensation awards to employees, officers, directors, and non-employees in the form of stock options, restricted stock units ("RSUs") and employee stock purchase plan (the "ESPP"). The Company measures and recognizes compensation expense for stock-based awards based on the awards' fair value on the date of grant. The Company accounts for forfeitures of stock-based awards when they occur. The fair value of RSUs that vest based on service and/or performance conditions is measured using the fair value of the Company's common stock on the date of the grant. The fair value of RSUs that vest based on service and market conditions is measured using a Monte Carlo simulation model on the date of grant. The fair value of stock options that vest based on service condition is measured using the Black-Scholes option pricing model on the date of grant. The Monte Carlo simulation model and the Black-Scholes option pricing model require the input of assumptions, including the fair value of the Company's common stock, the expected term of the award, the expected volatility of the Company's common stock, risk-free interest rates, and the expected dividend yield of the Company's common stock. The assumptions used to determine the fair value of the awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment.

The fair value of awards that vest based on only continuous service is recognized on a straight-line basis over the requisite service period. The fair value of awards that vest based on performance or market conditions is recognized over the requisite service period using the graded vesting attribution method. Stock-based compensation expense is only recognized for awards with performance conditions once the performance condition becomes probable of being achieved. The performance-based RSUs will vest based on the actual achievement of corporate performance goals and/or individual performance. The RSUs with market conditions will vest only if the Company achieves certain market capitalization targets.

Comprehensive Loss

Comprehensive loss is composed of two components: net loss and other comprehensive income (loss). Other comprehensive income (loss) refers to net unrealized gains or losses on investments in available-for sale securities and foreign currency translation adjustments that are recorded as an element of stockholders' equity and are excluded from the determination of net loss.

Research and Development

Research and development expenses primarily consist of materials, supplies, personnel-related expenses, contractor fees, engineering design and testing expenses, and allocated facilities cost. Substantially all of the Company's research and development expenses are related to developing new products, related technologies, and services and improving existing products and services. Research and development expenses have been expensed as incurred and included in the consolidated statements of operations and comprehensive loss.

Selling, General, and Administrative

Selling, general and administrative expenses primarily consist of personnel-related expenses for employees involved in general corporate, selling and marketing functions, including executive management and administration, legal, human resources, allocated facilities and real estate, accounting, finance, tax, and information technology.

Advertising

Advertising costs are expensed as incurred and are included in selling, general, and administrative expenses in the consolidated statements of operations and comprehensive loss. Advertising costs were \$49.8 million and \$35.3 million for the years ended December 31, 2024 and 2023, respectively. These costs were not material for the year ended December 31, 2022.

Restructuring

The Company's restructuring charges primarily consist of severance payments, employee benefits, employee transition and stock-based compensation expenses associated with the management-approved restructuring plan. One-time employee termination benefits are recognized at the time of communication to employees, unless future service is required, in which case the costs are recognized over the future service period. Ongoing employee termination benefits are recognized when payments are probable and amounts are reasonably estimable. Other costs are recognized as incurred.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount within a range of loss can be reasonably estimated. When no amount within the range is a better estimate than any other amount, the Company accrues for the minimum amount within the range. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Redeemable Convertible Preferred Stock

Accounting for the redeemable convertible preferred stock requires an evaluation to determine if liability classification is required under ASC 480-10. Liability classification is required for freestanding financial instruments that are (1) subject to an unconditional obligation requiring the issuer to redeem the instrument by transferring assets, such as those that are mandatorily redeemable, (2) instruments other than equity shares that embody an obligation of the issuer to repurchase its equity shares, or (3) certain types of instruments that obligate the issuer to issue a variable number of equity shares.

Securities that do not meet the scoping criteria to be classified as a liability under ASC 480 are subject to redeemable equity guidance, which prescribes securities that may be subject to redemption upon an event not solely within the Company's control to be classified as temporary equity. Securities classified in temporary equity are initially measured at the proceeds received, net of issuance costs and excluding the fair value of bifurcated embedded derivatives, if any. Subsequent measurement of the carrying value of the redeemable convertible preferred stock is required as the instrument is probable of becoming redeemable. The Company accretes the redeemable convertible preferred stock to its redemption value. In certain circumstances, the redemption price may vary based on changes in stock price, in which case the Company recognizes changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the then current maximum redemption value at the end of each reporting period.

Derivative Liabilities

The Company evaluates all of its financial instruments, including convertible notes and redeemable convertible preferred stock, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. The Company applies significant

judgment to identify and evaluate complex terms and conditions in these contracts and agreements to determine whether embedded derivatives exist. Embedded derivatives must be separately measured from the host contracts if all the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the host contract. Bifurcated embedded derivatives are recognized at fair value, with changes in fair value recognized in the consolidated statements of operations and comprehensive loss at each reporting period end. Bifurcated embedded derivatives are classified as a separate liability in the consolidated balance sheet.

The Company's derivative liabilities are related to the conversion features embedded in the Redeemable Convertible Preferred Stock. See Note 8 "Redeemable Convertible Preferred Stock" for more information.

Net Loss Per Share

Basic and diluted net loss per share attributable to common stockholders is computed in conformity with the two-class method required for participating securities. The Company considers all series of its redeemable convertible preferred stock to be participating securities as they are cumulative and participate in common stock dividends on an as-converted basis. The net loss attributable to common stockholders will reflect the remeasurements of the host contracts for the cumulative dividend and mezzanine equity accretions. Under the two-class method, the net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stock as the preferred stockholders do not have a contractual obligation to share in the Company's losses.

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potentially dilutive common share equivalents to the extent they are dilutive. Potentially dilutive shares of Private Placement Warrants under treasury stock method are included in the computation of diluted net loss per share when their effect is dilutive. For purposes of this calculation, Private Placement Warrants, stock options outstanding, RSUs outstanding, potential shares issued under ESPP, if-converted common shares from convertible note, if-converted common shares from Series A redeemable convertible preferred stock and if-converted common shares from Series B redeemable convertible preferred stock are considered to be common stock equivalents.

Common Stock Warrants

The Company accounts for warrants for shares of the Company's common stock that are not indexed to its own stock as liabilities at fair value on the balance sheet. Liability-classified common stock warrants are subject to remeasurement to fair value as of any respective exercise date and as of each subsequent balance sheet date with changes in fair value recorded in the Company's statement of operations and comprehensive loss. The Company's privately placed common stock warrants (the "Private Placement Warrants") are liability-classified instruments because they are not deemed indexed to the Company's own common stock.

Government Grants

The Company recognizes government grants once there is reasonable assurance to receive the grants and meet all the conditions specified in the grants. Grants related to income are recorded as deductions to the related expenses for which the grants are intended to compensate. Grants related to fixed assets are recorded as a deduction in calculating the carrying amount of the related assets and are recognized in profit or loss over the life of a depreciable asset through reduced depreciation expense. Grants received in advance of the acquisition or construction of assets are recorded initially in deferred liability and then as a deduction in calculating the carrying amount of the related fixed assets upon acquisition or construction of the assets.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires incremental segment information disclosure on an annual and interim basis. This amendment includes disclosure of significant segment expenses which are regularly provided to the CODM and included within each reported measure of segment profit or loss; other segment items by reportable segment and a description of its composition; reportable segment's profit or loss and assets; additional measures of segment profit or loss if the CODM uses more than one measure of a segment's profit or loss in assessing segment performance, and the title and position of the entity's CODM and how the CODM uses the reported measures of segment profit or loss in assessing segment performance and determining resource allocation. The Company with a single reportable segment is required to provide all the disclosures from this amendment. The guidance is effective for fiscal years beginning with the Company's annual financial statements as of and for the year ended December 31, 2024, and applies to its financial statements for interim periods thereafter. Early adoption is permitted, and should be applied retrospectively. The Company adopted ASU 2023-07 for the fiscal year ended December 31, 2024. See Note 17 "Segment Reporting" for the required disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires incremental annual income tax disclosures. This amendment includes disclosures of specific categories in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold; income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes, and also disaggregated by individual jurisdictions that meet a quantitative threshold; income (or loss) from continuing operations before income tax expenses (or benefit) disaggregated between domestic and foreign; and income tax expense (or benefit) from continuing operations disaggregated by federal, state and foreign. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted and should be applied prospectively (with retrospective application permitted). The Company is evaluating the impact of this amendment and does not expect a material impact to the related financial statement disclosures.

In March 2024, the SEC issued its final rule that requires certain climate-related disclosures in annual reports, including governance, oversight, and risk management processes on material climate-related risks; material impact of climate risks on the Company's strategy, business model, and outlook; material climate targets and goals; and material financial statements impacts due to severe weather events and other natural conditions. This SEC rule provides phased effective dates, starting with fiscal years beginning on or after January 1, 2025. The SEC rule is currently stayed pending the outcome of litigation, and the Company is evaluating the impact of this rule on its annual reports.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disclosure of specified information about certain costs and expenses (such as purchases of inventory, employee compensation, depreciation, and amortization) within the relevant expense captions presented on the face of the statements of operations and comprehensive loss. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted, and should be applied either prospectively or retrospectively. The Company is evaluating the impact of this amendment to the related financial statement disclosures.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its financial statements or notes thereto.

NOTE 3 - RESTRUCTURING

On May 24, 2024, the Company announced a restructuring plan (the "2024 Restructuring Plan") intended to optimize operating expenses in response to evolving business needs and productivity improvement through a reduction in workforce. The Company substantially completed the 2024 Restructuring Plan in 2024.

During the year ended December 31, 2024, the Company recorded restructuring charges of \$20.3 million related to the 2024 Restructuring Plan within restructuring charges in the consolidated statements of operations and comprehensive loss. The restructuring charges were primarily related to severance payments, employee benefits, employee transition and stock-based compensation, net of a reversal of previously recognized stock-based compensation expense.

On March 28, 2023, the Company announced a restructuring plan (the "2023 Restructuring Plan") intended to reduce operating expenses in response to evolving business needs and productivity improvement through a reduction in workforce. The Company completed the 2023 Restructuring Plan during the first quarter of 2024. During the year ended December 31, 2023, the Company recorded restructuring charges of \$24.5 million. The restructuring charges were primarily related to severance payments, employee benefits, employee transition and stock-based compensation, net of a reversal of previously recognized stock-based compensation expense.

A summary of restructuring liabilities associated with the restructuring plans was as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Restructuring liabilities - beginning of period	\$ 54	\$ —
Restructuring charges excluding non-cash items ⁽¹⁾⁽²⁾	21,784	25,989
Cash payments	(21,571)	(25,935)
Restructuring liabilities - end of period	<u>\$ 267</u>	<u>\$ 54</u>

⁽¹⁾ Excluded non-cash items of \$1.5 million for the year ended December 31, 2024 related to the 2024 Restructuring Plan, which was net of accelerated stock-based compensation expense of \$3.2 million and a reversal of \$4.7 million related to previously recognized stock-based compensation expenses for unvested restricted stock awards.

⁽²⁾ Excluded non-cash items of \$1.4 million for the year ended December 31, 2023 related to the 2023 Restructuring Plan, which was net of accelerated stock-based compensation expense of \$3.4 million and a reversal of \$4.8 million related to previously recognized stock-based compensation expenses for unvested restricted stock awards.

As of December 31, 2024 and 2023, restructuring liabilities associated with the restructuring plans included within other current liabilities in the consolidated balance sheet were immaterial.

NOTE 4 – BALANCE SHEETS COMPONENTS

Inventory

Inventory as of December 31, 2024 and 2023 was as follows (in thousands):

	December 31, 2024	December 31, 2023
Raw materials	\$ 160,532	\$ 210,283
Work in progress	36,628	53,227
Finished goods	210,614	432,726
Total Inventory	<u>\$ 407,774</u>	<u>\$ 696,236</u>

Inventory as of December 31, 2024 and 2023 was comprised of raw materials, work in progress related to the production of vehicles for sale and SKD units for final assembly in Saudi Arabia, and finished goods inventory including new vehicles available for sale, vehicles in transit to fulfill customer orders, and internally used vehicles which the Company intends to sell. During the years ended December 31, 2024, 2023, and 2022, the Company recorded write-downs of \$617.4 million, \$926.9 million, and \$569.5 million, respectively, to reduce its inventories to its net realizable values and for any excess or obsolete inventories, as well as losses from firm purchase commitments (“LCNRV”).

Property, plant and equipment, net

Property, plant and equipment, net as of December 31, 2024 and 2023 was as follows (in thousands):

	December 31, 2024	December 31, 2023
Land and land improvements	\$ 70,967	\$ 69,718
Building and improvements ⁽¹⁾	1,075,349	576,097
Machinery, tooling and vehicles ⁽²⁾⁽³⁾	1,720,517	1,045,485
Computer equipment and software	105,012	74,336
Leasehold improvements	268,091	221,619
Furniture and fixtures	51,238	45,315
Finance leases	86,852	94,285
Construction in progress	672,534	1,185,413
Total Property, plant and equipment	<u>4,050,560</u>	<u>3,312,268</u>
Less accumulated depreciation and amortization	<u>(787,948)</u>	<u>(501,401)</u>
Property, plant and equipment, net	<u>\$ 3,262,612</u>	<u>\$ 2,810,867</u>

⁽¹⁾ As of December 31, 2024 and 2023, \$127.5 million and \$120.2 million of capital expenditure support received from Ministry of Investment of Saudi Arabia (“MISA”) was primarily recorded as a deduction to the AMP-2 building balance, respectively. See Note 2 “Summary of Significant Accounting Policies” and Note 16 “Related Party Transactions” for more information.

⁽²⁾ Included \$39.5 million and \$32.5 million of service loaner vehicles as of December 31, 2024 and 2023, respectively.

⁽³⁾Included \$34.7 million and \$9.1 million of operating lease vehicles sold to rental companies as of December 31, 2024 and 2023, respectively.

Construction in progress represents the costs incurred in connection with the construction of buildings or new additions to the Company's plant facilities, including tooling with outside vendors. Costs classified as construction in progress include all costs of obtaining the asset, installation of the asset, and bringing it to the location and the condition necessary for its intended use. No depreciation is provided for construction in progress until such time as the asset is completed and is ready for its intended use. Construction in progress consisted of the following (in thousands):

	December 31, 2024	December 31, 2023
Machinery and tooling	\$ 561,858	\$ 728,751
Construction of AMP-1 and AMP-2 ⁽¹⁾	78,254	430,878
Leasehold improvements and other	32,422	25,784
Total construction in progress	<u>\$ 672,534</u>	<u>\$ 1,185,413</u>

⁽¹⁾ As of December 31, 2024 and 2023, \$67.3 million and \$12.1 million of capital expenditure support received from MISA was recorded primarily as a deduction to the AMP-2 facility construction in progress balance, respectively. See Note 2 "Summary of Significant Accounting Policies" and Note 16 "Related Party Transactions" for more information.

Depreciation and amortization expense was \$295.3 million, \$233.5 million and \$186.6 million for the years ended December 31, 2024, 2023 and 2022, respectively. The amount of interest capitalized on construction in progress related to significant capital asset construction was not material for the years ended December 31, 2024, 2023, and 2022, respectively.

Other current liabilities

Other current liabilities as of December 31, 2024 and 2023 were as follows (in thousands):

	December 31, 2024	December 31, 2023
Engineering, design, and testing accrual	\$ 53,666	\$ 42,176
Construction in progress	39,043	156,414
Accrued compensation	201,880	92,494
Accrued purchases ⁽¹⁾	31,318	44,957
Retail leasehold improvements accrual	3,589	6,005
Third-party services accrual	26,353	41,478
Tooling liability	110,249	49,925
Short-term borrowings	126,417	72,533
Operating lease liabilities, current portion	35,596	28,431
Reserve for loss on firm inventory purchase commitments	119,672	143,566
Accrued warranty	36,752	22,677
Deferred revenue ⁽²⁾	18,473	7,714
Other current liabilities	<u>221,663</u>	<u>183,114</u>
Total other current liabilities	<u>\$ 1,024,671</u>	<u>\$ 891,484</u>

⁽¹⁾ Primarily represent accruals for inventory related purchases and transportation charges that had not been invoiced.

⁽²⁾ Represent deferred revenue from vehicle sales primarily related to OTA and remarketing activities.

Other long-term liabilities

Other long-term liabilities as of December 31, 2024 and 2023 were as follows (in thousands):

	December 31, 2024	December 31, 2023
Operating lease liabilities, net of current portion	\$ 229,835	\$ 244,122
Other long-term liabilities ⁽¹⁾⁽²⁾	342,965	280,217
Total other long-term liabilities	<u>\$ 572,800</u>	<u>\$ 524,339</u>

⁽¹⁾ As of December 31, 2023, \$62.5 million of capital expenditure support received from MISA was recorded as deferred liability within other long-term liabilities in the consolidated balance sheet. See Note 2 “Summary of Significant Accounting Policies” and Note 16 “Related Party Transactions” for more information.

⁽²⁾ As of December 31, 2024 and 2023, \$112.7 million and \$107.8 million of deferred revenue was recorded within other long-term liabilities in the consolidated balance sheets, respectively, in connection with the strategic technology and supply arrangement, and integration and supply arrangements with Aston Martin Lagonda Global Holdings plc (together with its subsidiaries, “Aston Martin”). See Note 16 “Related Party Transactions” for more information.

Accrued warranty

Accrued warranty activities consisted of the following (in thousands):

	Year Ended December 31,	
	2024	2023
Accrued warranty - beginning of period	\$ 46,076	\$ 22,949
Warranty costs incurred	(53,941)	(50,923)
Provision for warranty ⁽¹⁾	120,343	74,050
Accrued warranty - end of period ⁽²⁾	\$ 112,478	\$ 46,076

⁽¹⁾ Provision for warranty for the years ended December 31, 2024 and 2023 included estimated costs related to the recalls identified and/or special campaigns to repair or replace items under warranties. During the year ended December 31, 2024, the Company recorded \$46.1 million provision associated with a special warranty campaign.

⁽²⁾ Accrued warranty balance of \$36.8 million and \$22.7 million was recorded within other current liabilities, and \$75.7 million and \$23.4 million was recorded within other long-term liabilities, in the consolidated balance sheets as of December 31, 2024 and 2023, respectively.

NOTE 5 - FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS

The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received for an asset or the “exit price” that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between independent market participants on the measurement date. The Company measures certain financial assets and liabilities at fair value at each reporting period using a fair value hierarchy, which requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. This hierarchy prioritizes the inputs into three broad levels as follows:

- **Level 1**—Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- **Level 3**—Inputs that are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. Factors used to develop the estimated fair value are unobservable inputs that are not supported by market activity. The sensitivity of the fair value measurement to changes in unobservable inputs may result in a significantly higher or lower measurement.

Cash, cash equivalents and investments are reported at their respective fair values on the Company’s consolidated balance sheets. The Company’s short-term and long-term investments are classified as available-for-sale securities. Carrying amounts of accounts receivable, accounts payable, and other current liabilities approximate their estimated fair values.

The following table sets forth the Company's financial assets subject to fair value measurements on a recurring basis by level within the fair value hierarchy as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024						
	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Reported As:		
					Cash and cash equivalents	Short-Term Investments	Long-Term Investments
Cash	\$ 610,201	\$ —	\$ —	\$ 610,201	\$ 610,201	\$ —	\$ —
Level 1:							
Money market funds	677,712	—	—	677,712	677,712	—	—
U.S. Treasury securities	2,310,538	2,820	(531)	2,312,827	173,341	1,605,369	534,117
Subtotal	2,988,250	2,820	(531)	2,990,539	851,053	1,605,369	534,117
Level 2:							
Certificates of deposit	3,998	1	—	3,999	—	3,999	—
Time deposits ⁽¹⁾	515,000	—	—	515,000	60,000	435,000	20,000
Commercial paper	141,525	25	(4)	141,546	75,442	66,104	—
Corporate debt securities	781,178	1,281	(553)	781,906	10,169	313,631	458,106
Subtotal	1,441,701	1,307	(557)	1,442,451	145,611	818,734	478,106
Total	\$5,040,152	\$ 4,127	\$ (1,088)	\$5,043,191	\$1,606,865	\$2,424,103	\$1,012,223

⁽¹⁾ Included \$35.0 million of time deposit with GIB in short-term investments and long-term investments. GIB is a related party of the PIF, which is an affiliate of Ayar. See Note 16 "Related Party Transactions" for more information.

December 31, 2023

	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Reported As:		
					Cash and cash equivalents	Short-Term Investments	Long-Term Investments
Cash	\$ 516,673	\$ —	\$ —	\$ 516,673	\$ 516,673	\$ —	\$ —
Level 1:							
Money market funds	698,702	—	—	698,702	698,702	—	—
U.S. Treasury securities	2,033,711	2,480	(2,073)	2,034,118	104,572	1,638,537	291,009
Subtotal	2,732,413	2,480	(2,073)	2,732,820	803,274	1,638,537	291,009
Level 2:							
Certificates of deposit	105,993	97	(22)	106,068	—	106,068	—
Time deposits	50,000	—	—	50,000	50,000	—	—
Commercial paper	299,248	191	(8)	299,431	—	299,431	—
Corporate debt securities	615,350	1,101	(669)	615,782	—	445,762	170,020
Subtotal	1,070,591	1,389	(699)	1,071,281	50,000	851,261	170,020
Total	<u>\$4,319,677</u>	<u>\$ 3,869</u>	<u>\$ (2,772)</u>	<u>\$4,320,774</u>	<u>\$1,369,947</u>	<u>\$2,489,798</u>	<u>\$ 461,029</u>

During the years ended December 31, 2024, 2023, and 2022, there were immaterial gross realized gains or losses on the sale of available-for-sale securities. Accrued interest receivable excluded from both the fair value and amortized cost basis of the available-for-sale securities was \$19.6 million and \$11.1 million as of December 31, 2024 and 2023, respectively, and was recorded in other current assets on its consolidated balance sheets. As of December 31, 2024 and 2023, no allowance for credit losses was recorded related to an impairment of available-for-sale securities.

The following table summarizes our available-for-sale securities by contractual maturity:

	December 31, 2024	
	Amortized cost	Estimated Fair Value
Within one year	\$2,422,138	\$2,424,103
After one year through three years	1,011,184	1,012,223
Total	<u>\$3,433,322</u>	<u>\$3,436,326</u>

On November 6, 2023, the Company received 28,352,273 ordinary shares of Aston Martin with an initial fair value of \$73.2 million. The Company remeasured the shares and recorded fair values of \$37.8 million and \$81.5 million within investments in equity securities of a related party in the consolidated balance sheets as of December 31, 2024 and 2023, respectively. These equity securities are publicly traded stocks (where shares are denominated in GBP) measured at fair value on a recurring basis and classified within level 1 in the fair value hierarchy. During the years ended December 31, 2024 and 2023, the Company recognized an unrealized loss of \$43.1 million and an unrealized gain of \$6.0 million, respectively, in change of fair value of equity securities of a related party in the consolidated statement of operations and comprehensive loss. During the years ended December 31, 2024 and 2023, the Company also recognized \$0.6 million of unrealized foreign currency loss and \$2.3 million of unrealized foreign currency gain related to these equity securities, respectively, in other income (expense), net in the consolidated statement of operations and comprehensive loss. See Note 16 “Related Party Transactions” for more information.

Level 3 liabilities consist of the common stock warrant liability and the derivative liabilities associated with the Redeemable Convertible Preferred Stock, of which the fair values were measured upon issuance of the Private Placement Warrants and the Redeemable Convertible Preferred Stock and are remeasured at each reporting period. The valuation methodology and underlying assumptions are discussed further in Note 7 “Common Stock Warrant Liability” and Note 8 “Redeemable Convertible Preferred Stock”, respectively. Level 3 liabilities also consist of residual value guarantee liabilities, of which the fair value is measured initially upon delivery of vehicles and assessed subsequently for any changes on a quarterly basis. Significant changes in the unobservable inputs used in determining the fair value would result in significant changes to the fair value measurement.

The following table presents a reconciliation of the common stock warrant liability measured and recorded at fair value on a recurring basis (in thousands):

	Year Ended December 31,	
	2024	2023
Fair value-beginning of period	\$ 53,664	\$ 140,590
Change in fair value	(34,150)	(86,926)
Fair value-end of period	<u>\$ 19,514</u>	<u>\$ 53,664</u>

The following table presents a reconciliation of the derivative liabilities associated with the Redeemable Convertible Preferred Stock measured and recorded at fair value on a recurring basis (in thousands):

	Year Ended December 31, 2024	
	Series A Derivative Liability	Series B Derivative Liability
Fair value-beginning of period	\$ —	\$ —
Issuance	497,100	297,675
Change in fair value	(88,300)	(67,050)
Fair value-end of period	\$ 408,800	\$ 230,625

NOTE 6 – DEBT

2026 Notes

In December 2021, the Company issued an aggregate of \$2,012.5 million principal amount of 1.25% convertible senior notes due in December 2026 (the “2026 Notes”) in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended, at an issuance price equal to 99.5% of the principal amount of 2026 Notes. The Company has designated the 2026 Notes as green bonds, whose proceeds will be allocated in accordance with the Company’s green bond framework. The 2026 Notes were issued pursuant to and are governed by an indenture dated December 14, 2021, between the Company and U.S. Bank National Association as the trustee. The proceeds from the issuance of the 2026 Notes were \$1,986.6 million, net of the issuance discount and debt issuance costs.

The 2026 Notes are unsecured obligations which bear regular interest at 1.25% per annum and are payable semiannually in arrears on June 15 and December 15 of each year, beginning on June 15, 2022. The 2026 Notes will mature on December 15, 2026, unless repurchased, redeemed, or converted in accordance with their terms prior to such date. The 2026 Notes are convertible into cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, at the Company's election, at an initial conversion rate of 18.2548 shares of Class A common stock per \$1,000 principal amount of 2026 Notes, which is equivalent to an initial conversion price of approximately \$54.78 per share of our Class A common stock. The conversion rate is subject to customary adjustments for certain dilutive events. The Company may redeem for cash all or any portion of the 2026 Notes, at the Company's option, on or after December 20, 2024 if the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest up to the day before the redemption date. The holders may require the Company to repurchase the 2026 Notes upon the occurrence of certain fundamental change transactions at a redemption price equal to 100% of the principal amount of the 2026 Notes redeemed, plus accrued and unpaid interest up to the day before the redemption date.

Holders of the 2026 Notes may convert all or a portion of their 2026 Notes at their option prior to September 15, 2026, in multiples of \$1,000 principal amounts, only under the following circumstances:

- during any calendar quarter commencing after the quarter ended on March 31, 2022 (and only during such calendar quarter), if the Company's common stock price exceeds 130% of the conversion price for at least 20 trading days during the 30 consecutive trading days at the end of the prior calendar quarter;
- during the five consecutive business days immediately after any 10 consecutive trading day period in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day;
- upon the occurrence of specified corporate events; or
- if the Company calls any or all 2026 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, but only with respect to the notes called for redemption.

On or after September 15, 2026, the 2026 Notes are convertible at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Holders of the 2026 Notes who convert the 2026 Notes in connection with a make-whole fundamental change, as defined in the indenture governing the 2026 Notes, or in connection with a redemption may be entitled to an increase in the conversion rate.

The Company accounted for the issuance of the 2026 Notes as a single liability measured at its amortized cost, as no other embedded features require bifurcation and recognition as derivatives. The following table is a summary of the 2026 Notes as of December 31, 2024 and 2023 (in millions):

	December 31, 2024	December 31, 2023
Principal Amount	\$ 2,012.5	\$ 2,012.5
Unamortized Debt Discounts and Issuance Costs	(10.3)	(15.5)
Net Carrying Amount	<u>\$ 2,002.2</u>	<u>\$ 1,997.0</u>
Fair Value (Level 2)	\$ 1,579.8	\$ 1,061.6

The effective interest rate for the 2026 Notes is 1.5%. The components of interest expense related to the 2026 Notes were as follows (in millions):

	Year Ended December 31,		
	2024	2023	2022
Contractual interest	\$ 25.2	\$ 25.2	\$ 25.2
Amortization of debt discounts and debt issuance costs	5.2	5.2	5.0
Interest expense	<u>\$ 30.4</u>	<u>\$ 30.4</u>	<u>\$ 30.2</u>

The 2026 Notes were not eligible for conversion as of December 31, 2024 and 2023. No sinking fund is provided for the 2026 Notes, which means that the Company is not required to redeem or retire them periodically. As of December 31, 2024 and 2023, the Company was in compliance with applicable covenants under the indenture governing the 2026 Notes.

SIDF Loan Agreement

On February 27, 2022, Lucid LLC entered into a loan agreement (as subsequently amended, the “SIDF Loan Agreement”) with SIDF, a related party of the PIF, which is an affiliate of Ayar. Under the SIDF Loan Agreement, SIDF has committed to provide loans (the “SIDF Loans”) to Lucid LLC in an aggregate principal amount of up to SAR 5.19 billion (approximately \$1.4 billion); provided that SIDF may reduce the availability of SIDF Loans under the facility in certain circumstances. SIDF Loans will be subject to repayment in semi-annual installments in amounts ranging from SAR 25 million (approximately \$6.7 million) to SAR 350 million (approximately \$93.1 million), commencing on April 3, 2026 and ending on November 12, 2038. SIDF Loans are financing and will be used to finance certain costs in connection with the development and construction of AMP-2. Lucid LLC may repay SIDF Loans earlier than the maturity date without penalty. Obligations under the SIDF Loan Agreement do not extend to the Company or any of its other subsidiaries.

SIDF Loans will not bear interest. Instead, Lucid LLC will be required to pay SIDF service fees, consisting of follow-up and technical evaluation fees, ranging, in aggregate, from SAR 415 million (approximately \$110.4 million) to SAR 1.77 billion (approximately \$471.1 million), over the term of the SIDF Loans. SIDF Loans will be secured by security interests in the equipment, machines and assets funded thereby.

The SIDF Loan Agreement contains certain restrictive financial covenants and imposes annual caps on Lucid LLC’s payment of dividends, distributions of paid-in capital, or certain capital expenditures. The SIDF Loan Agreement also defines customary events of default, including abandonment of or failure to commence operations at the plant in the King Abdullah Economic City (“KAEC”), and drawdowns under the SIDF Loan Agreement are subject to certain conditions precedent. As of December 31, 2024 and 2023, no amount was outstanding under the SIDF Loan Agreement.

GIB Facility Agreement

On April 29, 2022, Lucid LLC entered into the GIB Facility Agreement with GIB, maturing on February 28, 2025. GIB is a related party of the PIF, which is an affiliate of Ayar. The GIB Facility Agreement provided for two committed revolving credit facilities in an aggregate principal amount of SAR 1.0 billion (approximately \$266.1 million). SAR 650 million (approximately \$173.0 million) under the GIB Facility Agreement was available as the Bridge Facility for the financing of Lucid LLC’s capital expenditures in connection with AMP-2. The remaining SAR 350 million (approximately \$93.1 million) was available as the Working Capital Facility and may be used for general corporate purposes. Loans under the Bridge Facility and the Working Capital Facility had a maturity of no more than 12 months. The Bridge Facility incurred interest at a rate of 1.25% per annum over 3-month SAIBOR and the Working Capital Facility incurred interest at a rate of 1.70% per annum over 1~3-month SAIBOR and associated fees.

On March 12, 2023, Lucid LLC entered into the 2023 Amended GIB Facility Agreement to combine the Bridge Facility and the Working Capital Facility into a committed SAR 1.0 billion (approximately \$266.1 million) 2023 GIB Credit Facility which may be used for general corporate purposes. Loans under the 2023 Amended GIB Credit Facility Agreement have a maturity of no more than 12 months and bear interest at a rate of 1.40% per annum over SAIBOR (based on the term of borrowing) and associated fees.

The Company is required to pay a quarterly commitment fee of 0.15% per annum based on the unutilized portion of the 2023 GIB Credit Facility. Commitments under the 2023 Amended GIB Facility Agreement will terminate, and all amounts then outstanding thereunder would become payable, on the maturity date of the 2023 Amended GIB Facility Agreement. The commitment fees for the years ended December 31, 2024, 2023, and 2022 were immaterial. The 2023 Amended GIB Facility Agreement contains certain conditions precedent to drawdowns, representations and warranties and covenants of Lucid LLC and events of default.

As of December 31, 2024 and 2023, the Company had outstanding borrowings of SAR 475 million (approximately \$126.4 million) and SAR 272 million (approximately \$72.5 million), respectively. The weighted average interest rate on the outstanding borrowings was

7.04% and 7.49% as of December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, availability under the 2023 GIB Credit Facility was SAR 523 million (approximately \$139.2 million) and SAR 727 million (approximately \$193.9 million), respectively, after giving effect to the outstanding letters of credit. The outstanding borrowings were recorded within other current liabilities in the consolidated balance sheets. The Company recorded interest expense of SAR 18 million (approximately \$4.9 million) and SAR 8 million (approximately \$2.2 million) for the years ended December 31, 2024 and 2023, respectively. The interest expense recorded for the year ended December 31, 2022 was immaterial. As of December 31, 2024 and 2023, the Company was in compliance with applicable covenants under the 2023 Amended GIB Facility Agreement.

ABL Credit Facility

In June 2022, the Company entered into the ABL Credit Facility with a syndicate of banks that may be used for working capital and general corporate purposes. The ABL Credit Facility provides for an initial aggregate principal commitment amount of up to \$1.0 billion (including a \$350.0 million letter of credit subfacility and a \$100.0 million swingline loan subfacility) and has a stated maturity date of June 9, 2027. Borrowings under the ABL Credit Facility bear interest at the applicable interest rates specified in the credit agreement governing the ABL Credit Facility. In June 2024, the Company amended the ABL Credit Facility to update the Canadian reference rate. Availability under the ABL Credit Facility is subject to the value of eligible assets in the borrowing base and is reduced by outstanding loan borrowings and issuances of letters of credit which bear customary letter of credit fees. Subject to certain terms and conditions, the Company may request one or more increases in the amount of credit commitments under the ABL Credit Facility in an aggregate amount up to the sum of \$500.0 million plus certain other amounts. The Company is required to pay a quarterly commitment fee of 0.25% per annum based on the unutilized portion of the ABL Credit Facility.

The ABL Credit Facility contains customary covenants that limit the ability of the Company and its restricted subsidiaries to, among other activities, pay dividends, incur debt, create liens and encumbrances, redeem or repurchase stock, dispose of certain assets, consummate acquisitions or other investments, prepay certain debt, engage in transactions with affiliates, engage in sale and leaseback transactions or consummate mergers and other fundamental changes. The ABL Credit Facility also includes a minimum liquidity covenant which, at the Company's option following satisfaction of certain pre-conditions, may be replaced with a springing, minimum fixed charge coverage ratio financial covenant, in each case on terms set forth in the credit agreement governing the ABL Credit Facility. As of December 31, 2024 and 2023, the Company was in compliance with applicable covenants under the ABL Credit Facility.

As of December 31, 2024 and 2023, the Company had no outstanding borrowings under the ABL Credit Facility. Outstanding letters of credit under the ABL Credit Facility were \$56.9 million and \$45.4 million as of December 31, 2024 and 2023, respectively. Availability under the ABL Credit Facility was \$354.9 million (including \$191.1 million cash and cash equivalents) and \$413.4 million (including \$144.0 million cash and cash equivalents) as of December 31, 2024 and 2023, respectively, after giving effect to the borrowing base and the outstanding letters of credit. The Company incurred issuance costs of \$6.3 million to obtain the ABL Credit Facility, which was capitalized within other noncurrent assets in the consolidated balance sheets and amortized over the facility term using the straight-line method. The Company recorded amortization of the deferred issuance costs and commitment fee of \$3.7 million for the years ended December 31, 2024 and 2023, and \$2.1 million for the year ended December 31, 2022.

DDTL Credit Facility

In August 2024, the Company entered into the DDTL Credit Facility with Ayar, that may be used for working capital and general corporate purposes. The DDTL Credit Facility provides for a delayed draw term loan credit facility in an aggregate principal amount of \$750.0 million and has a stated maturity date of August 4, 2029. Borrowings under the DDTL Credit Facility bear interest at the applicable interest rates specified in the credit agreement governing the DDTL Credit Facility. The Company is required to pay a quarterly undrawn fee of 0.50% per annum based on the unutilized portion of the DDTL Credit Facility.

The DDTL Credit Facility contains customary covenants that limit the ability of the Company and its restricted subsidiaries to, among other activities, pay dividends, incur debt, create liens and encumbrances, redeem or repurchase stock, dispose of certain assets, consummate acquisitions or other investments, prepay certain debt, engage in sale and leaseback transactions or consummate mergers and other fundamental changes. The DDTL Credit Facility also includes a minimum liquidity covenant. As of December 31, 2024, the Company was in compliance with applicable covenants under the DDTL Credit Facility.

As of December 31, 2024, the Company had no outstanding borrowings under the DDTL Credit Facility. The Company incurred issuance costs of \$6.2 million to obtain the DDTL Credit Facility, which was capitalized within other noncurrent assets in the

consolidated balance sheet and amortized over the facility term using the straight-line method. The Company recorded amortization of the deferred issuance costs and commitment fee of \$2.1 million for the year ended December 31, 2024.

NOTE 7 - COMMON STOCK WARRANT LIABILITY

On July 23, 2021, in connection with the merger, the Company effectively issued 44,350,000 Private Placement Warrants to purchase shares of Lucid's common stock at an exercise price of \$11.50. The Private Placement Warrants were initially recognized as a liability with a fair value of \$812.0 million and was remeasured to a fair value of \$53.7 million as of December 31, 2023. The Private Placement Warrants remained unexercised and were remeasured to a fair value of \$19.5 million as of December 31, 2024. The Company recognized gains of \$34.2 million, \$86.9 million, and \$1,254.2 million for the years ended December 31, 2024, 2023 and 2022, respectively, in the consolidated statements of operations and comprehensive loss.

The fair value of the Private Placement Warrants that are not subject to the contingent forfeiture provisions was estimated using a Black-Scholes option pricing model, and was as follows:

	December 31, 2024	December 31, 2023
Fair value of Private Placement Warrants per share	\$ 0.44	\$ 1.21

Assumptions used in the Black-Scholes option pricing model take into account the contract terms as well as the quoted price of the Company's common stock in an active market. The volatility is primarily based on the Company's historical volatility. The expected life is based on the remaining contractual term of the warrants, and the risk-free interest rate is based on the implied yield available on U.S. Treasury securities with a maturity equivalent to the warrants' expected life. The level 3 fair value inputs used in the Black-Scholes option pricing models were as follows:

	December 31, 2024	December 31, 2023
Volatility	95.0 %	85.0 %
Expected term (in years)	1.6	2.6
Risk-free rate	4.2 %	4.1 %
Dividend yield	— %	— %

NOTE 8 – REDEEMABLE CONVERTIBLE PREFERRED STOCK

In March 2024, the Company entered into the Series A Subscription Agreement with Ayar. Pursuant to the Series A Subscription Agreement, Ayar agreed to purchase from the Company 100,000 shares of the Series A Redeemable Convertible Preferred Stock for an aggregate purchase price of \$1.0 billion in a private placement. Subsequently, in March 2024, the Company issued the shares to Ayar pursuant to the Series A Subscription Agreement and received aggregate gross proceeds of \$1.0 billion.

In August 2024, the Company entered into the Series B Subscription Agreement with Ayar. Pursuant to the Series B Subscription Agreement, Ayar agreed to purchase from the Company 75,000 shares of the Series B Redeemable Convertible Preferred Stock for an aggregate purchase price of \$750.0 million in a private placement. Subsequently, in August 2024, the Company issued the shares to Ayar pursuant to the Series B Subscription Agreement and received aggregate gross proceeds of \$750.0 million.

The shares of the Series A Redeemable Convertible Preferred Stock and the Series B Redeemable Convertible Preferred Stock were issued pursuant to the Series A Certificate of Designations and the Series B Certificate of Designations (the "Certificate of Designations"), respectively. Pursuant to the Series A Subscription Agreement and the Series B Subscription Agreement, Ayar has agreed, with certain exceptions, that without prior written consent of the Company, it will not sell or transfer the Redeemable Convertible Preferred Stock for the twelve months after the date of the closing of the respective private placement.

Dividends: The Redeemable Convertible Preferred Stock ranks senior to the common stock with respect to dividends and distributions of assets upon the Company's liquidation, dissolution or winding up. The Redeemable Convertible Preferred Stock has an initial value of \$10,000 per share (the "Initial Value" and the Initial Value plus compounded and accrued dividends, the "Accrued Value"). Dividends on the Redeemable Convertible Preferred Stock are payable in the form of compounded cumulative dividends upon each share of the Redeemable Convertible Preferred Stock (paid-in-kind). Dividends accrue daily on the Initial Value (as increased for any compounded dividends previously compounded thereon) of each share of the Redeemable Convertible Preferred Stock at a rate of 9% per annum and compound on the basis of quarterly dividend payment dates on each March 31, June 30, September 30 and December 31 of each year,

commencing June 30, 2024 for the Series A Redeemable Convertible Preferred Stock and September 30, 2024 for the Series B Redeemable Convertible Preferred Stock.

Liquidation Preference: Upon a liquidation, dissolution or winding up of the Company, each holder of shares of the Redeemable Convertible Preferred Stock (“Holder”) will be entitled to receive, with respect to each share of then-outstanding Redeemable Convertible Preferred Stock, out of the assets of the Company available for distribution to its stockholders an amount in cash equal to the greater of (a) an amount per share of the Redeemable Convertible Preferred Stock as of the date of such liquidation, dissolution or winding up equal to (i) the per share Accrued Value as of the relevant date multiplied by (ii) the relevant percentage (the product of (i) and (ii), the “Minimum Consideration”); and (b) the amount that such Holder would have received with respect to such share of the Redeemable Convertible Preferred Stock if all shares of the Redeemable Convertible Preferred Stock had been converted at their Accrued Value into shares of common stock on the business day immediately prior to the date of such liquidation, dissolution or winding up. As of December 31, 2024, the liquidation preference of the Series A Redeemable Convertible Preferred Stock and Series B Redeemable Convertible Preferred Stock was \$1,138.8 million and \$800.4 million, respectively.

Voting Rights: Each Holder is entitled to the number of votes equal to the number of whole shares of common stock into which the aggregate shares of the Redeemable Convertible Preferred Stock held by such Holder are convertible on the record date for determining stockholders entitled to vote on any matter presented to the stockholders of the Company for their action or consideration at any meeting of stockholders and on which matter holders of the common stock shall be entitled to vote. Holders are entitled to notice of any meeting of stockholders and, except as otherwise provided in the Certificate of Designations or otherwise required by law, to vote together as a single class with the holders of the common stock and any other class or series of stock entitled to vote thereon. The voting power of Holders is subject to a voting cap per share equal to the quotient of the \$10,000 Initial Value and the minimum price (\$2.77 for the Series A Redeemable Convertible Preferred Stock and \$3.12 for the Series B Redeemable Convertible Preferred Stock).

As long as at least 10% of the aggregate number of shares issued on the respective initial issue date remain outstanding, and subject to certain other conditions, Holders are entitled to a separate class vote with respect to, among other things, amendments to the Company's organizational documents that have an adverse effect on the Redeemable Convertible Preferred Stock, authorizations or issuances by the Company of capital stock of the Company that ranks senior or equal to the Redeemable Convertible Preferred Stock with respect to dividends or distributions on liquidation or the terms of which provide for cash dividends (other than the common stock), winding-up and dissolution, and decreases in the number of authorized shares of the Redeemable Convertible Preferred Stock. The Company also agreed that as long as Ayar owns at least 50% of the shares issued on the respective initial issue date, the Company will comply with certain debt incurrence covenants in its Credit Agreement, dated as of June 9, 2022, by and among the Company, as the Borrower Representative, the other Borrowers party thereto from time-to-time, the Lenders and Issuing Banks from time-to-time party thereto and Bank of America, N.A., as Administrative Agent, as amended, which agreement may be waived with the sole consent of Ayar.

Conversion: Each share of the Redeemable Convertible Preferred Stock is convertible, at the option of the respective Holder, from time-to-time after the initial issue date, and without the payment of additional consideration by the Holder, (a) at any time that the closing price per share of the common stock on the trading day immediately preceding the date on which the Holder delivers the relevant notice of conversion is at least \$5.50 (subject to certain adjustments), unless the Company otherwise consents to such conversion in its sole discretion, or (b) in all events during certain specified periods relating to a fundamental change or optional redemption by the Company, into such number of fully paid and non-assessable shares of common stock as is determined by dividing (i) the applicable Accrued Value as of the conversion date by (ii) the applicable conversion price in effect as of such conversion date, which shall initially be \$3.5952 for the Series A Redeemable Convertible Preferred Stock and \$4.3799 for the Series B Redeemable Convertible Preferred Stock, subject to customary anti-dilution adjustments, including in the event of any stock split, stock dividend, recapitalization or similar events (the "Conversion Price").

Mandatory Conversion: On or after the third anniversary of the initial issue date, if at any time (i) the daily VWAP of the common stock has been at least 200% of the Conversion Price for at least twenty (20) trading days (whether or not consecutive) during any thirty (30) consecutive trading days (including the last day of such period) and (ii) certain common stock liquidity conditions are satisfied, the Company will have the right, exercisable at its election within fifteen (15) business days following completion of the applicable thirty (30) trading day period, to cause all or any portion of the Redeemable Convertible Preferred Stock to convert into number of fully paid and non-assessable shares of common stock, as determined by dividing (i) the applicable Accrued Value as of the conversion date by (ii) the Conversion Price in effect as of such conversion date. The Company will be required to pay an additional amount per share of the Redeemable Convertible Preferred Stock payable in cash, shares of common stock valued based on a five-day average daily VWAP or a combination thereof in respect of such conversion equal to the greater of (x) the difference between (i) the Minimum Consideration and (ii) the value of the shares of common stock delivered upon mandatory conversion thereof and (y) zero.

Fundamental Change: Upon a fundamental change, the Holders will be entitled, on the fundamental change repurchase date specified by the Company, to receive an amount equal to the greater of (a) the Minimum Consideration and (b) an amount equal to the value that such Holder would have received if it had converted its shares of the Redeemable Convertible Preferred Stock into shares of common stock on the business day immediately before the fundamental change repurchase date. The fundamental change repurchase price may

be paid in cash, shares of common stock (or other securities to be received by a holder of common stock in such fundamental change) valued based on a five-day average daily VWAP (with the number of shares of common stock rounded up to the nearest whole share), or a combination thereof, at the Company's election. The Company may not elect to deliver shares of its common stock (or other securities to be received by a holder of common stock in such fundamental change) in partial or full satisfaction of the fundamental change repurchase price, if certain common stock liquidity conditions are not satisfied.

Optional Redemption: On or after the fifth anniversary of the initial issue date, the Company may redeem all or any portion of the Redeemable Convertible Preferred Stock at a redemption price per share equal to the greater of (a) the Minimum Consideration and (b) an amount equal to the value (calculated based on a twenty (20)-day average daily VWAP) of the number of shares of common stock if it had converted its shares of the Redeemable Convertible Preferred Stock into shares of common stock as of the redemption date. Such redemption price may be paid in cash, shares of common stock valued based on a twenty (20)-day average daily VWAP, or a combination thereof, at the Company's election.

The Company may not pay any portion of such redemption price in shares of common stock if the common stock liquidity conditions are not satisfied.

While the Redeemable Convertible Preferred Stock is callable after five years at the Company's option, the Redeemable Convertible Preferred Stock is considered redeemable at the option of Ayar and was classified as mezzanine equity, because it is the majority shareholder of the Company. The Company recorded the Series A Redeemable Convertible Preferred Stock initially at its issuance price, net of issuance costs of \$2.4 million and net of the initial value of the bifurcated derivative liability of \$497.1 million. The Company also recorded the Series B Redeemable Convertible Stock initially at its issuance price, net of issuance costs of \$0.6 million and net of the initial value of the bifurcated derivative liability of \$297.7 million.

The Company accretes the Redeemable Convertible Preferred Stock to its redemption value, which is greater of (a) the Minimum Consideration and (b) an amount equal to the value that such Holder would have received if it had converted its shares of the Redeemable Convertible Preferred Stock into shares of common stock as of the Redemption Date. In certain circumstances, the redemption price may vary based on changes in stock price, in which case the Company recognizes changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the then current maximum redemption value at the end of each reporting period. During the year ended December 31, 2024, the Company recorded accretion of \$229.5 million and \$118.1 million related to the Series A Redeemable Convertible Preferred Stock and the Series B Redeemable Convertible Preferred Stock, respectively. Accretion of the Redeemable Convertible Preferred Stock was reflected as adjustments to additional paid-in capital in the consolidated balance sheet as of December 31, 2024. The carrying value of the Series A Redeemable Convertible Preferred Stock and Series B Redeemable Convertible Preferred Stock was \$730.0 million and \$569.8 million as of December 31, 2024, respectively.

The Company assessed the above features to determine whether any features are required to be bifurcated and separately accounted for as an embedded feature. The Company concluded that the conversion features, inclusive of all settlement outcomes where the pay-off is indexed to the if-converted value, meets all the requirements to be separately accounted for as a bifurcated derivative. As a result, the Company bifurcated the Redeemable Convertible Preferred Stock between (i) the host contracts which are accounted for within mezzanine equity as described above, and (ii) the bifurcated derivative liabilities related to the conversion features. The proceeds from issuance were first allocated to the fair value of the bifurcated derivatives with the residual being allocated to the host contracts. The bifurcated derivatives are remeasured to fair value at each reporting period with changes in fair value recorded in the consolidated statement of operations and comprehensive loss.

As of December 31, 2024, the derivative liabilities for the Redeemable Convertible Preferred Stock were remeasured to fair value of \$639.4 million, comprising of \$408.8 million related to Series A Redeemable Convertible Preferred Stock and \$230.6 million related to Series B Redeemable Convertible Preferred Stock. The Company recognized gains of \$155.4 million for the year ended December 31, 2024 in change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party) in the consolidated statements of operations and comprehensive loss.

The Company estimated the fair value of the derivative liabilities using a binomial lattice model with the volatility, credit spread, and term as significant unobservable inputs. Assumptions used in the valuation also take into account the contractual terms as well as the quoted price of the Company's common stock in an active market. Significant changes in any of those inputs in isolation would result in significant changes to the fair value measurement.

The level 3 fair value inputs used in the valuation of the derivative liabilities associated with the Redeemable Convertible Preferred Stock were as follows:

	December 31, 2024			
	Series A		Series B	
	Derivative Liability		Derivative Liability	
Volatility	40.0 %		40.0 %	
Credit spread	17.9 %		17.9 %	
Stock price	\$	3.02	\$	3.02
Term (in years)	4.2		4.6	
Risk-free rate	4.3 %		4.4 %	

NOTE 9 – STOCKHOLDERS’ EQUITY

Preferred Stock

The Company has authorized the issuance of 10,000,000 shares of undesignated preferred stock with a par value of \$0.0001 per share with rights and preferences, including voting rights, designated from time-to-time by the Board of Directors. As of December 31, 2024, there were 100,000 and 75,000 issued and outstanding shares of Series A Redeemable Convertible Preferred Stock and Series B Redeemable Convertible Preferred Stock, respectively. There were no issued and outstanding shares of preferred stock as of December 31, 2023.

Common Stock

On November 8, 2022, the Company entered into the Equity Distribution Agreement with BofA Securities, Inc., Barclays Capital Inc. and Citigroup Global Markets Inc., under which the Company could offer and sell shares of its common stock having an aggregate offering price up to \$600.0 million. During the year ended December 31, 2022, the Company issued 56,203,334 shares at a weighted average price per share of \$10.68 and received net proceeds of \$594.3 million after deducting commissions and other issuance costs of \$5.7 million. No shares remain available for sale under the Equity Distribution Agreement.

On November 8, 2022, the Company also entered into the 2022 Subscription Agreement, pursuant to which Ayar agreed to purchase from the Company, up to \$915.0 million of shares of its common stock in one or more private placements through March 31, 2023. During the year ended December 31, 2022, the Company issued 85,712,679 shares to Ayar pursuant to the 2022 Subscription Agreement at a weighted average price per share of \$10.68, and received aggregate proceeds of \$915.0 million.

On May 31, 2023, the Company entered into the 2023 Underwriting Agreement with the Underwriter, under which the Underwriter agreed to purchase 173,544,948 shares of the Company's common stock at a price per share of \$6.83, for aggregate net proceeds to the Company of \$1.2 billion. In June 2023, the Company issued the shares to the Underwriter pursuant to the 2023 Underwriting Agreement and received aggregate net proceeds of \$1.2 billion after deducting issuance costs of \$1.1 million.

On May 31, 2023, the Company entered into the 2023 Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company 265,693,703 shares of the Company's common stock at a price per share of \$6.83 in a private placement for aggregate net proceeds to the Company of \$1.8 billion. In June 2023, the Company issued the shares to Ayar pursuant to the 2023 Subscription Agreement and received aggregate net proceeds of \$1.8 billion after deducting issuance costs of \$2.0 million.

On October 16, 2024, the Company entered into the 2024 Underwriting Agreement with the Underwriter, under which the Underwriter agreed to purchase 262,446,931 shares of the Company's common stock. The Company also granted the Underwriter an Overallotment Option to purchase additional shares. On October 17, 2024, the Underwriter exercised the Overallotment Option to purchase an additional 15,037,594 shares. On October 18, 2024, the Company completed the public offering pursuant to the 2024 Underwriting Agreement at a price per share of \$2.59, and received aggregate net proceeds of \$718.4 million after deducting issuance costs of \$0.6 million.

On October 16, 2024, the Company entered into the 2024 Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company 374,717,927 shares of the Company's common stock. In addition, given the Underwriter's exercise of the Overallotment Option, Ayar agreed to purchase an additional 21,470,459 shares of the Company's common stock. As of October 31, 2024, the Company consummated the private placement of shares to Ayar pursuant to the 2024 Subscription Agreement at a price per share of \$2.59, for aggregate net proceeds of \$1,025.7 million after deducting issuance costs of \$0.8 million.

Issuance costs incurred were recorded as a reduction of the gross proceeds received from the equity offerings within additional paid-in capital in the consolidated balance sheets.

Treasury Stock

During the year ended December 31, 2021, the Company repurchased an aggregate of 857,825 shares of its common stock, including 712,742 shares from certain employees and 145,083 shares from Board of Directors of the Company's predecessor, Atieva, Inc. at \$24.15 per share. No common stock was repurchased during the years ended December 31, 2024 and 2023.

Common Stock Reserved for Issuance

The Company's common stock reserved for future issuances as of December 31, 2024 was as follows:

	December 31, 2024
Private Placement Warrants to purchase common stock	44,350,000
Stock options outstanding	26,894,103
Restricted stock units outstanding	103,965,469
Shares available for future grants under equity plans	45,196,984
If-converted common shares from convertible note	36,737,785
If-converted common shares from Series A redeemable convertible preferred stock	297,567,387
If-converted common shares from Series B redeemable convertible preferred stock	177,103,144
Total shares of common stock reserved	731,814,872

NOTE 10 – STOCK-BASED AWARDS

Lucid 2021 Incentive Plan and ESPP

In July 2021, the Company's Board of Directors adopted and the stockholders approved the 2021 Incentive Plan (the "2021 Incentive Plan"), which includes an ESPP as an addendum. The 2021 Incentive Plan replaced the 2021 Plan. The 2021 Incentive Plan provides for the grant of restricted shares, non-qualified stock options, incentive stock options, unrestricted shares, stock appreciation rights, restricted stock units and cash awards. Shares of common stock underlying awards that are forfeited or cancelled generally are returned to the pool of shares available for issuance under the 2021 Incentive Plan.

The Company had 45,196,984 shares of common stock available for issuance under the 2021 Incentive Plan, including the ESPP, as of December 31, 2024.

Stock Options

The Company's outstanding stock options generally expire between 7 years to 10 years from the date of grant and are exercisable when the options vest. In general, incentive stock options and non-statutory options vest over four years, the majority of which vest at a rate of 25% on the first anniversary of the grant date, with the remainder vesting ratably each month over the next three years. A summary of stock option activity for the year ended December 31, 2024 was as follows:

	Outstanding Options			
	Number of Options	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Term	Intrinsic Value (in thousands)
Balance as of December 31, 2023	32,911,135	\$ 1.99	5.5	\$ 91,785
Options granted	232,177	3.99		
Options exercised	(4,513,606)	1.08		
Options canceled	(1,735,603)	7.01		
Balance as of December 31, 2024	<u>26,894,103</u>	\$ 1.84	4.4	\$ 48,886
Options vested and exercisable as of December 31, 2024	<u>24,696,617</u>	\$ 1.37	4.2	\$ 48,883

The weighted-average grant-date fair value for options granted for the year ended December 31, 2024 was \$1.80. Aggregate intrinsic value represents the difference between the exercise price of the options and the fair value of common shares. The aggregate intrinsic value of options exercised was \$8.4 million, \$50.1 million and \$475.5 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The total fair value of stock options granted during the years ended December 31, 2024 and 2023 was \$0.4 million and \$17.4 million, respectively, which is recognized over the respective vesting periods. No stock options were granted during the year ended December 31, 2022. The total fair value of stock options vested during the years ended December 31, 2024, 2023 and 2022, was \$4.9 million, \$5.4 million and \$5.5 million, respectively.

The Company estimates the fair value of the options utilizing the Black-Scholes option pricing model, which is dependent upon several variables, including expected option term, expected volatility of the Company's share price over the expected term, expected risk-free interest rate over the expected option term, and expected dividend yield rate over the expected option term, and actual forfeiture rates. A

summary of the weighted-average assumptions the Company utilized to record compensation expense for stock options granted during the years ended December 31, 2024 and 2023 was as follows:

	December 31, 2024	December 31, 2023
Volatility	85.0 %	83.9 %
Expected term (in years)	5.2	5.0
Risk-free interest rate	4.3 %	4.1 %
Expected dividends	— %	— %

As of December 31, 2024, unrecognized stock-based compensation cost related to outstanding unvested stock options that are expected to vest was \$7.1 million and expected to be recognized over a weighted-average period of 2.5 years.

Restricted Stock Units (“RSUs”)

A summary of RSUs activity for the year ended December 31, 2024 was as follows:

	Restricted Stock Units			
	Time-Based Shares	Performance- Based Shares	Total Shares	Weighted- Average Grant- Date Fair Value
Balance as of December 31, 2023	54,699,739	9,305,825	64,005,564	\$ 10.90
Granted	94,696,162	14,188,690	108,884,852	2.86
Vested	(46,298,088)	(1,884,410)	(48,182,498)	7.73
Cancelled/Forfeited	(15,128,805)	(5,613,644)	(20,742,449)	6.48
Balance as of December 31, 2024	87,969,008	15,996,461	103,965,469	\$ 4.83

Time-based RSUs granted prior to the closing of merger are subject to both performance-based and service-based vesting conditions. The performance condition was satisfied upon the closing of the merger, and the service condition will be met generally over four years. The Company granted 13,834,748 shares of the time-based RSUs to the former CEO that will vest in sixteen equal quarterly installments, beginning on December 5, 2021, and are subject to continuous employment. The service condition for 25% of the Company’s non-CEO RSUs granted prior to the closing of merger was satisfied 375 days after the closing. The remaining RSUs will be satisfied in equal quarterly installments thereafter, subject to continuous employment. The Company recognizes compensation expense for these time-based RSUs on a graded vesting schedule over the requisite vesting period. Fair value of these time-based RSUs was measured using the fair value of the Company’s common stock on the date of the grant, as based on the market price of Churchill’s stock adjusted for the expected exchange ratio at the time, and discounted for lack of marketability.

Time-based RSUs granted subsequent to the closing of merger are only subject to service-based vesting conditions and the compensation expense is recognized on a straight-line basis over the requisite service period. The fair value of these time-based RSUs granted after the closing of the merger was measured using the fair value of the Company’s common stock on the date of the grant.

As of December 31, 2024, unrecognized stock-based compensation cost related to outstanding unvested time-based RSUs that are expected to vest was \$331.1 million, which is expected to be recognized over a weighted-average period of 1.6 years. The total fair value of time-based RSUs vested during the years ended December 31, 2024, 2023, and 2022 was \$140.8 million, \$121.1 million, and \$190.9 million, respectively.

In 2021, the Company granted performance-based RSUs to the former CEO and they are subject to performance and market conditions. The performance condition was satisfied upon the closing of the merger. The market conditions will be satisfied and vest in five tranches based on the achievement of market capitalization goals applicable to each tranche over a six-month period subject to the former CEO’s continuous employment through the applicable vesting date. Any performance-based RSUs granted to our former CEO that have not vested within five years after the closing will be forfeited. The fair value of these performance-based RSUs was measured on the grant date, March 27, 2021, using a Monte Carlo simulation model, with the following assumptions:

Weighted average volatility	60.0 %
Expected term (in years)	5.0
Risk-free interest rate	0.9 %
Expected dividends	— %

The Company recognizes compensation expense using a graded vesting attribution method over the derived service period for the former CEO's performance-based awards. Stock-based compensation expense is recognized when the relevant performance condition is considered probable of achievement for the performance-based award. During the year ended December 31, 2022, the market condition was met for the performance-based awards of the former CEO for four of the five tranches and certified by the Board of Directors, representing an aggregate of 13,934,271 performance RSUs. The Company recorded stock-based compensation expense of \$85.4 million during the year ended December 31, 2022. The unamortized expense of \$8.2 million as of December 31, 2022 for the fifth tranche, representing 2,090,140 RSUs, was fully recognized during the year ended December 31, 2023. There were no performance-based RSUs vested for our former CEO for the years ended December 31, 2024 and 2023. The total fair value of the former CEO's performance-based RSUs vested was \$315.3 million during the year ended December 31, 2022. For the years ended December 31, 2024, 2023 and 2022, the Company withheld approximately 1.9 million, 1.9 million, and 9.4 million shares, respectively, of common stock by net settlement to meet the related tax withholding requirements related to the former CEO's time-based and performance-based RSUs.

The Company granted performance-based RSUs to certain employees and they are subject to (i) corporate performance conditions and/or individual performance and (ii) a service condition which will be met generally over 3 years. The number of awards granted represents 100% of the target goal. Under the terms of the awards, the recipient may earn between 0% to 150% of the original number of grants based on actual achievement of corporate performance goals and/or individual performance. Stock-based compensation expense is recognized when the relevant performance condition is considered probable of achievement for the performance-based award. During the years ended December 31, 2024, 2023 and 2022, the Company recorded stock-based compensation expenses of \$26.1 million, \$7.9 million, and nil, respectively, related to these performance-based RSUs. The total fair value of these performance-based RSUs vested during the year ended December 31, 2024 was \$5.3 million, and nil for the years ended December 31, 2023 and 2022. As of December 31, 2024, the unamortized expense for the performance-based RSUs was \$30.1 million, which will be recognized over a weighted-average period of 1.1 years primarily contingent upon realization of the corporate performance conditions.

Employee Stock Purchase Plan (“ESPP”)

The ESPP authorizes the issuance of shares of common stock pursuant to purchase rights granted to employees. The plan provides for 24-month offering periods beginning in December and June of each year, and each offering period will consist of four six-month purchase periods. The purchase price for each share purchased during an offering period will be the lesser of 85% of the fair market value of the share on the purchase date or 85% of the fair market value of the share on the offering date.

If the market value of our common stock on the purchase date is lower than the market value at the beginning of the offering period, the ongoing offering terminates immediately following the purchase of ESPP shares on the purchase date and participants in the terminated offering are automatically enrolled in the new offering resulting in a reset of the offering price and a modification charge to be recognized over the new offering period. During the years ended December 31, 2024, 2023, and 2022, there were two ESPP resets that resulted in modification charges of \$17.8 million, \$23.2 million, and \$19.9 million, respectively, which are being recognized until the new offering period ending in November 2026.

The Company issued 8,976,458, 4,748,875, and 2,106,158 shares at a weighted-average price of \$2.14, \$5.02, and \$11.66 for the years ended December 31, 2024, 2023, and 2022, respectively. As of December 31, 2024, unrecognized stock-based compensation cost related to the ESPP was \$31.4 million, which is expected to be recognized over a weighted-average period of 1.9 years.

Stock-based Compensation Expense

Total employee and nonemployee stock-based compensation expense for the years ended December 31, 2024, 2023 and 2022, was classified in the consolidated statements of operations and comprehensive loss as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Cost of revenue	\$ 4,335	\$ 3,590	\$ 41,753
Research and development	172,190	137,703	151,549
Selling, general and administrative	110,827	117,433	230,198
Restructuring charges	(1,480)	(1,443)	—
Total	<u>\$ 285,872</u>	<u>\$ 257,283</u>	<u>\$ 423,500</u>

The Company capitalized stock-based compensation expenses of \$45.7 million and \$43.3 million for the years ended December 31, 2024 and 2023, respectively, primarily as part of the cost of inventory.

NOTE 11 – LEASES

The Company has entered into various non-cancellable operating and finance lease agreements for certain of the Company's offices, manufacturing and warehouse facilities, retail and service locations, equipment and vehicles, worldwide. The Company has determined if an arrangement is a lease, or contains a lease, including embedded leases, at inception and records the leases in the Company's financial statements upon lease commencement, which is the date when the underlying asset is made available for use by the lessor.

Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Our assessed lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Certain operating leases provide for annual increases to lease payments based on an index or rate. The Company estimates the annual increase in lease payments based on the index or rate at the lease commencement date. Differences between the estimated lease payment and actual payment are expensed as incurred. Lease expense for finance lease payments is recognized as amortization expense of the finance lease ROU asset and interest expense on the finance lease liability over the lease term.

In August 2022, the Company entered into a four-year agreement (“Lease Agreement”) to lease land in Casa Grande, Arizona adjacent to our manufacturing facility. The Company classifies this lease as a finance lease because the Lease Agreement contains a purchase option which the Company is reasonably certain to exercise. As of December 31, 2024 and 2023, assets associated with the finance lease were \$79.3 million. As of December 31, 2024 and 2023, liabilities associated with the finance lease were \$80.0 million and \$80.6 million, respectively.

Contemporaneously with the execution of the Lease Agreement, the Company entered into a sale agreement, pursuant to which the Company sold certain parcels of land for \$31.7 million to the lessor and leased back these parcels of land under the Lease Agreement. The sale of the land and subsequent lease did not result in change in the transfer of control of the land; therefore, the sale-leaseback transaction is accounted for as a failed sale and leaseback financing obligation. The Company recorded \$31.7 million of sales proceeds received as a financial liability within other long-term liabilities in the consolidated balance sheets as of December 31, 2024 and 2023.

The balances for the operating and finance leases where the Company is the lessee were presented as follows within the Company’s consolidated balance sheets (in thousands):

	December 31, 2024	December 31, 2023
Operating leases:		
Right-of-use assets	\$ 211,886	\$ 221,508
Other current liabilities	\$ 35,596	\$ 28,431
Other long-term liabilities	229,835	244,122
Total operating lease liabilities	<u>\$ 265,431</u>	<u>\$ 272,553</u>
Finance leases:		
Property, plant and equipment, net	\$ 82,823	\$ 85,055
Total finance lease assets	<u>\$ 82,823</u>	<u>\$ 85,055</u>
Finance lease liabilities, current portion	\$ 6,788	\$ 8,202
Finance lease liabilities, net of current portion	76,096	77,653
Total finance lease liabilities	<u>\$ 82,884</u>	<u>\$ 85,855</u>

The components of lease expense were as follows within the Company’s consolidated statements of operations and comprehensive loss (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Operating lease expense:			
Operating lease expense ⁽¹⁾	\$ 62,119	\$ 55,307	\$ 44,617
Variable lease expense	1,948	1,770	1,712
Finance lease expense:			
Amortization of leased assets	\$ 3,009	\$ 5,252	\$ 4,812
Interest on lease liabilities	4,665	4,867	2,453
Total finance lease expense	\$ 7,674	\$ 10,119	\$ 7,265
Total lease expense	\$ 71,741	\$ 67,196	\$ 53,594

⁽¹⁾ Excluded short-term leases, which were not material.

Other information related to leases where the Company is the lessee was as follows:

	December 31, 2024	December 31, 2023
Weighted-average remaining lease term (in years):		
Operating leases	6.2	6.8
Finance leases	1.6	2.6
Weighted-average discount rate:		
Operating leases	11.87 %	11.01 %
Finance leases	5.73 %	5.59 %

Supplemental cash flow information related to leases where the Company is the lessee was as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 59,131	\$ 44,965	\$ 15,482
Operating cash flows from finance leases (interest payments)	5,261	5,430	509
Financing cash flows from finance leases	3,166	5,425	4,977
Leased assets obtained in exchange for new operating lease liabilities	23,111	32,558	73,502
Leased assets obtained in exchange for new finance lease liabilities	1,062	—	84,392

As of December 31, 2024, the maturities of the Company's operating and finance lease liabilities (excluding short-term leases) were as follows (in thousands):

	Operating Leases	Finance Leases
2025	\$ 64,308	\$ 6,953
2026	66,035	82,822
2027	57,530	371
2028	53,923	39
2029	47,570	8
Thereafter	93,101	—
Total minimum lease payments	382,467	90,193
Less: Interest	(117,036)	(7,309)
Present value of lease obligations	265,431	82,884
Less: Current portion	(35,596)	(6,788)
Long-term portion of lease obligations	\$ 229,835	\$ 76,096

As of December 31, 2024, the Company entered into additional leases for facilities and equipment that have not yet commenced with undiscounted future lease payments of \$41.1 million. The leases are expected to commence in 2025 and 2026.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Contractual Obligations

As of December 31, 2024 and 2023, the Company had \$1,037.1 million and \$270.2 million in commitments related to AMP-1 and AMP-2 plant and equipment, respectively. These commitments represent future expected payments on open purchase orders entered into as of December 31, 2024 and 2023.

The Company's non-cancellable long-term commitments primarily related to certain inventory component purchases. On October 1, 2024, the Company entered into amendments (the "Amendments") to certain battery-supply agreements with Panasonic Energy Co., Ltd. and certain of its affiliates. As of December 31, 2024, pursuant to the terms of the Amendments, the Company had remaining minimum purchase commitments of an aggregate of approximately \$2.7 billion, calculated using the current base prices, which could vary period-to-period primarily as a result of changes in raw material indexes. The estimated future payments having a remaining term in excess of one year were as follows (in thousands):

Years ended December 31,	Minimum Purchase Commitment
2025	\$ 220,781
2026	277,988
2027	379,113
2028	465,102
2029	458,595
Thereafter	938,032
Total	\$ 2,739,611

Legal Matters

From time-to-time, the Company may become subject to legal proceedings, claims and litigation arising in the ordinary course of business. Some of these claims, lawsuits and other proceedings may involve highly complex issues that are subject to substantial uncertainties, and could result in damages, fines, penalties, non-monetary sanctions or relief.

Beginning on April 18, 2021, two individual actions and two putative class actions were filed in federal courts in Alabama, California, New Jersey and Indiana, asserting claims under the federal securities laws against the Company (f/k/a Churchill Capital Corp IV), its wholly owned subsidiary, Atieva, Inc. ("Lucid Motors"), and certain current and former officers and directors of the Company, generally relating to the Merger. On September 16, 2021, the plaintiff in the New Jersey action voluntarily dismissed that lawsuit. The remaining actions were ultimately transferred to the Northern District of California and consolidated under the caption, *In re CCIV / Lucid Motors Securities Litigation*, Case No. 4:21-cv-09323-YGR (the "Consolidated Class Action"). On December 30, 2021, lead plaintiffs in the Consolidated Class Action filed a revised amended consolidated complaint (the "Complaint"), which asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of a putative class of shareholders who purchased stock in CCIV between February 5, 2021 and February 22, 2021. The Complaint names as defendants Lucid Motors and the Company's former chief executive officer, and generally alleges that, prior to the public announcement of the Merger, defendants purportedly made false or misleading statements regarding the expected start of production for the Lucid Air and related matters. The District Court granted defendants' motion to dismiss on January 11, 2023, with plaintiffs being provided the ability to seek leave to amend. On June 29, 2023, the District Court denied plaintiff's motion for leave to amend, dismissed the lawsuit and terminated the case. On July 28, 2023, plaintiffs appealed the District Court's decisions to the Ninth Circuit Court of Appeals. On August 8, 2024, the Ninth Circuit affirmed the district court judgment dismissing the case. On September 17, 2024, the Ninth Circuit denied Plaintiffs' petition for a rehearing or rehearing *en banc*. On September 25, 2024, the Ninth Circuit issued its mandate affirming the district court judgment. Plaintiffs did not appeal the case to the U.S. Supreme Court, and the case is therefore now final and closed.

In addition, two separate purported shareholders of the Company filed shareholder derivative actions, purportedly on behalf of the Company, against certain of the Company's officers and directors in California federal court, captioned *Sahr Lebbie v. Peter Rawlinson*,

et al., Case No. 4:22-cv-00531-YGR (N.D. Cal.) (filed on January 26, 2022) and *Zsata Williams-Spinks v. Peter Rawlinson, et al.*, Case No. 4:22-cv-01115-YGR (N.D. Cal.) (filed on February 23, 2022). The complaint also names the Company as a nominal defendant. Based on allegations that are similar to those in the Consolidated Class Action, the Lebbie complaint asserts claims for unjust enrichment, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, abuse of control, gross mismanagement and waste of corporate assets and a claim for contribution under Sections 10(b) and 21D of the Exchange Act in connection with the Consolidated Class Action and the Williams-Spinks complaint asserts claims for breach of fiduciary duty, gross mismanagement, abuse of control, unjust enrichment, contribution under Sections 10(b) and 21D of the Exchange Act, and aiding and abetting breach of fiduciary duty in connection with the Consolidated Class Action. The complaints seek compensatory damages, interest thereon, certain corporate governance reforms, and attorneys' fees and expenses. On April 29, 2022, the District Court consolidated the two actions into *In re Lucid Group, Inc. (f/k/a Churchill Capital Corp IV) Derivative Litigation*, Case No. 4:22-cv-00531-YGR (N.D. Cal.) (the "Consolidated Derivative Action"). On May 25, 2022, the District Court then stayed the Consolidated Derivative Action pending developments in the Consolidated Class Action. On December 12, 2023, given that the Consolidated Class Action was dismissed by the trial court and appealed to the Ninth Circuit Court of Appeals, the District Court administratively closed the Consolidated Derivative Action for statistical purposes, but reminded the parties of their obligations under the stay. On January 9, 2025, the parties filed a joint stipulation of dismissal without prejudice with the District Court, and the case is now closed.

On April 1, 2022 and May 31, 2022, two alleged shareholders filed putative class actions under the federal securities laws against Lucid Group, Inc. and certain officers of the Company relating to alleged statements, updated projections and guidance provided in the late 2021 to early 2022 timeframe. The complaints, which were filed in the Northern District of California, are captioned *Victor W. Mangino v. Lucid Group, Inc., et al.*, Case No. 3:22-cv-02094-JD, and *Anant Goel v. Lucid Group, Inc., et al.*, Case No. 3:22-cv-03176-JD. The two matters were consolidated into one action, entitled *In re Lucid Group, Inc. Securities Litigation*, Case No. 22-cv-02094-JD. The consolidated complaint named as defendants Lucid Group, Inc. and the Company's former chief executive officer and former chief financial officer, and generally alleged that defendants purportedly made false or misleading statements regarding delivery and revenue projections and related matters between November 15, 2021 and August 3, 2022. The consolidated complaint sought certification of the action as a class action, as well as compensatory damages, interest thereon, and attorneys' fees and expenses. Defendants filed a Motion to Dismiss on February 23, 2023. On August 8, 2024, the Court granted in part and denied in part Defendants' Motion to Dismiss, and gave Plaintiffs leave to replead their complaint. On September 20, 2024, Plaintiffs filed an Amended Consolidated Complaint, which no longer names the Company's former chief financial officer as an individual defendant. Defendants filed a motion to dismiss the Amended Consolidated Complaint, in part, on December 6, 2024. A hearing on the Motion to Dismiss currently is scheduled for May 1, 2025. Defendants believe that the plaintiffs' claims are without merit and intend to defend themselves vigorously, but they cannot ensure that their efforts to dismiss partially the consolidated complaint will be successful or that they will ultimately avoid liability in this matter.

In addition, on July 11, 2022, a purported shareholder of the Company filed a shareholder derivative action, purportedly on behalf of the Company against certain of the Company's officers and directors in California state court, captioned *Floyd Taylor v. Glenn August, et al.*, Superior Court, Alameda County, Case No. 22CV014130. The complaint also names the Company as a nominal defendant. Based on allegations that are similar to those in the *In re Lucid Group, Inc. Securities Litigation* action, the *Taylor* complaint asserts claims for breach of fiduciary duty, unjust enrichment, waste of corporate assets and aiding and abetting breach of fiduciary duty. The complaint seeks compensatory damages, punitive damages, an accounting, interest, and attorneys' fees and expenses. The case is currently stayed per stipulation of the parties.

In addition, on September 5, 2024, a purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against certain of the Company's current and former directors in Delaware state court, captioned *Tricia Rodney v. Rawlinson, et al.*, Delaware Court of Chancery, Case No. 2024-0927. The complaint also names the Company as a nominal defendant. The complaint alleges: (i) a breach of fiduciary duty claim against the Company's former CEO; (ii) a breach of fiduciary duty claim against other then-current members of the Board in 2022; and (iii) an unjust enrichment claim against the Company's former CEO.

On November 8, 2024, another purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against certain of the Company's current and former directors in Delaware state court, captioned *Ed Lomont v. Rawlinson, et al.*, Delaware Court of Chancery, Case No. 2024-1149. The complaint also names the Company as a nominal defendant. The complaint alleges claims similar to the *Rodney* shareholder derivative action and is premised on the same underlying allegations as those in the *In re Lucid Group, Inc. Securities Litigation* action. On January 28, 2025, the Court consolidated the *Rodney* and *Lomont* actions into *In re Lucid Group, Inc. Stockholder Derivative Litigation*, Delaware Court of Chancery, Consolidated Case No. 2024-0927. The consolidated action is currently stayed per stipulation of the parties.

On December 3, 2024, another purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against certain of the Company's current and former directors in Delaware state court, captioned *May Vang and Mohammed Khalid v. Rawlinson, et al.*, Delaware Court of Chancery, Case No. 2024-1243. The complaint also names the Company as a nominal defendant. The complaint asserts claims similar to the *Taylor* shareholder derivative action and is premised on the same underlying allegations as those in the *In re Lucid Group, Inc. Securities Litigation* action. The case is currently stayed per stipulation of the parties.

On January 29, 2025, another purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against certain of the Company's current and former directors in California federal court, captioned *Zalmon Uvaydov v. Rawlinson, et al.*, U.S. District Court for the Northern District of California, Case No.: 3:25-cv-943. The complaint asserts claims similar to the *Taylor* shareholder derivative action, as well as a contribution claim under Section 21(D) of the Securities Exchange Act against the Company's former CEO, and is premised on the same underlying allegations as those in the *In re Lucid Group, Inc. Securities Litigation* action.

On February 7, 2025, another purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against certain of the Company's current and former directors in California federal court, captioned *Neil Cook v. Rawlinson, et al.*, U.S. District Court for the Northern District of California, Case No.: 3:25-cv-01346. The complaint asserts claims similar to the *Taylor* shareholder derivative action, as well as a Section 14(a) claim, and is premised on the same underlying allegations as those in the *In re Lucid Group, Inc. Securities Litigation* action.

Moreover, on March 25, 2021, the Illinois Automobile Dealers Association, Chicago Automobile Trade Association, Peoria Metro New Car Dealers Association, Illinois Motorcycle Dealers Association, and 241 individual motor vehicle dealers filed an action against the Office of the Illinois Secretary of State (“SOS”), Jesse White, in his official capacity as the Illinois Secretary of State; Lucid USA, Inc. (“Lucid USA”); and other defendants, in the Circuit Court of Cook County, Illinois, County Department, Chancery Division, Case No. 2021CH01438. The suit generally alleges that Illinois law does not permit manufacturers to obtain licenses as motor vehicle dealers. Plaintiffs seek to prevent Lucid from engaging in the sale of motor vehicles directly to consumers. The SOS granted Lucid USA a dealer’s license on June 3, 2021. In December 2022, the Court granted Defendants’ Motion to Dismiss. Plaintiffs subsequently appealed and the decision was affirmed by the First District Appellate Court on August 23, 2024. Plaintiffs filed a petition for further review of the case by the Illinois Supreme Court and the Illinois Supreme Court denied review.

Furthermore, while we have registered and applied for trademarks in an effort to protect our brand and goodwill with customers, competitors or other third parties are, have in the past, and may in the future, oppose our trademark applications or otherwise challenge our use of the trademarks and other brand names in which we have invested. Such oppositions and challenges can be expensive and may adversely affect our ability to maintain the goodwill gained in connection with a particular trademark. In addition, we may lose our trademark or are unable to submit specimens of use by the applicable deadline to perfect such trademark rights. For instance, in June 2024, we reached an agreement with Gravity, Inc. to settle a claim before the United States Patent and Trademark Office (“USPTO”) that opposed and requested cancellation of our trademark application and registration for the use of “Gravity.”

At this time, the Company does not consider any such claims, lawsuits or proceedings that are currently pending, individually or in the aggregate, including the matters referenced above, to be material to the Company’s business or likely to result in a material adverse effect on its future operating results, financial condition or cash flows should such proceedings be resolved unfavorably.

Indemnification

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to customers, vendors, investors, directors, officers, and certain key employees with respect to certain matters, including, but not limited to, losses arising out of our breach of such agreements, services to be provided by the Company, or from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments the Company could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is indeterminable. The Company has never paid a material claim, nor has it been sued in connection with these indemnification arrangements. The Company has indemnification obligations with respect to letters of credit and surety bond primarily used as security against facility leases, utilities infrastructure and other agreements that require securitization. The indemnification obligations were \$72.6 million and \$56.3 million as of December 31, 2024 and 2023, respectively, for which no liabilities are recorded in the consolidated balance sheets.

NOTE 13 - INCOME TAXES

The components of loss before provision for income taxes for the years ended December 31, 2024, 2023 and 2022, were as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Loss subject to domestic income taxes	\$ (2,699,739)	\$ (2,825,820)	\$ (1,306,245)
Loss subject to foreign income taxes	(13,004)	(1,574)	2,164
Loss before provision for income taxes	<u>\$ (2,712,743)</u>	<u>\$ (2,827,394)</u>	<u>\$ (1,304,081)</u>

The Company recorded provision for income taxes in connection with its domestic, state, and foreign subsidiaries for the years ended December 31, 2024, 2023 and 2022, respectively, as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Current			
Federal	\$ —	\$ —	\$ —
State	—	24	14
Foreign	1,339	1,002	365
Total current tax expense	\$ 1,339	\$ 1,026	\$ 379
Deferred			
Federal	\$ —	\$ —	\$ —
State	—	—	—
Foreign	(140)	—	—
Total deferred tax expense	\$ (140)	\$ —	\$ —
Total provision for income taxes	\$ 1,199	\$ 1,026	\$ 379

The reconciliation of taxes at the federal statutory rate to our provision for income taxes for the years ended December 31, 2024, 2023 and 2022 were as follows:

	Year Ended December 31,		
	2024	2023	2022
Statutory federal income tax rate	21.0%	21.0%	21.0%
Stock-based compensation	(1.6)	(1.5)	(0.6)
Change in fair value of warrant liability	1.5	0.6	20.2
Tax-exempt interest	—	—	0.4
Nondeductible expenses	0.6	(1.5)	0.4
Tax credits	1.2	0.7	1.4
Change in valuation allowance	(22.7)	(19.3)	(42.8)
Provision for income taxes	—%	—%	—%

The amount of provision for income taxes differs from the expected benefit due to the impact of the U.S. valuation allowance, as well as income taxes associated with foreign operations.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes as of December 31, 2024 and 2023, were as follows (in thousands):

	December 31,	
	2024	2023
Deferred tax assets:		
Net operating loss carryforwards	\$ 1,605,236	\$ 1,240,197
Tax credit carryforwards	192,810	139,672
Stock-based compensation expense	7,347	12,322
Capitalization of research and development costs	443,311	333,958
Accruals and reserves	232,487	215,087
Lease liability	84,604	88,407
Inventory	461,127	271,784
Other	60,935	21,815
Total deferred tax assets	3,087,857	2,323,242
Valuation allowance	(2,904,865)	(2,137,851)
Total deferred tax assets, net of valuation allowance	182,992	185,391
Deferred tax liabilities:		
Depreciation	(72,023)	(49,754)
Right-of-use assets	(70,890)	(74,565)
Tax accounting method change	(39,939)	(61,072)
Total deferred tax liabilities	(182,852)	(185,391)
Deferred tax assets (liabilities), net of valuation allowance	\$ 140	\$ —

The Company does not anticipate foreign earnings would be subject to U.S. taxation upon repatriation. However, distributions of unremitted foreign earnings may be subject to foreign withholding taxes. Accordingly, provisions have not been made on the Company's basis differences in investments that primarily result from earnings in foreign subsidiaries which are indefinitely reinvested. If recorded, the deferred tax liability associated with indefinitely reinvested basis differences would be immaterial to the financial statements.

A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized in a particular tax jurisdiction. All available evidence, both positive and negative, is considered to determine whether, based on the weight of that evidence, a valuation allowance is needed for some portion or all of a deferred tax asset. Judgment must be used in considering the relative impact of negative and positive evidence. Based on the weight of the available evidence, which includes the Company's historical operating losses, lack of taxable income, and the accumulated deficit, as of December 31, 2024 and 2023, the Company provided a full valuation allowance against its U.S. and state deferred tax assets. The valuation allowance for deferred tax assets was \$2,904.9 million and \$2,137.9 million, as of December 31, 2024 and 2023, respectively. The valuation allowance on our net deferred taxes increased by \$767.0 million and \$763.6 million during the years ended December 31, 2024 and 2023, respectively.

The Company had federal, state, and foreign net operating loss carryforwards of \$5,766.1 million, \$5,142.4 million, and \$19.1 million, respectively, as of December 31, 2024, which will begin to expire at various dates beginning in 2027. The Company also had federal and state tax research and development tax credit carryforwards of \$151.8 million and \$78.6 million, respectively. The federal research

and development tax credit carryforwards will expire at various dates beginning in 2036, if not utilized. The state research and development tax credit carryforwards do not expire.

The Internal Revenue Code of 1986, as amended, imposes restrictions on the utilization of net operating losses and certain credits in the event of an “ownership change” of a corporation. Accordingly, a company’s ability to use net operating losses and certain credits may be limited as prescribed under.

Internal Revenue Code Section 382, which provide for limitations on net operating losses carryforwards and certain built in losses following ownership changes, and Section 383, which provides for special limitations on certain excess credits, etc. (collectively, “IRC Section 382”). Utilization of the carryforwards may be subject to substantial annual limitation due to the ownership change limitations provided by the IRC Section 382 and similar state provisions, resulting in a reduction in the gross deferral tax assets before considering the valuation allowance. The Company has completed a formal Section 382 study of our equity transactions through December 31, 2020. The study determined that the Company experienced an “ownership change” in 2016, and the Company will not be able to utilize \$12.0 million of our U.S. federal net operating loss and \$3.0 million of U.S. federal research and development tax credit carryforwards.

Uncertain Tax Positions

The following table summarizes the activity related to unrecognized tax benefits for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	December 31,		
	2024	2023	2022
Unrecognized benefit—beginning of period	\$ 140,767	\$ 105,234	\$ 72,330
Gross increases—prior-period tax positions	—	539	—
Gross decreases—prior-period tax positions	(111,065)	(581)	—
Gross increases—current-period tax positions	8,904	35,575	32,916
Gross decrease—current-period tax positions	—	—	—
Statute lapse	(83)	—	(12)
Unrecognized benefit—end of period	<u>\$ 38,523</u>	<u>\$ 140,767</u>	<u>\$ 105,234</u>

As of December 31, 2024, 2023 and 2022, the total amount of unrecognized tax benefits was \$38.5 million, \$140.8 million, and \$105.2 million, respectively, of which \$0.9 million, \$1.1 million and \$0.6 million, if recognized for respective periods, would favorably impact the Company's effective tax rate. The Company does not anticipate a significant change in the total amount of unrecognized tax benefits within the next 12 months.

Related to the unrecognized tax benefits above, the interest expense and penalty expense recognized as part of provision for income taxes in the consolidated statements of operations and comprehensive loss for the years ended December 31, 2024, 2023 and 2022 were not material. As of December 31, 2024 and 2023, the Company recorded immaterial liability for interest expense and penalties, which was included within other long-term liabilities in the consolidated balance sheets.

The Company files U.S., state, and foreign income tax returns with varying statutes of limitations. The federal, state, and foreign returns statutes of limitations remains open for all years. There are currently no income tax audits underway by U.S., state, or foreign tax authorities.

NOTE 14 - NET LOSS PER SHARE

Basic and diluted net loss per share attributable to common stockholders are calculated as follows (in thousands, except share and per share amounts):

	Year Ended December 31,		
	2024	2023	2022
Net loss	\$ (2,713,942)	\$ (2,828,420)	\$ (1,304,460)
Accretion of redeemable convertible preferred stock (related party)	(347,610)	—	—
Net loss attributable to common stockholders, basic	<u>(3,061,552)</u>	<u>(2,828,420)</u>	<u>(1,304,460)</u>
Change in fair value of dilutive warrants	—	—	(1,254,218)
Net loss attributable to common stockholders, diluted	<u>\$ (3,061,552)</u>	<u>\$ (2,828,420)</u>	<u>\$ (2,558,678)</u>
Weighted-average shares outstanding, basic	2,445,176,539	2,081,772,622	1,678,346,079
Private Placement Warrants using the treasury stock method	—	—	14,912,529
Weighted-average shares outstanding, diluted	<u>2,445,176,539</u>	<u>2,081,772,622</u>	<u>1,693,258,608</u>
Net loss per share:			
Basic	<u>\$ (1.25)</u>	<u>\$ (1.36)</u>	<u>\$ (0.78)</u>
Diluted	<u>\$ (1.25)</u>	<u>\$ (1.36)</u>	<u>\$ (1.51)</u>

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to common stockholders because including them would have had an anti-dilutive effect:

Excluded Securities	December 31,		
	2024	2023	2022
Private Placement Warrants to purchase common stock	44,350,000	44,350,000	—
Options outstanding to purchase common stock	26,894,103	32,911,135	39,011,116
RSUs outstanding	96,985,937	57,124,659	38,570,298
Employee stock purchase plan	25,425,375	14,111,934	11,826,419
If-converted common shares from convertible note	36,737,785	36,737,785	36,737,785
If-converted common shares from Series A redeemable convertible preferred stock	297,567,387	—	—
If-converted common shares from Series B redeemable convertible preferred stock	177,103,144	—	—
Total	705,063,731	185,235,513	126,145,618

The 6,979,532, 6,880,905, and 2,090,140 shares of common stock equivalents subject to RSUs are excluded from the anti-dilutive table above as the underlying shares remain contingently issuable since the market or corporate and individual performance conditions have not been satisfied as of December 31, 2024, 2023 and 2022, respectively.

NOTE 15 - EMPLOYEE BENEFIT PLAN

The Company has a 401(k) savings plan (the “401(k) Plan”) that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating employees may elect to contribute up to 100% of their eligible compensation, subject to certain limitations. The 401(k) Plan provides for a discretionary employer-matching contribution. The matching contribution expense under the Company’s 401(k) Plan was not material for the year ended December 31, 2024, and nil for the years ended December 31, 2023 and 2022.

NOTE 16 - RELATED PARTY TRANSACTIONS

Leases

In February 2022, the Company entered into a lease agreement with KAEC, a related party of the PIF, which is an affiliate of Ayar, for its first international manufacturing plant in Saudi Arabia. The lease has an initial term of 25 years expiring in 2047. The right-of-use asset related to this lease was \$4.2 million and \$4.5 million as of December 31, 2024 and 2023, respectively. The lease liability was \$6.1 million and \$5.7 million as of December 31, 2024 and 2023, respectively. The right-of-use asset and lease liability were recorded in right-of-use assets and other long-term liabilities in the consolidated balance sheets, respectively. The lease expense recorded for the years ended December 31, 2024, 2023, and 2022 was immaterial.

In July 2023, the Company entered into a lease agreement with King Abdullah Financial District Development and Management Company, a subsidiary of the PIF, which is an affiliate of Ayar, for its corporate office in Saudi Arabia. The lease has an initial term of six years expiring in 2029. The right-of-use asset related to this lease was \$2.0 million and \$2.3 million as of December 31, 2024 and 2023, respectively. The lease liability was \$2.4 million and \$2.3 million as of December 31, 2024 and 2023, respectively. The right-of-use asset and lease liability were recorded in right-of-use assets and other long-term liabilities in the consolidated balance sheets, respectively. The lease expense recorded for the years ended December 31, 2024 and 2023 was immaterial.

SIDF Loan Agreement

In February 2022, Lucid LLC entered into the SIDF Loan Agreement with the SIDF, a related party of the PIF, which is an affiliate of Ayar. Under the SIDF Loan Agreement, SIDF has committed to provide the SIDF Loans to Lucid LLC in an aggregate principal amount of up to SAR 5.19 billion (approximately \$1.4 billion); provided that SIDF may reduce the availability of SIDF Loans under the facility in certain circumstances. See Note 6 “Debt” for more information.

MISA Agreements

In February 2022, Lucid LLC entered into agreements with MISA, a related party of the PIF, which is an affiliate of Ayar, pursuant to which MISA has agreed to provide economic support for certain capital expenditures in connection with Lucid LLC's on-going design and construction of AMP-2. The support by MISA is subject to Lucid LLC's completion of certain milestones related to the construction and operation of AMP-2. Following the commencement of construction, if operations at the plant do not commence within 30 months, or if the agreed scope of operations is not attained within 55 months, MISA may suspend availability of subsequent support.

Pursuant to the agreements, MISA has the right to require Lucid LLC to transfer the ownership of AMP-2 to MISA, at the fair market value thereof, reduced by an amortized value of the support provided in the event of customary events of default including abandonment or material and chronically low utilization of AMP-2. Alternatively, Lucid LLC is entitled to avoid the transfer of the ownership of AMP-2 by electing to pay such amortized value. The agreements will terminate on the fifteenth anniversary of the commencement of CBU operations at AMP-2 at the latest.

During the year ended December 31, 2022, the Company received support of SAR 366 million (approximately \$97.3 million) in cash, of which \$64.0 million was recorded as deferred liability within other long-term liabilities and \$33.3 million was recorded as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet as of December 31, 2022. Subsequently, the Company recorded \$64.0 million as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet as of December 31, 2023.

During the year ended December 31, 2023, the Company received support of SAR 366 million (approximately \$97.5 million) in cash, of which \$62.5 million was recorded as deferred liability within other long-term liabilities and \$35.0 million was recorded as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet as of December 31, 2023. As of December 31, 2024, the Company recorded \$97.5 million as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet. There were no unfulfilled conditions and contingencies attached to the payments received.

GIB Facility Agreement

In April 2022, Lucid LLC entered into the GIB Facility Agreement with GIB. GIB is a related party of the PIF, which is an affiliate of Ayar. The GIB Facility Agreement provided for two committed revolving credit facilities in an aggregate principal amount of SAR 1.0 billion (approximately \$266.1 million).

In March 2023, Lucid LLC entered into an amendment of the 2023 GIB Facility Agreement to combine the Bridge Facility and the Working Capital Facility into a committed SAR 1.0 billion (approximately \$266.1 million) 2023 GIB Credit Facility which may be used for general corporate purposes. See Note 6 "Debt" for more information.

Construction Service Contract

Lucid LLC entered into agreements with Al Bawani Company Limited ("Al Bawani"), an affiliate of the PIF, which is an affiliate of Ayar, for certain design and construction services in connection with the development of AMP-2. The capital expenditures incurred to date under these agreements were SAR 865.2 million (approximately \$230.3 million) and SAR 444.6 million (approximately \$118.6 million) as of December 31, 2024 and 2023, respectively. Net advance payments made to Al Bawani under these agreements were SAR 129.6 million (approximately \$34.5 million) as of December 31, 2024, and was recorded within other current assets in the consolidated balance sheet. Amounts due to Al Bawani was SAR 74.0 million (approximately \$19.7 million) as of December 31, 2023, and was recorded within other current liabilities in the consolidated balance sheet.

Subscription Agreements

In November 2022, the Company entered into the 2022 Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company, up to \$915.0 million shares of its common stock in one or more private placements through March 31, 2023. In December 2022, the Company issued 85,712,679 shares at a weighted average price per share of \$10.68, and received aggregate proceeds of \$915.0 million.

In May 2023, the Company entered into the 2023 Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company 265,693,703 shares of the Company's common stock at a price per share of \$6.83 in a private placement for aggregate net proceeds of \$1.8 billion. In June 2023, the Company issued the shares to Ayar pursuant to the 2023 Subscription Agreement and received aggregate net proceeds of \$1.8 billion after deducting issuance costs of \$2.0 million. See Note 9 "Stockholders' Equity" for more information.

In March 2024, the Company entered into the Series A Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company 100,000 shares of its Series A Redeemable Convertible Preferred Stock for an aggregate purchase price of \$1.0 billion in a private placement. Subsequently, in March 2024, the Company issued the shares to Ayar pursuant to the Series A Subscription Agreement and received aggregate net proceeds of \$997.6 million after deducting issuance cost of \$2.4 million. In August 2024, the Company entered into the Series B Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company 75,000 shares of its Series B Redeemable Convertible Preferred Stock for an aggregate purchase price of \$750.0 million in a private placement. Subsequently, in August 2024, the Company issued the shares to Ayar pursuant to the Series B Subscription Agreement and received aggregate net proceeds of \$749.4 million after deducting issuance costs of \$0.6 million. See Note 8 “Redeemable Convertible Preferred Stock” for more information.

In October 2024, the Company entered into the 2024 Subscription Agreement, pursuant to which Ayar agreed to purchase from the Company 374,717,927 shares of the Company’s common stock in a private placement. In addition, Ayar agreed to purchase an additional 21,470,459 shares of the Company’s common stock. As of October 31, 2024, the Company consummated the private placement of shares to Ayar pursuant to the 2024 Subscription Agreement, at a price per share of \$2.59, for aggregate net proceeds of \$1,025.7 million after deducting issuance costs of \$0.8 million. See Note 9 “Stockholders’ Equity” for more information.

Common stock acquired by Ayar under the 2022 Subscription Agreement, 2023 Subscription Agreement, 2024 Subscription Agreement, the Redeemable Convertible Preferred Stock acquired by Ayar under the Series A Subscription Agreement and the Series B Subscription Agreement, and the common stock issuable upon conversion thereof are subject to the Investor Rights Agreement dated February 22, 2021 (as amended from time-to-time, the “Investor Rights Agreement”), which governs the registration for resale of such common stock and the Redeemable Convertible Preferred Stock.

Human Resources Development Fund (“HRDF”) Joint Cooperation Agreement

In March 2023, Lucid LLC entered into a joint cooperation agreement with HRDF, a related party of the PIF, which is an affiliate of Ayar. Pursuant to the agreement, Lucid LLC will train and develop local personnel in Saudi Arabia, and HRDF agreed to reimburse the Company training related costs in an aggregate maximum amount of SAR 29.3 million (approximately \$7.8 million) during the program.

The Company received a payment SAR 10.9 million (approximately \$2.9 million) in cash during the year ended December 31, 2024, and SAR 8.8 million (approximately \$2.3 million) during the year ended December 31, 2023. The Company recorded \$1.8 million of deferred liability within other current liabilities in the consolidated balance sheets as of December 31, 2023. The deduction recorded to operating expenses in the consolidated statement of operations and comprehensive loss was not material for the year ended December 31, 2023. The deferred liability was nil as of December 31, 2024 and the Company recorded the remaining deferred liability balance as a deduction to operating expenses in the consolidated statement of operations and comprehensive loss.

EV Purchase Agreement

In August 2023, Lucid LLC entered into the EV Purchase Agreement with the Government of Saudi Arabia, a related party of the PIF, which is an affiliate of Ayar, as represented by the Ministry of Finance. The EV Purchase Agreement supersedes the letter of undertaking that Lucid LLC entered into in April 2022. Pursuant to the terms of the EV Purchase Agreement, the Government of Saudi Arabia and its entities and corporate subsidiaries and other beneficiaries (collectively, the “Purchaser”) may purchase up to 100,000 vehicles, with a minimum purchase quantity of 50,000 vehicles and an option to purchase up to an additional 50,000 vehicles during a ten-year period. Under the EV Purchase Agreement, the Purchaser may reduce the minimum vehicle purchase quantity by the number of vehicles set out in any purchase order not accepted by us or by the number of any vehicles that Lucid LLC fails to deliver within six months from the date of the applicable purchase order. The Purchaser also has sole and absolute discretion to decide whether to exercise the option to purchase the additional 50,000 vehicles.

The Company recognized net vehicle sales amount of SAR 654.6 million (approximately \$174.2 million) and SAR 163.9 million (approximately \$43.7 million) during the years ended December 31, 2024 and 2023, respectively. The deferred revenue from the vehicle sales was primarily related to OTA and was recorded within other current liabilities and other long-term liabilities in the consolidated balance sheets. As of December 31, 2024 and 2023, the deferred revenue balance was not material. The Company recorded amounts due from the Purchaser of SAR 217.6 million (approximately \$57.9 million) and SAR 133.2 million (approximately \$35.5 million) in accounts receivable, net in the consolidated balance sheets as of December 31, 2024 and 2023, respectively. See “Vehicle Sales without Residual Value Guarantee” section under Note 2 “Summary of Significant Accounting Policies” for the revenue recognition policies.

Implementation Agreement with Aston Martin

In June 2023, the Company entered into an agreement (the “Implementation Agreement”) with Aston Martin, a related party of the PIF, which is an affiliate of Ayar, under which the Company and Aston Martin have established a long-term strategic technology and supply arrangement. On November 6, 2023, pursuant to the terms of the Implementation Agreement, integration and supply arrangements became effective, under which the Company will provide Aston Martin access to its powertrain, battery system, and software technologies, work with Aston Martin to integrate its powertrain and battery components with Aston Martin’s battery electric vehicle chassis, and supply powertrain and battery components to Aston Martin (collectively, the “Strategic Technology Arrangement”). In connection with the commencement of the Strategic Technology Arrangement, the Company received technology access fees in 28,352,273 ordinary shares of Aston Martin (subject to a lock-up provision of 365 days from its issuance) and the first cash installment of \$33.0 million. These shares were initially measured at a fair value of \$73.2 million. As of December 31, 2024 and 2023, the Company remeasured the shares and recorded fair values of \$37.8 million and \$81.5 million within investments in equity securities of a related party in the consolidated balance sheets, respectively. The Company will receive the remaining cash payments of \$99 million phased over a period of three years. In connection with the Strategic Technology Arrangement, the Company will also receive an aggregate of \$10 million for integration service fees phased over a period of three years, of which the Company received \$5.8 million from inception through December 31, 2024. The accounts receivable recorded in the consolidated balance sheet as of December 31, 2024 was immaterial. The Company accounts for technology access, integration service, and supply arrangement as a single performance obligation and recognizes revenue related to technology access and integration service based on estimated units of delivery under the supply arrangement. As of December 31, 2024 and 2023, the Company recorded \$112.7 million and \$107.8 million as deferred revenue primarily within other long-term liabilities in the consolidated balance sheets, respectively. Aston Martin has also committed to an effective minimum spend with the Company on powertrain components of \$225 million.

DDTL Credit Facility

In August 2024, the Company entered into a \$750.0 million five year DDTL Credit Facility with Ayar, which may be used for working capital and general corporate purposes. See Note 6 “Debt” for more information.

Time Deposit

The Company purchases time deposits with GIB from time-to-time. GIB is a related party of the PIF, which is an affiliate of Ayar. As of December 31, 2024, the time deposit balance was \$35.0 million, which was recorded within short-term investments and long-term investments in the consolidated balance sheet. See Note 5 “Fair Value Measurements and Financial Instruments” for more information.

NOTE 17 - SEGMENT REPORTING

The Company operates in one reportable segment, as the CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. The Company’s CODM is its Chief Executive Officer. The Company derives segment revenue from the sale of electric vehicles to customers, and the Company’s reported measure of the segment’s profit or loss is the consolidated net loss reported in the consolidated statements of operations and comprehensive loss. The CODM uses the consolidated net loss for monitoring actual results to assess the Company’s financial performance. The Company’s CODM does not evaluate its reportable segment using asset information.

The disaggregation of the Company’s revenue by geographic area based on the sales location where the sales originated was as follows (in thousands):

	Year Ended December 31,	
	2024	2023
North America ⁽¹⁾	\$ 598,022	\$ 521,991
Middle East ⁽²⁾	194,052	58,993
Other international	15,758	14,287
Total revenue	<u>\$ 807,832</u>	<u>\$ 595,271</u>

⁽¹⁾ United States revenue was \$587.3 million, \$511.3 million, and \$597.2 million for the years ended December 31, 2024, 2023, and 2022, respectively. No individual country outside of United States had more than 10% of the total revenue for the year ended December 31, 2022.

⁽²⁾ Kingdom of Saudi Arabia revenue was \$191.1 million for the year ended December 31, 2024. Middle East represented revenue from Kingdom of Saudi Arabia for the year ended December 31, 2023.

The following table included information about reported segment revenue, segment profit or loss, and significant segment expenses (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Revenue	\$ 807,832	\$ 595,271	\$ 608,181
Less:			
Cost of revenue - excluding LCNRV and provision for warranty	(993,154)	(935,118)	(1,043,383)
Cost of revenue - LCNRV	(617,446)	(926,898)	(569,479)
Cost of revenue - provision for warranty	(120,343)	(74,050)	(33,224)
Research and development expenses	(1,176,453)	(937,012)	(821,512)
Selling, general, and administrative expenses	(900,952)	(797,235)	(734,574)
Restructuring charges	(20,304)	(24,546)	—
Change in fair value of common stock warrant liability	34,150	86,926	1,254,218
Change in fair value of equity securities	(43,057)	5,999	—
Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)	155,350	—	—
Interest income	213,026	204,274	56,756
Interest expense	(32,923)	(24,915)	(30,596)
Other income (expense), net	(18,469)	(90)	9,532
Provision for income taxes	(1,199)	(1,026)	(379)
Segment net loss	(2,713,942)	(2,828,420)	(1,304,460)
Consolidated net loss	\$ (2,713,942)	\$ (2,828,420)	\$ (1,304,460)

Depreciation and amortization expenses were \$295.3 million, \$233.5 million, and \$186.6 million for the years ended December 31, 2024, 2023, and 2022, respectively.

The long-lived assets by geographic area were as follows (in thousands):

	December 31, 2024	December 31, 2023
United States	\$ 3,314,720	\$ 2,950,154
Foreign	159,778	82,221
Total long-lived assets	\$ 3,474,498	\$ 3,032,375

NOTE 18 – SUBSEQUENT EVENT

In connection with the preparation of the consolidated financial statements for the year ended December 31, 2024, the Company evaluated subsequent events and concluded there were no subsequent events that required recognition in the consolidated financial statements.

2025 GIB Credit Facility

On February 24, 2025, Lucid LLC entered into the 2025 GIB Credit Facility maturing on February 24, 2028 to increase the credit facility committed amount from SAR 1.0 billion (approximately \$266.1 million) to SAR 1.9 billion (approximately \$506.7 million). Loans under the 2025 GIB Credit Facility may be used for general corporate purposes, have a maturity of no more than 12 months, and bear interest at a rate of 1.40% per annum over SAIBOR (based on the term of borrowing) and associated fees. The Company is required to pay a quarterly commitment fee of 0.25% per annum based on the unutilized portion of the 2025 GIB Credit Facility.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this Annual Report on Form 10-K.

Based on their evaluation, our principal executive officer and principal financial officer concluded that as of December 31, 2024, our disclosure controls and procedures are designed to, and are effective to, provide reasonable assurance that the information we are required to disclose in reports we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”).

Our management, under the supervision of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2024, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with U.S. GAAP.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which is included in Item 8 of Part II of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended December 31, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Item 9B. Other Information.

None of the Company's directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the quarter ended December 31, 2024, as such terms are defined under Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Certain information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024 in connection with the solicitation of proxies for the Company's 2025 annual meeting of stockholders, and is incorporated herein by reference.

The Company is committed to promoting high standards of ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, we have adopted an Insider Trading Policy that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and any listing standards applicable to the Company. Under this policy, directors, officers and other employees and contractors of the Company and its subsidiaries and other persons who may have access to material nonpublic information are prohibited from engaging in certain transactions relating to Company securities. The foregoing summary of the Insider Trading Policy does not purport to be complete and is qualified in its entirety by reference to the full text of the Insider Trading Policy attached hereto as Exhibit 19.1.

Item 11. Executive Compensation.

The information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information required by this Item will be included in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2024, and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

- (a)(1) The financial statements filed as part of this Annual Report are listed in Item 8 of this Annual Report.
- (a)(2) No financial statement schedules are required to be filed as part of this Annual Report because all such schedules have been omitted. Such omission has been made on the basis that information is provided in the financial statements, or in the related notes thereto, in Item 8 of this Annual Report or is not required to be filed as the information is not applicable.
- (a)(3) The exhibits listed on the Exhibit Index to this Annual Report are incorporated herein by reference.

EXHIBIT INDEX

Exhibit Number		Incorporation by Reference				
		Form	File Number	Filing Date	Exhibit Number	Filed Herewith
2.1	Agreement and Plan of Merger, dated as of February 22, 2021, by and among Churchill Capital Corp IV, Air Merger Sub, Inc., and Atieva, Inc.	8-K	001-39408	July 26, 2021	2.1	
3.1	Third Amended and Restated Certificate of Incorporation	8-K	001-39408	April 25, 2023	3.1	
3.2	Second Amended and Restated Bylaws	8-K	001-39408	March 3, 2023	3.2	
4.1	Specimen Class A Common Stock Certificate of Lucid Group, Inc.	8-K	001-39408	July 26, 2021	4.1	
4.2	Specimen Warrant Certificate (included as Exhibit A to Exhibit 4.2 herewith)	8-K	001-39408	August 4, 2020	4.1	
4.3	Warrant Agreement, dated July 29, 2020, between Continental Stock Transfer & Trust Company and Churchill Capital Corp IV	8-K	001-39408	August 4, 2020	4.1	
4.4	Indenture, dated as of December 14, 2021, between Lucid Group, Inc. and U.S. Bank National Association, as trustee	8-K	001-39408	December 14, 2021	4.1	
4.5	Form of certificate representing the 1.25% Convertible Senior Notes due 2026 (included as Exhibit A to Exhibit 4.5 herewith)	8-K	001-39408	December 14, 2021	4.1	
4.6	Certificate of Designations of Series A Convertible Preferred Stock of Lucid Group, Inc.	8-K	001-39408	March 29, 2024	3.1	
4.7	Certificate of Designations of Series B Convertible Preferred Stock of Lucid Group, Inc.	8-K	001-39408	August 19, 2024	3.1	
4.8	Description of Registrant's Securities	10-K	001-39408	February 28, 2022	4.6	
10.1^	Form of Indemnification Agreement	S-4/A	333-254543	May 14, 2021	10.22	
10.2^	Lucid Group, Inc. 2021. Performance Bonus Plan	8-K	001-39408	July 26, 2021	10.25	
10.3^	Lucid Group, Inc. 2021 Executive Severance Benefit Plan and Summary Plan Description	8-K	001-39408	July 26, 2021	10.26	
10.4^	Form of Participation Agreement under the Lucid Group, Inc. 2021 Executive Severance Benefit Plan	8-K	001-39408	July 26, 2021	10.27	
10.5^	Lucid Group, Inc. Amended and Restated 2021 Stock Incentive Plan (including the Lucid Group, Inc. 2021 Employee Stock Purchase Plan, attached thereto)	S-8	333-279973	June 5, 2024	99.1	
10.6^	Form of Stock Option Agreement under the Second Amended and Restated 2021 Stock Incentive Plan	10-Q	001-39408	November 7, 2023	10.2	
10.7^	Form of PSU Agreement under the Second Amended and Restated 2021 Stock Incentive Plan	10-Q	001-39408	November 7, 2023	10.3	
10.8^	Form of RSU Agreement under the Second Amended and Restated 2021 Stock Incentive Plan	10-Q	001-39408	November 7, 2023	10.4	
10.9	Investor Rights Agreement, dated as of February 22, 2021, by and among Churchill Capital Corp IV, Ayar Third Investment Company, Churchill Sponsor IV LLC and the other parties named therein	8-K	001-39408	February 23, 2021	10.1	
10.10	Amendment No. 1 to the Investor Rights Agreement, dated November 8, 2022, between Lucid Group, Inc., Ayar Third Investment Company and the other parties thereto	8-K	001-39408	November 8, 2022	10.2	

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10.12	Amendment No. 3 to the Investor Rights Agreement, dated March 29, 2024, between Lucid Group, Inc., Ayar Third Investment Company and the other parties thereto	8-K	001-39408	March 29, 2024	10.1
10.13	Amendment No. 4 to the Investor Rights Agreement, dated August 16, 2024, between Lucid Group, Inc., Ayar Third Investment Company and the other parties thereto	8-K	001-39408	August 19, 2024	10.1
10.14	Amendment No. 5 to the Investor Rights Agreement, dated October 16, 2024, between Lucid Group, Inc., Ayar Third Investment Company and the other parties thereto				X
10.15	Form of Subscription Agreement	8-K	001-39408	February 23, 2021	10.2
10.16	Amended and Restated Sponsor Agreement, dated as of February 22, 2021, by and among Churchill Capital Corp IV, Churchill Sponsor IV LLC, and Michael Klein, Lee Jay Taragin, Glenn R. August, William J. Bynum, Bonnie Jonas, Mark Klein, Malcom S. McDermid and Karen G. Mills	8-K	001-39408	February 23, 2021	10.3
10.17	Promissory Note, dated as of February 22, 2021, by and between Churchill Capital Corp IV and Churchill Sponsor IV LLC	8-K	001-39408	February 23, 2021	10.4
10.18^	Form of Option Agreement under the Lucid Group, Inc. 2021 Stock Incentive Plan	S-4	333-254543	March 22, 2021	10.6
10.19^	Form of RSU Agreement under the Lucid Group, Inc. 2021 Stock Incentive Plan	S-4	333-254543	March 22, 2021	10.7
10.20^	Atieva, Inc. 2009 Share Plan	S-4	333-254543	March 22, 2021	10.8
10.21^	Form of Amended and Restated Notice of Share Option Grant under the Atieva, Inc. 2009 Share Plan	S-4	333-254543	March 22, 2021	10.9
10.22^	Atieva, Inc. 2014 Share Plan, as amended January 11, 2021	S-4	333-254543	March 22, 2021	10.10
10.23^	Form of Amended and Restated Notice of Share Option Grant under the Atieva, Inc. 2014 Share Plan	S-4	333-254543	March 22, 2021	10.11
10.24^	Atieva, Inc. 2021 Stock Incentive Plan, as amended February 22, 2021	S-4	333-254543	March 22, 2021	10.12
10.25^	Form of Stock Option Agreement under the Atieva, Inc. 2021 Stock Incentive Plan	S-4	333-254543	March 22, 2021	10.13
10.26^	Form of RSU Agreement under the Atieva, Inc. 2021 Stock Incentive Plan	S-4	333-254543	March 22, 2021	10.14
10.27^	Form of RSU Agreement under the Atieva, Inc. 2021 Stock Incentive Plan (for Rule 144 Affiliates)	S-4	333-254543	March 22, 2021	10.15
10.28^	Atieva USA, Inc. Severance Benefit Plan	S-4	333-254543	March 22, 2021	10.16
10.29	Lease by and between CADC Partners, LLC and Atieva USA, Inc., dated January 17, 2020	S-4	333-254543	March 22, 2021	10.19
10.30^	Transaction Bonus Letter Agreement, dated March 29, 2021	S-4/A	333-254543	May 14, 2021	10.23
10.31^	Notice of Restricted Stock Unit Grant	S-4	333-254543	May 14, 2021	10.24
10.32^	Offer of Employment to Gagan Dhingra, dated October 29, 2021	10-K	001-39408	February 28, 2022	10.27

10.40	Credit Agreement, dated as of June 9, 2022, by and among Lucid Group, Inc., as the Borrower Representative, the other Borrowers party thereto from time to time, the Lenders and Issuing Banks from time to time party thereto and Bank of America, N.A., as Administrative Agent	8-K	001-39408	June 15, 2022	10.1
10.41	Amendment No. 1 to Credit Agreement, dated as of June 7, 2024, between Lucid Group, Inc., as the Borrower Representative, and Bank of America, N.A., as Administrative Agent	10-Q	001-39408	August 5, 2024	10.2
10.42	Credit Agreement, dated as of August 4, 2024, between Lucid Group, Inc. and Ayar Third Investment Company, as the sole lender and Administrative Agent	8-K	001-39408	August 5, 2024	10.2
10.43	Facilities Letter, entered into as of April 29, 2022, between Lucid LLC and Gulf International Bank Saudi Arabia (English version only)	10-Q	001-39408	August 3, 2022	10.2
10.44	Lease and Option to Purchase between Pinal County, as landlord, and Lucid USA, Inc., as tenant, dated August 10, 2022	10-Q	001-39408	November 8, 2022	10.1
10.45	Subscription Agreement, dated November 8, 2022, between Lucid Group, Inc. and Ayar Third Investment Company	8-K	001-39408	November 8, 2022	10.1
10.46	Subscription Agreement, dated May 31, 2023, between Lucid Group, Inc. and Ayar Third Investment Company	8-K	001-39408	June 5, 2023	10.1
10.47	Subscription Agreement, dated March 24, 2024, between Lucid Group, Inc. and Ayar Third Investment Company	8-K	001-39408	March 25, 2024	10.1
10.48	Subscription Agreement, dated August 4, 2024, between Lucid Group, Inc. and Ayar Third Investment Company	8-K	001-39408	August 5, 2024	10.1
10.49	Subscription Agreement, dated October 16, 2024, between Lucid Group, Inc. and Ayar Third Investment Company	8-K	001-39408	October 18, 2024	10.1
10.50	Amendment to the Credit Facility Agreement, entered into on March 12, 2023, between Lucid LLC and Gulf International Bank Saudi Arabia (English version only)	10-Q	001-39408	May 8, 2023	10.1
10.51#	Implementation Agreement, dated June 26, 2023, by and among Lucid Group, Inc., Atieva, Inc., Lucid Group Technologies, LLC, Aston Martin Lagonda Global Holdings plc and Aston Martin Lagonda Limited	10-Q	001-39408	August 7, 2023	10.4
10.52	Electric Vehicle Purchase Agreement, dated August 7, 2023, between the Government of the Kingdom of Saudi Arabia (as Represented by the Ministry of Finance) and Lucid LLC.	10-Q	001-39408	November 7, 2023	10.1
10.53#	General Terms and Conditions for Prototype and Production Parts and Services, effective as of December 1, 2022, by and between Lucid USA, Inc. and Panasonic Energy Co., Ltd.	10-K	001-39408	February 28, 2023	10.34
10.54#	Production Pricing Agreement, effective as of October 1, 2024, by and between Lucid USA, Inc. and Panasonic Corporation of North America doing business as Panasonic Industrial Devices Sales Company of America	10-Q	001-39408	November 7, 2024	10.1
10.55#	Production Pricing Agreement, effective as of October 1, 2024, by and between Lucid USA, Inc. and Panasonic Energy Corporation of North America	10-Q	001-39408	November 7, 2024	10.2
10.56	Affiliate Participation Agreement, effective as of December 1, 2022, by and between Panasonic Corporation of North America doing business as Panasonic Industrial Devices Sales Company of America and Lucid USA, Inc.	10-K	001-39408	February 28, 2023	10.37
10.57	Affiliate Participation Agreement, effective as of December 1, 2022, by and	10-K	001-39408	February 28,	10.38

32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
97.1	Lucid Group, Inc. Compensation Recoupment Policy	10-K	001-39408	February 27, 2024	97.1	
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)					X
101.SCH	Inline XBRL Taxonomy Schema Linkbase Document					X
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Labels Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X

^ Indicates management contract or compensatory plan

Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10)(iv).

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LUCID GROUP, INC.

Date: February 25, 2025

By: /s/ Gagan Dhingra

Gagan Dhingra

Interim Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Date: February 25, 2025

By: /s/ Marc Winterhoff

Marc Winterhoff

Interim Chief Executive Officer (Principal Executive Officer)

Date: February 25, 2025

By: /s/ Gagan Dhingra

Gagan Dhingra

Interim Chief Financial Officer (Principal Financial Officer
and Principal Accounting Officer)

Date: February 25, 2025

By: /s/ Turqi Alnowaiser

Turqi Alnowaiser

Director

Date: February 25, 2025

By: /s/ Lisa M. Lambert

Lisa M. Lambert

Director

Date: February 25, 2025

By: /s/ Andrew Liveris

Andrew Liveris

Director

Date: February 25, 2025

By: /s/ Sherif Marakby

Sherif Marakby

Director

Date: February 25, 2025

By: /s/ Nichelle Maynard-Elliott

Nichelle Maynard-Elliott

Director

Date: February 25, 2025

By: /s/ Chabi Nouri

Chabi Nouri

Director

Date: February 25, 2025

By: /s/ Ori Winitzer

Ori Winitzer

Director

Date: February 25, 2025

By: /s/ Janet S. Wong

Janet S. Wong

Director

AMENDMENT NO. 5 TO INVESTOR RIGHTS AGREEMENT

This Amendment No. 5 (this “**Amendment**”), effective as of the date of the Subscription Agreement (as defined below), is made to that certain Investor Rights Agreement, dated as of February 22, 2021, as amended from time to time, (the “**Agreement**”), by and among (i) Churchill Capital Corp IV, a Delaware corporation (“**PubCo**”); (ii) Ayar Third Investment Company, a single shareholder limited liability company organized under the laws of the Kingdom of Saudi Arabia (“**Ayar**”); (iii) each of the Persons identified on the signature pages to the Agreement or on the signature pages to a joinder to the Agreement; and (iv) Churchill Sponsor IV LLC, a Delaware limited liability company. Unless otherwise defined herein, capitalized terms used herein shall have the meanings given to such terms in the Agreement.

WHEREAS, in connection with the Business Combination, PubCo changed its name to “Lucid Group, Inc.”

WHEREAS, as of the date hereof, PubCo entered into that certain Subscription Agreement (the “**Subscription Agreement**”) with Ayar, and it is a condition to the issuance and sale of the shares of Class A Common Stock, par value \$0.0001 per share (the “**Common Stock**”), by PubCo to Ayar pursuant to the Subscription Agreement (such shares, together with the shares of Common Stock issuable upon conversion, repurchase or redemption thereof, the “**Fifth Placement Shares**”) that the Agreement be amended as set forth in this Amendment;

WHEREAS, pursuant to Section 5.4(b) of the Agreement, the Agreement may be amended in whole or in part at any time with the express written consent of PubCo and the Holders holding in the aggregate more than fifty percent (50%) of the Registrable Securities Beneficially Owned by the Holders at such time;

WHEREAS, Ayar holds more than fifty percent (50%) of the Registrable Securities Beneficially Owned by the Holders as of the date hereof; and

WHEREAS, Ayar and PubCo amend the Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all of the parties hereto mutually agree, with effect as of the date hereof, to the following:

1. The definition of “Registrable Securities” in Section 1.1 of the Agreement is amended to read:

“**Registrable Securities**” means (a) any shares of Common Stock, (b) any Warrants or any shares of Common Stock issued or issuable upon the exercise thereof, (c) any Equity Securities of PubCo that may be issued or distributed or be issuable with respect to the securities referred to in clauses (a) or (b) by way of conversion, dividend, stock split or other distribution, merger, consolidation, exchange, recapitalization or reclassification or similar transaction, in each case Beneficially Owned by a Holder as of immediately following the Closing, and (d) with respect to Ayar only, the Placement Shares, the Second Placement Shares, the Third Placement Shares, the Fourth Placement Shares and the Fifth Placement Shares; *provided, however*, that any such

Registrable Securities shall cease to be Registrable Securities to the extent (A) a Registration Statement with respect to the sale of such Registrable Securities has become effective under the Securities Act and such Registrable Securities have been sold, transferred, disposed of or exchanged in accordance with the plan of distribution set forth in such Registration Statement,

(B) such Registrable Securities shall have ceased to be outstanding, (C) such Registrable Securities have been sold to, or through, a broker, dealer or Underwriter in a public distribution or other public securities transaction or (D)(i) the Holder thereof, together with its, his or her Permitted Transferees, Beneficially Owns less than one percent (1%) of the shares of Common Stock that are outstanding at such time and (ii) such shares of Common Stock are eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 under the Securities Act as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to PubCo’s transfer agent and the affected Holder (which opinion may assume that such Holder (and any predecessor holder of such shares of Common Stock) is not, and has not been at any time during the 90 days immediately before the date of such opinion, an Affiliate of PubCo except with respect to any control determined to be established under this Investor Rights Agreement), as reasonably determined by PubCo, upon the advice of counsel to PubCo. It is understood and agreed that, for purposes of this Investor Rights Agreement, where reference is made to Registrable Securities being listed with any securities exchange or automated quotation system, such reference shall not include the Warrants, the Series A Convertible Preferred Stock, or the Series B Convertible Preferred Stock (although it shall include the shares of Common Stock issued or issuable upon the exercise or conversion thereof).

2. A new section 3.19 is added at the end of Article III, which reads:

Section 3.19. Shelf Registration of Fifth Placement Shares.

(a) *Section 3.1 Not Applicable.* Section 3.1(a) of the Investor Rights Agreement shall not apply to the Fifth Placement Shares. Prior to the Fifth Shelf Registration Deadline (as defined below), Sections 3.1(b) through 3.1(d) and 3.2 through 3.17 of the Investor Rights Agreement shall not apply to the Fifth Placement Shares.

(b) *Filing.* PubCo shall use its commercially reasonable efforts to file and cause to become effective under the Securities Act no later than the end of the business day immediately after the date of filing of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (and in no event later than February 28, 2025 even if the Annual Report has not yet been filed as of such date) (the "**Fifth Shelf Registration Deadline**") a Shelf Registration Statement (it being agreed that the Shelf Registration shall be an Automatic Shelf Registration Statement if PubCo is a Well-Known Seasoned Issuer at the time of filing), or, if permitted, an amendment or a prospectus supplement to a Shelf Registration Statement then already filed, covering the resale on a delayed or continuous basis of all Fourth Placement Shares then issued to and Beneficially Owned by Ayar but not yet covered by a Shelf Registration Statement. PubCo shall maintain such Shelf Registration Statement in accordance with the terms of this Investor Rights Agreement, and shall prepare and file with the SEC such amendments, including post-effective amendments, and supplements as may be necessary to keep such Shelf Registration Statement continuously effective, available for use and in compliance with the provisions of the Securities Act until such time as of which all Registrable Securities registered by such Shelf Registration Statement have been sold or cease to be Registrable Securities. PubCo shall also use its commercially reasonable efforts to file any replacement or additional Shelf Registration Statement and use commercially reasonable efforts to cause such replacement or additional Shelf Registration Statement to become effective prior to the expiration of the initial Shelf Registration Statement filed pursuant to this Section 3.19.

Notwithstanding the foregoing, if the SEC prevents the Company from including any or all of the Registrable Securities on the Shelf Registration Statement due to limitations on the use of Rule 415 of the Securities Act for the resale of the Registrable Securities by Ayar, the Shelf Registration Statement shall register the resale of a number of shares of the Registrable Securities which is equal to the maximum number of shares as is permitted by the SEC, and, subject to the provisions of this Section 3.19(b), the Company shall continue to its use commercially reasonable efforts to register all remaining Registrable Securities as set forth in this Section 3.19(b). Notwithstanding anything herein to the contrary, if the SEC limits the Company's ability to file, or prohibits or delays the filing of, a Shelf Registration Statement or a Subsequent Shelf Registration with respect to any or all the Registrable Securities, the Company's compliance with such limitation, prohibition or delay solely to the extent of such limitation, prohibition or delay shall not be a breach or default by the Company under this Agreement and shall not be deemed a failure by the Company to use "commercially reasonable efforts" or "reasonable efforts" as set forth above or elsewhere in this Agreement.

Sections 5.1, 5.3, 5.4, 5.5, 5.6, 5.7, 5.13 and 5.14 of the Agreement are hereby incorporated into this Amendment, *mutatis mutandis*. Except as modified and amended herein, all other terms and provisions of the Agreement will not be amended and will remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first above written.

LUCID GROUP, INC.

By: /s/ Gagan Dhingra

Name: Gagan Dhingra

Title: Interim Chief
Financial Officer

[Signature Page to IRA Amendment]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first above written.

**AYAR THIRD INVESTMENT
COMPANY**

By: /s/ Turki A. Alnowaiser
Name: Turki A. Alnowaiser
Title: Authorized Manager

[Signature Page to IRA Amendment]

May 5, 2024

Michael Bell

Re: Separation Agreement and Release

Dear Mike:

This letter sets forth the substance of the Separation Agreement and Release (the “**Agreement**”) that Lucid USA, Inc. (the “**Company**”) is offering to you in conjunction with your employment transition.

1. Separation Date. Your Separation Date with the Company will be on May 3, 2024. On the Separation Date, the Company will pay you all accrued salary and vacation earned through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to these payments regardless of this Agreement.

2. Severance Benefits. If you sign and return this Agreement to the Company on or before the deadline set forth in Paragraph 17, and you comply fully with your obligations hereunder, then the Company will provide you with the following severance benefits (the “**Severance Benefits**”):

2.1 Qualifying Termination. You and the Company agree that your separation as of the Separation Date shall be a Qualifying Termination under the terms of the Lucid Group, Inc. Executive Severance Benefit Plan (the “Plan”) and your Lucid Group, Inc. Executive Severance Benefit Plan Participation Agreement (“Participation Agreement”); provided, that the payments and benefits under this Paragraph represent all of the payments and benefits to which you are entitled under the Plan and Participation Agreement.

2.2 References. If contacted by a potential future employer regarding you, the Company will provide only your dates of employment, and last position held. You agree to refer all such requests for information solely to the Company’s HR department.

2.3 Severance Pay. The Company will continue to pay you, as cash severance, your base salary in effect as of the Separation Date for a period of nine (9) months following the Separation Date (the “**Severance Period**”) (which equals a total amount of **\$393,750.00**), subject to standard payroll deductions and withholdings (“**Severance Pay**”). Your Severance Pay will be paid in accordance with the Company’s regular payroll practices over the Severance Period, provided that the first payment will be made on the first payroll date after the sixtieth (60th) day following the Separation Date in an amount equal to the aggregate amount of payments that the Company would have paid through such date had the payments commenced as of the Separation Date, and the balance of the payments will be made on the Company’s regularly scheduled payroll dates over the remainder of the Severance Period.

2.4 Severance Benefit Payment. If you are eligible for and timely elect continued group health coverage under COBRA, the Company will pay you a monthly amount approximately equal to the full cost of your monthly COBRA premium payments for yourself and your eligible dependents, plus a tax gross-up payment for applicable taxes (“**Severance Benefit Payments**”). Your Severance Benefit Payments will be paid until the earliest to occur of (i) the end of the Severance Period, (ii) the expiration of your eligibility for continuation coverage under COBRA, or (iii) the date when you become eligible for substantially equivalent group health coverage in connection with new employment or self-employment, subject to the following sentence. On the first payroll date on or after the sixtieth (60th) day following the Separation Date, the Company will make the first payment pursuant to this Paragraph 2.4 equal to the aggregate amount of Severance Benefit Payments that the Company would have paid through such date had such payments (if any) commenced on the Separation Date, and the balance of the Severance Benefit Payments will be paid thereafter in monthly installments over the remainder of the Severance Period. The Severance Benefit Payments will be subject to standard payroll deductions and withholdings. In addition, as a condition to receiving the Severance Benefit Payments you agree and acknowledge that if you become eligible for substantially equivalent coverage under another employer’s group health plan or otherwise cease to be eligible for COBRA during the Severance Period, you will immediately notify the Company of such event, and all payments and obligations under this Paragraph 2.4 will cease. You acknowledge and agree that the Severance Benefit Payments do not include amounts, if any, payable by you under a health care reimbursement plan, which amounts are your sole responsibility.

2.5 Accelerated Vesting. You were granted certain Restricted Stock Units (“RSUs”) with respect to and/or options to purchase (“Stock Options”) shares of Atieva, Inc. and/or Lucid Group, Inc.’s common stock. Under the terms of the Plan governing these RSUs and Stock Options, and your RSU and Stock Option grant documents, vesting of all such RSUs and Stock Options will cease as of the Separation Date. However, in further consideration of this Agreement, and pursuant to the terms of your Lucid Group, Inc. Executive Severance Benefit Plan Participation Agreement, you will receive accelerated vesting of the shares subject to your RSUs and Stock Options granted prior to July 2021 (the “**Accelerated Vesting Eligible Awards**”) that have not vested as of the Separation Date, equal to 25% of the unvested shares as of the Separation Date, plus 5% of the unvested shares as of the Separation Date per Year of Service (as defined in the Lucid Group, Inc. Executive Severance Benefit Plan and Summary Plan Description (Effective July 23, 2021)), less vesting acceleration otherwise provided in your RSU or Stock Option grant documents, your employment agreement or other documentation, up to a maximum acceleration of 50% of the shares subject to the Accelerated Vesting Eligible Awards that have not vested as of the Separation Date. Based on your length of employment, you will have Three (3) Years of Service. This Agreement will not accelerate and will have no impact on equity incentive awards, including RSUs or Stock Options, granted on or after July 2021. You acknowledge that the accelerated vesting of the Accelerated Vesting Eligible Awards may impact the tax treatment associated with the RSUs and Stock Options and the Company makes no representations or warranties as to the applicable tax treatment. Your RSUs and Stock Options will otherwise be subject to the terms of the plans and grant documents pursuant to which they were granted.

2.6 Stipend For Tax Returns. Provided that you sign this Agreement and do not thereafter revoke, the Company will provide you with a \$25,000 payment (gross) to aid in tax preparation. This amount will be paid to you in a single payment within 21 days of the Effective Date of this Agreement.

2.7 Consulting Period. Provided that you sign this Agreement and do not thereafter revoke, you and the Company agree that you will enter into the attached Services Agreement (attached as **Exhibit B**) to become a non-employee consultant for a period of 90 days. For these services, as stated in that agreement, you will receive payment of \$125,000, which will be paid at the end of the consulting period. You and the Company agree that this consulting agreement will start three days after the Effective Date of this Agreement.

2.8 Section 409A. The parties agree that the provisions of the Lucid Group, Inc. Executive Severance Benefit Plan and Summary Plan Description (Effective July 23, 2021) including Section 7(c) thereof, will be applicable to any and all deferred compensation, as referenced in Section 409A, under this Agreement.

3. No Other Compensation or Benefits. You acknowledge that, except as expressly provided in this Agreement, you did not earn by the Separation Date and will not receive from the Company any additional compensation (*e.g.*, salary, commissions, bonuses or equity), severance or benefits after the Separation Date, with the exception of any vested benefits you may have under the express terms of a written ERISA-qualified benefit plan (*e.g.*, 401(k) account).

4. Employee Protections

4.1 Notwithstanding anything to the contrary in this Agreement, nothing herein or otherwise limits your ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the “SEC”), any other federal, state or local governmental agency or commission (“Government Agency”) or self-regulatory organization regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against you for any of these activities, and nothing in the Agreement or otherwise requires you to waive any monetary award or other payment that you might become entitled to from the SEC or any other Government Agency or self-regulatory organization. Moreover, nothing in this Agreement or otherwise requires you to notify the Company that you are going to make a report or disclosure to law enforcement.

4.2 Further, nothing in this Agreement precludes you from filing a charge of discrimination or unfair labor practice with the Equal Employment Opportunity Commission or a like charge or complaint with a state or local fair employment or labor Government Agency. However, you may not receive a monetary award or any other form of personal relief from the Company or any other Released Party in connection with any such charge or complaint that you have filed or is filed on your behalf.

4.3 The Defend Trade Secrets Act Of 2016 provides immunity in certain circumstances to Company employees, contractors, and consultants for limited disclosures of Company trade secrets. Specifically, Company employees, contractors, and consultants may disclose trade secrets: (a) in confidence, either directly or indirectly, to a Federal, State, or local government official, or to an attorney, “solely for the purpose of reporting or investigating a suspected violation of law,” or (b) “in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.” Additionally, Company employees, contractors, and consultants who file retaliation lawsuits for reporting a suspected violation of law may also use and disclose related Trade Secrets in the following manner: (c) the individual may disclose the trade secret to their attorney, and (d) the individual may use the information in related court proceeding, as long as the individual files documents containing the trade secret under seal, and does not otherwise disclose the trade secret “except pursuant to court order.” You shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a Trade Secret that: (1) is made (a) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. 1833.

4.4 Nothing in this Agreement waives your right to testify in an administrative, legislative, or judicial proceeding when you have been required or requested to attend the proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

4.5 The protections set forth in this Paragraph constitute the “Employee Protections”.

5. Covenant Not To Sue. A “covenant not to sue” is a legal term which means you promise not to file a lawsuit in court. It is different from the release of claims covered above in this Agreement. Besides waiving and releasing the claims set forth above, you further agree, subject to the Employee Protections, never to sue Company or its affiliates in any forum for any reason or claim covered by the release of claims above. If you sue Company or its affiliates in violation of this covenant, you shall be liable to Company for its reasonable attorneys’ fees and other costs incurred in defending against such an action. Notwithstanding this covenant not to sue, you may bring a claim against Company or its affiliates if the claim is excluded from the releases herein, or to challenge the Agreement’s validity under the ADEA.

6. Expense Reimbursements. You agree that, within ten (10) days after the date of this Agreement, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

7. Return of Company Property. Subject to Employee Protections, within five (5) business days from the date of this Agreement, and to the extent you have not already done so, you shall return to the Company all Company documents (and all copies thereof) and other Company property in your possession or control. You agree that you will make a diligent search to locate any such documents, property and information within the timeframe referenced above. In addition, if you have used any personally owned computer, server, or e-mail system to receive, store, review, prepare or transmit any confidential or proprietary data, materials, or information of the Company, including, but not limited to business secrets, confidential financial data, proprietary information, or other non-public Company information acquired during the course of employment, then within five (5) business days from the date of this Agreement, you must provide the Company with a computer-useable copy of such information and then permanently delete and expunge such confidential or proprietary information from those systems without retaining any reproductions (in whole or in part); and you agree to provide the Company access to your system, as requested, to verify that the necessary copying and deletion is done. **Your timely compliance with the provisions of this paragraph is a precondition to your receipt of the Severance Benefits provided hereunder. To the extent that the Company is made aware that you failed to return any Company property after the payment of the Severance Benefits, the failure to return shall be deemed a material breach of this Agreement and the Company shall have the right to demand and seek the return of the full value of the Severance Benefits.**

8. Confidential Information Obligations. Subject to Employee Protections, you acknowledge and reaffirm your continuing obligations under your Confidential Information and Invention Assignment Agreement (“CIIAA”), including your obligations not to use or disclose any confidential or proprietary information of the Company. Confidential Information does not include information lawfully acquired by a non-supervisory employee (as defined by Section 2(11) of the National Labor Relations Act (“NLRA”), about wages, hours, or other terms and conditions of employment if used by the individual for purposes protected by §7 of the NLRA or similar state law. **Your compliance with your continuing obligations under your CIIAA is a precondition to your receipt of the Severance Benefits provided hereunder. To the extent that the Company is made aware of your breach of your obligations under your CIIAA after payment of the Severance Benefits, the breach shall be deemed a material breach of this Agreement and the Company shall have the right to demand and seek the return of the full value of the Severance Benefits.** A copy of your CIIAA is attached hereto as **Exhibit A**.

9. Confidentiality. Subject to Employee Protections, you acknowledge and agree that, except as modified below, nothing herein shall be construed to relieve you of your obligation to maintain and preserve the confidentiality of the Company's business confidential, proprietary information, trade secrets and sensitive information. This excludes and permits disclosure of information lawfully acquired by you about wages, hours or other terms and conditions of employment if used by you for purposes protected by § 7 of the NLRA. You agree to keep the financial terms of this Agreement confidential. You may disclose such terms: (a) if required to do so by law; (b) if necessary to implement this Agreement or to enforce the Agreement or any of its terms; (c) to the extent required by the Internal Revenue Service or equivalent state or local agencies; (d) to your attorneys, accountants and/or tax advisors in order to obtain professional advice within the scope of their representation; and (e) to members of your immediate family who live in the same household. All such individuals are also bound by this confidentiality pledge and shall be advised of their obligations by the person disclosing before any disclosures are made concerning this Agreement. Nothing in this Agreement is intended to or will be used in any way to limit your rights to make truthful statements or disclosures regarding unlawful employment practices or limit your access to participate in a proceeding before the National Labor Relations Board ("NLRB"). Without limiting the scope of the release of claims this Agreement, nothing in this paragraph prohibits you from disclosing any facts or claims covered under California Code of Civil Procedure §§ 1001 or 1002 or where otherwise prohibited by law. You represent, however, that (a) none of the monies paid pursuant to paragraph 2 of this Agreement are intended to compensate you for any damages or injuries resulting from sexual harassment or sexual abuse; and (b) you do not contend and are not aware of any facts to suggest that you have been subjected at any time to any acts of sexual harassment or sexual abuse by the Company. Notwithstanding anything to the contract in this Agreement, nothing herein or otherwise limits your ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the "SEC"), any other federal, state or local government agency or commission ("Government Agency") or self-regulator organization regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against you for any of these activities, and nothing in the Agreement or otherwise requires you to waive any monetary award or other payment that you might become entitled to from the SEC or any other Government Agency or self-regulatory organization. Moreover, nothing in this Agreement or otherwise requires you to notify the Company that you are going to make a report or disclosure to law enforcement. Notwithstanding your confidentiality and non-disclosure obligations in this Agreement and otherwise, you understand that an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, you understand that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the individual's attorney and use the trade secret information in the court proceeding if the individual: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

10. Nondisparagement. Subject to the Employee Protections, you agree that you shall not, from the date of this Agreement or at any time thereafter (the “Non-Disparagement Period”), disparage the Company or the Company’s current officers, directors, employees, shareholders, parents, subsidiaries, affiliates and agents in any manner likely to be harmful to them or their business, business reputation or personal reputation; *provided that* you may respond accurately and fully to any question, inquiry or request for information to the extent required by legal process. In addition, nothing in this paragraph or this Agreement is intended to prohibit or restrain you in any manner from making disclosures that are protected under the whistleblower provisions of federal law or regulation or under other applicable law or regulation. If contacted by a potential future employer regarding you, the Company will only provide dates of employment, positions held, and a statement that you were in good standing throughout your employment. You agree to refer all such requests for information solely to the Company’s HR department.

11. No Voluntary Adverse Action. You agree that you will not voluntarily provide assistance, information, or advice, directly or indirectly (including through agents or attorneys), to any person or entity in connection with any proposed or pending litigation, arbitration, administrative claim, cause of action, or other formal proceeding of any kind brought against the Company, its parent or subsidiary entities, affiliates, officers, directors, employees, or agents, nor shall you induce or encourage any person or entity to bring any such claims; *provided, however,* that you must respond accurately and truthfully to any question, inquiry, or request for information to the extent required by legal process (e.g., a valid subpoena or other similar compulsion of law) or as part of a government investigation.

12. Forfeiture. If you breach any provision of this Agreement, in addition to any and all other remedies that the Company has against you as a result of such breach, the Company may immediately stop payment of any payments or benefits provided pursuant to Paragraph 2 hereof, and may seek reimbursement from you of any such amounts previously paid or provided.

13. Cooperation. You agree to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, review or investigation of any claims or demands by or against third parties, or other matters arising from or related to events, acts, or failures to act that occurred during the period of your employment by the Company. Such cooperation includes, without limitation, making yourself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and trial testimony. The Company will reimburse you for reasonable out-of-pocket expenses you incur in connection with any such cooperation (excluding foregone wages, salary, or other compensation) and will make reasonable efforts to accommodate your scheduling needs.

14. No Admissions. You understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or to any other person, and that the Company makes no such admission

15. Release of Claims.

15.1 General Release. In exchange for the consideration provided to you under this Agreement, to which you would not otherwise be entitled, you hereby generally and completely release the Company, and its affiliated, related, parent, and subsidiary entities, and its and their current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, insurers, affiliates, and assigns (collectively, the “**Released Parties**”) from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to or on the date you sign this Agreement (collectively, the “**Released Claims**”).

15.2 Scope of Release. The Released Claims include, but are not limited to:

(i) all claims arising out of or in any way related to your employment with the Company, or the termination of that employment; (ii) all claims related to your compensation or benefits from the Company, including salary, bonuses, commissions, vacation, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership, equity, or profits interests in the Company; (iii) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (iv) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (v) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys’ fees, or other claims arising under any and all laws, regulations, orders, or ordinances, including, but not limited to, the federal Civil Rights Act of 1964, the federal Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act (as amended by the Older Workers Benefit Protection Act), the Family and Medical Leave Act, California Labor Code (including, but not limited to, the Private Attorneys General Act (“PAGA”)), the California Fair Employment and Housing Act, Cal. Gov’t Code §§ 12900, 12940, and 12949, the Ralph Civil Rights Act, California Civil Code, §51.7, and the Tom Bane Civil Rights Act, California Civil Code §52.1. You further agree that you will not initiate a PAGA lawsuit against the Company or any of the Released Parties related to your employment or any other action, event, or incident that occurred prior to the Effective Date of this Agreement.

15.3 Section 1542 Waiver. YOU UNDERSTAND THAT THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS. In giving the release herein, which includes claims which may be unknown to you at present, you acknowledge that you have read and understand Section 1542 of the California Civil Code, which reads as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

You hereby expressly waive and relinquish all rights and benefits under that section and any law of any other jurisdiction of similar effect with respect to your release of any unknown or unsuspected claims herein.

16. Excluded Claims. Notwithstanding the foregoing, the following are not included in the Released Claims (the “**Excluded Claims**”): (i) any rights or claims for indemnification you may have pursuant to any written indemnification agreement with the Company to which you are a party or under applicable law; (ii) any rights which are not waivable as a matter of law; (iii) any rights you have to file or pursue a claim for workers’ compensation or unemployment insurance; and (iv) any claims for breach of this Agreement. You hereby represent and warrant that, other than the Excluded Claims, you are not aware of any claims you have or might have against any of the Released Parties that are not included in the Released Claims. Nothing in this Agreement, including but not limited to the acknowledgements, release of claims, the promise not to sue, the confidentiality, non-disparagement, and the return of property provisions (a) limits or affects my right to disclose or discuss sexual harassment or sexual assault disputes; (b) limits or affects my right to challenge the validity of this Agreement under the ADEA or the OWBPA; (c) prevents me from communicating with, filing a charge or complaint with, providing documents or information voluntarily or in response to a subpoena or other information request to, or from participating in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission, National Labor Relations Board, the Securities and Exchange Commission, law enforcement, or any other any federal, state or local agency charged with the enforcement of any laws; or from testifying, providing evidence, or responding to a subpoena or discovery request in court litigation or arbitration; (d) prevents a non-management, non-supervisory employees from engaging in protected concerted activity under §7 of the NLRA or similar state law such as joining, assisting, or forming a union, bargaining, picketing, striking, or participating in other activity for mutual aid or protection, or refusing to do so; this includes using or disclosing information acquired through lawful means regarding wages, hours, benefits, or other terms and conditions of employment, except where the information was entrusted to the employee in confidence by the Company as part of the employee’s job duties. However, by signing this Agreement, I am waiving my right to recover any individual relief (including any backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit or other proceeding brought by me or on my behalf by any third party, except for any right I may have to receive a payment or award from a government agency (and not the Company) for information provided to the government agency or where otherwise prohibited.

17. ADEA and Older Workers Benefit Protection Act Waiver. You, being forty (40) years of age or older, acknowledge that you are waiving and releasing any rights you may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. You and the Company agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement, as defined herein. You acknowledge that the consideration given for the waiver and Agreement is in addition to anything of value to which you are already entitled. You further acknowledge that you have been advised in writing, as required by the ADEA, that:

17.1 You should, and are hereby affirmatively instructed to, consult with an attorney prior to signing this Agreement;

17.2 You have twenty-one (21) days in which to consider this Agreement (although you may choose voluntarily to sign it earlier);

17.3 You have seven (7) days following the date you sign this Agreement to revoke the Agreement;

17.4 This Agreement shall not become effective or enforceable until the revocation period has expired at 12:01 a.m. on the eighth (8th) day following your execution of this Agreement ("Effective Date");

17.5 Nothing in this Agreement prevents or precludes you from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose a condition precedent, penalties or costs for doing so; and

17.6 Should you choose to revoke this Agreement following your execution of same, you must do so by notifying the Company prior to the Effective Date of the Agreement. Any revocation within this period must: (1) clearly state that you are revoking this Agreement; (2) must be in writing and be signed by you; and (3) must be delivered to Lucid's legal department at legal@lucidmotors.com.

18. Arbitration. You and the Company agree that any and all disputes arising out of the terms of this Agreement, their interpretation, and any of the matters herein released, shall be subject to arbitration in Alameda County, before Judicial Arbitration & Mediation Services ("JAMS"), pursuant to its Employment Arbitration Rules & Procedures ("JAMS Rules"). The arbitrator may grant injunctions and other relief in such disputes. The arbitrator shall administer and conduct any arbitration in accordance with the Federal Arbitration Act. The decision of the arbitrator shall be final, conclusive, and binding on the parties to the arbitration. The parties agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. The parties to the arbitration shall each pay an equal share of the costs and expenses of such arbitration, and each party shall separately pay for its respective counsel fees and expenses; provided, however, that the arbitrator shall award attorneys' fees and costs to the prevailing party, except as prohibited by law. The parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. Notwithstanding the foregoing, this section will not prevent either party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the parties and the subject matter of their dispute relating to this Agreement and the agreements incorporated herein by reference. Should any part of the arbitration agreement contained in this paragraph conflict with any other arbitration agreement between the parties, the parties agree that this arbitration agreement shall govern.

19. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to you or made on your behalf under the terms of this Agreement. You agree and understand that you are responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. You further agree to indemnify and hold the Company harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) your failure

to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs.

20. Attorneys' Fees. In the event that either you or the Company brings an action to enforce or effect any rights under this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

21. Accord And Satisfaction. You and the Company agree that this Agreement fully supersedes, nullifies and replaces any prior oral or written agreement regarding your entitlement to severance, including your Lucid Group, Inc. Executive Severance Benefit Plan Participation Agreement. The Parties further expressly agree that any rights afforded by your Lucid Group, Inc. Executive Severance Benefit Plan Participation Agreement are extinguished by this Agreement.

22. Representations. You hereby represent that you have been paid all compensation owed and for all hours worked, have received all the leave and leave benefits and protections for which you are eligible pursuant to the federal Family and Medical Leave Act, any applicable law or Company policy, and have not suffered any on-the-job injury for which you have not already filed a workers' compensation claim.

23. General. This Agreement, including **Exhibit A**, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to this subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable to the fullest extent permitted by law, consistent with the intent of the parties. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to conflicts of law principles. Any waiver of a breach of this Agreement, or rights hereunder, shall be in writing and shall not be deemed to be a waiver of any successive breach or rights hereunder. This Agreement may be executed in counterparts which shall be deemed to be part of one original, and facsimile and electronic signatures shall be equivalent to original signatures.

LUCID USA, INC.

By: /s/ Gale Halsey
Gale Halsey
VP, People

ACCEPTED AND AGREED:

By: /s/ Michael Bell
Michael Bell

05/05/2024
Date

November 15, 2024

Taoufiq Boussaid

Re: Offer of Employment

Dear Taoufiq,

It gives me great pleasure to offer you the exempt position with Lucid USA, Inc. (doing business as Lucid Motors) (the “Company”) as Chief Financial Officer, reporting to Peter Rawlinson, Chief Executive Officer & Chief Technical Officer. Your first date of employment (“Hire Date”) will be on a date mutually agreed by you and the Company to be further discussed. The terms and conditions of your employment with the Company will be as set forth below.

Base Salary and Other Compensation

You will be paid the following compensation during your employment:

- You will be paid a base salary of \$22,115.39 per bi-weekly pay period (\$575,000 annualized), less applicable tax and other withholdings.
- In addition to your base salary, you will be eligible to earn an annual target incentive bonus of 90% of your base salary, less applicable tax and other withholdings, based upon the Company's performance and your individual performance. The bonus will be paid in the first half of the following year on a date determined by the Board of Directors. For FY25 (payable in early 2026), the Company commits that you will receive 90% of your base salary, or the calculated actual 2025 annual incentive given corporate and individual factors, whichever is larger. For FY26 (payable in early 2027), the Company commits that you will receive 45% of your base salary, or the calculated actual 2026 annual incentive given corporate and individual factors, whichever is larger.
- Your place of employment will be Newark, California. You will be required to travel as needed for business purposes as agreed with your manager.
- You will be expected to relocate to the Newark, California area no later than 90 days after your Hire Date. The Company will provide you and your wife with a visit to the Bay Area in advance of your Hire Date for the express purpose of helping you and your family find a home and community in which you would like to live. In connection with your relocation, you will be provided senior executive relocation support. Further, upon relocation, you will be paid \$500,000, less applicable taxes and withholdings. The Company will provide you and your family with paid, temporary housing in the Bay Area for up to six months after your Hire Date. For your relocation, the Company is pleased to offer employee relocation support through a managed service.

- The Company is pleased to offer you a one-time sign-on bonus of \$2,000,000 less applicable taxes and other withholdings. This sign-on bonus will be advanced within the first 30 days of your employment but will only become earned in the event that you successfully complete three years of employment with the Company in good standing (as determined by the Company in its sole discretion). If you resign from your employment with the Company for any reason or if you are terminated for Cause (as defined in the Lucid Group, Inc. Executive Severance Benefit Plan) within 12 months of your Hire Date, you will immediately repay the Company the full (gross) amount of this sign-on bonus. If you resign employment with the Company for any reason or if you are terminated for Cause after 12 months but before the second anniversary of your Hire Date, you will immediately repay the Company two-thirds of the full (gross) amount of this sign-on bonus. If you resign employment with the Company for any reason or if you are terminated for Cause after 24 months but before the third anniversary of your Hire Date, you will immediately repay the Company one-third of the full (gross) amount of this sign-on bonus.
- You will be paid a stipend of \$100,000, less applicable taxes and other withholdings, each year within 30 days of your Hire Date and thereafter within 30 days of every anniversary of your Hire Date. This stipend is intended to defray your family's costs to participate in the French retirement system, to retain necessary multinational taxation firms, and other support needed for future repatriation to France.

Severance

You will be eligible to participate in the Severance Plan following commencement of employment. Upon the commencement of your employment, and after the successful completion of your background check, you will receive a Participation Agreement substantially in the form attached hereto as Exhibit A for your review and signature. Subject to your acceptance of this Participation Agreement under the Severance Plan and the successful completion of your background check, you will be eligible for the severance benefits described in the Severance Plan and your Participation Agreement.

Employee Benefits

You will be eligible to participate in the Company employee benefit plans that the Company makes available to similarly situated employees. The Company provides a competitive benefit package that currently includes major medical, vision, and dental insurance plans, paid time off, flexible spending account and a 401(k) program. The eligibility dates of the benefits are as follows:

- Group health insurance benefits: commence on hire date
- Vacation days and sick days: accrual starts on hire date
- Flexible spending account: eligibility starts on hire date but can take up to 3 pay periods before any payroll deductions are actually deposited into account
- 401(k) program: eligibility starts on hire date but can take up to 3 pay periods before any payroll deductions are actually deposited into account

Equity-based Awards

The Company has received approval from the Board of Directors of Lucid Group, Inc. (the “Board”) to provide you with new hire equity-based awards having a total grant value of \$10,000,000. Such equity-based awards will be allocated through two awards as follows, subject to commencement of your employment with the Company (collectively, the “Sign-On Awards”):

- **RSUs:** An award of restricted stock units (“RSUs”) with a grant value of \$4,000,000. The RSUs will generally be eligible to vest over two and one-half years as follows: 1/4 will be eligible to vest on the first Company Vesting Date (as defined below) to occur on or following your Hire Date; 1/4 will be eligible to vest on the second Company Vesting Date to occur on or following your Hire Date; and, 1/16 of the total RSUs granted will vest quarterly thereafter on each subsequent Company Vesting Date, subject to your continued employment through each vesting date. “Company Vesting Date” means March 5, June 5, September 5, and December 5 of each calendar year.
- **Performance-based restricted stock units (“PSUs”):** The Company has received approval from the Board to provide you with an award, under the next performance cycle established by the Board, of PSUs with a grant value of \$6,000,000. We expect the Board to approve PSU grants for the next performance cycle during the first quarter of 2025. The PSUs will generally provide you the opportunity to earn shares of Lucid Group, Inc. stock (and/or cash equivalent) based on the satisfaction of key corporate objectives, individual objectives and/or LCID stock price objectives for the performance cycle duration which will be established by the Board.

The number of RSUs and PSUs granted in respect of the Sign-On Awards will be determined using the Company’s standard conversion methodology. The Company’s standard conversion methodology is to incorporate the 30-day Volume Average Weighted Price (“VWAP”) when calculating the specific number of shares within a grant. The Sign-On Awards are subject in all respects to approval by the Board or a committee thereof and the terms and conditions of the applicable equity incentive plan and award agreements, which you will be required to enter into to receive the Sign-On Awards.

You will be eligible to receive additional equity-based awards under the Company’s equity incentive plan from time to time.

Proof of Right to Work

Your employment is contingent upon providing appropriate documentation for the completion of your new hire forms, including proof that you are presently eligible to work in the United States for I- 9 form purposes. Failure to provide appropriate documentation within three days of your hire date will result in immediate termination of employment in accordance with the terms of the Immigration Reform and Control Act.

Confidential Information and Invention Assignment Agreement; Arbitration Agreement

Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company’s (i) Confidential Information and Invention Assignment Agreement and (ii) Arbitration Agreement, in each case, prior to or on your Hire Date.

Background Checks

This offer is contingent upon the successful completion (as determined by the Company) of any background or reference checks desired by the Company.

Release From Restrictive Covenants; No Other Restrictions

This offer is contingent upon the Company obtaining any waiver from your current employer as the Company deems necessary to release you, the Company and/or its affiliates, as applicable, from any restrictive covenants that you, the Company and/or its affiliates is subject to with respect to your current employer that could prevent, hinder or interfere with your acceptance of this offer or the exercise of your best efforts in the performance of your duties to the Company or any of its affiliates.

You hereby represent that you are otherwise not subject to any restrictive covenants that could prevent, hinder or interfere with your acceptance of this offer or the exercise of your best efforts in the performance of your duties to the Company or any of its affiliates.

Return of Materials

Prior to your employment with the Company, you shall return all materials to your former employer or client, including any electronic storage devices, and ensure that you have not retained any files or records of your former employer or client on any media, including cloud-based storage systems.

Recoupment Policy

You acknowledge and agree that any Covered Compensation (as defined in the Company's Compensation Recoupment Policy (as may be amended from time to time, the "Recoupment Policy")) that you receive in the future from the Company or its affiliates shall be subject to the Recoupment Policy.

At-Will Employment

Your employment with the Company is "at will," and thus you or the Company may terminate your employment relationship at any time, with or without cause or advance notice. The Company reserves the right to change your position, duties, compensation, and/or employee benefits at any time on a prospective basis; the commitments afforded to you via your inclusion in the Lucid Executive Severance Plan may be applicable to any such changes depending on the specific circumstances. This offer shall be governed by and construed under the laws of the state of California.

Integration and Modification

This offer, together with any other documents described herein, sets forth the terms and conditions of our offer of employment with the Company, and supersedes any prior representations or agreements concerning your employment with the Company, whether written or oral. You acknowledge and agree that you are not relying on any statements or representations concerning the Company or your employment with the Company.

We welcome you to Lucid Motors and look forward to working with you. We trust that it will be a mutually rewarding experience. Please confirm your acceptance of this offer by signing and dating this offer on the spaces below and returning it to me.

Sincerely,

/s/ Gale Halsey

Gale Halsey

Senior Vice
President,
People

I have read and understand the terms and conditions set forth in this offer. Furthermore, in choosing to accept this employment with Lucid USA, Inc. (dba Lucid Motors), I agree that I am not relying on any representations, whether verbal or written, except as specifically set forth in this offer.

/s/ Taoufiq
Boussaid

Taoufiq
Boussaid

Relocation Repayment Agreement

THIS AGREEMENT made by and between Lucid USA, Inc. (dba Lucid Motors USA, Inc.) (hereinafter the “Company”) and Taoufiq Boussaid (hereinafter “Employee”).

The Company is pleased to offer Employee relocation support through a managed service. Further, upon relocation, you will be paid \$500,000, less applicable taxes and withholdings. Your advanced relocation pay will only become earned as follows: In the event that you successfully complete three years of employment with the Company, a hundred percent (100%) of the relocation pay will become earned on the third anniversary of your Hire Date.

If you do not relocate to the Newark, California area within the first year after your Hire Date or resign from your employment with the Company for any reason or are terminated for misconduct, moral turpitude, failure to perform your duties, or serious or repeated breach of company policies, in each case before the first anniversary of your Hire Date, you will immediately repay the Company the full (gross) amount of this relocation advance, whether managed service or one-time cash award.

By signing below, I acknowledge and understand the above agreement. I further agree to repay the Company the full (gross) amount of this relocation bonus on my last date of employment, should my employment end before the third anniversary of my Hire Date with the Company or should I not relocate to the Newark, California within the first year after my Hire Date.

/s/ Taoufiq
Boussaid

Taoufiq
Boussaid

January 27, 2025

Gagan Dhingra

Re: Promotion to Senior Vice President

Dear Gagan,

On behalf of the Board of Directors of Lucid Motors ("Lucid"), I am delighted to share that you have been approved for a promotion to Senior Vice President, Finance and Accounting.

This promotion is effective immediately after the filing of Lucid's annual report on Form 10-K for the fiscal year 2024, expected to be February 25, 2025. You will remain as Lucid's Principal Accounting Officer in this role.

On that date, your compensation and benefits package will change in the following ways:

- Your base pay will increase to \$475,000 annually.
- Your Annual Incentive Program ("AIP") target will increase to 75% of base pay.
- You will receive two equity awards as follows:
 - o \$600,000 in Performance Stock Units; these will be granted upon Board approval of the 2025 PSU program for all company leaders and will be structured as per the approved program, and
 - o \$400,000 in Restricted Stock Units; these will be granted on the effective date of your promotion and will vest on Company Vesting Dates (March 5, June 5, September 5, and December 5) each year over sixteen quarters, beginning March 5, 2025
- Your participation in the Lucid Executive Severance Program will change to the program generally offered to Senior Vice Presidents
- Owing to your excellent and sustained performance as Interim Chief Financial Officer, you have been awarded a discretionary bonus of \$250,000. This will be paid to you as soon as is practicable after the date of this agreement.

On December 13, 2023, you and Lucid entered into an agreement for your service as Interim Chief Financial Officer. As your service in this interim role draws to a close, the ending of your bonuses and stipends connected to this role will cease in the following manner:

- Your final quarterly bonus of \$33,334 will be paid to you after the end of the March quarter, payable to you not later than 21 days after the end of the quarter, and
- Your final monthly cash stipend of \$25,000 will be paid to you for March 2025 on March 28, 2025.

As always, Lucid reserves the right to change, supplement, modify or terminate its compensation and benefits arrangements as needed. Please note that nothing in this letter is intended to prevent Lucid from doing so, or to be considered a contract for employment or in any way alter the “at-will” employment relationship.

Thank you for your support of Lucid at this time. I am confident in your ability to serve in this enhanced role for Lucid!

Sincerely,

/s/Gale Halsey

Gale Halsey

Senior Vice
President, People
and EHS

Accepted:

/s/Gagan Dhingra

Gagan Dhingra

Senior Vice
President, Finance
and Accounting

LUCID GROUP, INC.
INSIDER TRADING POLICY

and Guidelines Concerning Trading in Company Securities

July 23, 2021

I. SUMMARY OF POLICY CONCERNING TRADING IN COMPANY SECURITIES

It is Lucid Group, Inc.'s and its subsidiaries' (collectively, the "Company") policy that it will, without exception, comply with all applicable laws and regulations in conducting its business. Each employee and each director is expected to abide by this policy. When carrying out Company business, employees and directors must avoid any activity that violates applicable laws or regulations. In order to avoid even an appearance of impropriety, the Company's directors, officers and certain other employees are subject to pre-approval requirements described below and other limitations on their ability to enter into transactions involving the Company's securities. Although these limitations do not apply to transactions pursuant to written plans for trading securities that comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the entry into, amendment or termination of any such written trading plan is subject to pre-approval requirements and other limitations.

II. THE USE OF INSIDE INFORMATION IN CONNECTION WITH TRADING IN SECURITIES

A. General Rule.

The U.S. securities laws regulate the sale and purchase of securities in the interest of protecting the investing public. U.S. securities laws give the Company, its officers and directors, and other employees the responsibility to ensure that information about the Company is not used unlawfully in the purchase and sale of securities (such as stocks, bonds, notes, debentures, limited partnership units or other equity or debt securities).

All employees and directors should pay particularly close attention to the laws against trading on "inside" information. These laws are based upon the belief that all persons trading in a company's securities should have equal access to all "material" information about that company. For example, if an employee or a director of a company knows material inside financial information, that employee or director is prohibited from buying or selling shares in the company until the information has been adequately disclosed to the public. This is because the employee or director knows information that could cause the share price to change, and it would be unfair for the employee or director to have an advantage (knowledge that the share price could change) that the rest of the investing public does not have. In fact, it is more than unfair; it is considered to be fraudulent and illegal. Civil and criminal penalties for this kind of activity are severe.

The general rule can be stated as follows: It is a violation of federal securities laws for any person to buy or sell securities if he or she is in possession of material inside information. Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. Material information can be favorable or unfavorable. If it is not clear whether inside information is material, it should be treated as if it was material. Some examples of information that could be considered material include:

- Significant changes in key performance indicators of the Company,

- Actual, anticipated or targeted earnings and dividends and other financial information,
- Financial, sales and other significant internal business forecasts, or a change in previously released estimates,
- Mergers, business acquisitions or dispositions, or the expansion or curtailment of operations,
- New product launches or delays, thereof,

- Significant events affecting the Company's operations, including any breach of information systems that compromises the functioning of the Company's information or other systems or results in the exposure or loss of customer information, in particular personal information,
- New equity or debt offerings or significant borrowing,
- The gain or loss of a significant partner or supplier,
- Changes in debt ratings, or analyst upgrades or downgrades of the issuer or one of its securities,
- Significant changes in accounting treatment, write-offs or effective tax rate,
- Significant litigation or governmental investigation,
- Changes in top management, and
- Stock splits or other corporate actions.

It is inside information if it has not been publicly disclosed in a manner making it available to investors generally on a broad-based non-exclusionary basis (e.g., the filing of an 8-K). If it is not clear whether material information has been sufficiently publicized, it should be treated as if it is inside information. Furthermore, it is illegal for any officer, director or other employee in possession of material inside information to provide other people with such information or to recommend that they buy or sell the securities. (This is called "tipping"). In that case, they may both be held liable.

The Securities and Exchange Commission (the "SEC"), prosecutors, the stock exchanges and plaintiffs' lawyers focus on uncovering insider trading. A breach of the insider trading laws could expose the insider or anyone who trades on information provided by an insider to criminal fines up to three times the profits earned and imprisonment up to ten years, in addition to civil penalties (up to three times the profits earned), and injunctive actions.

Inside information does not belong to the individual directors, officers or other employees who may handle it or otherwise become knowledgeable about it. It is an asset of the Company. For any person to use such information for personal benefit or to disclose it to others outside the Company violates the Company's interests. More particularly, in connection with trading in the Company's securities, it is a fraud against members of the investing public and against the Company. The mere perception that an employee or director traded with the knowledge of material inside information could harm the reputation of both the Company and that employee or director.

B. Who Is Subject to This Policy?

The prohibition against trading on inside information applies to directors, officers and all other domestic and international employees and contractors of the Company and its subsidiaries, and to other people who gain access to that information. The prohibition also applies to:

- a) the spouses, domestic partners and minor children (even if financially independent) of such employees or directors; and
- b) anyone to whom such employees or directors provide significant financial support.

Further, the prohibition applies to: 1) any account over which employees, directors and the persons listed in a) and b) above have or share the power, directly or indirectly, to make investment decisions (whether or not such persons have a financial interest in the account) and 2) those accounts established or maintained by such persons with their consent or knowledge and in which such persons have a direct or indirect financial interest.

In addition, directors and certain employees with inside knowledge of material information may be subject to ad hoc restrictions on trading from time to time.

C. General Guidelines.

The following guidelines should be followed in order to ensure compliance with applicable antifraud laws and with the Company's policies:

1. Nondisclosure. Material inside information must not be disclosed to anyone, except to persons within the Company whose positions require them to know it. No employee or director should discuss material inside information in public places or in common areas on Company property.
2. Trading in Company Securities. No employee or director may place a purchase or sale order, or recommend that another person place a purchase or sale order, in the Company's securities when he or she has knowledge of material information concerning the Company that has not been disclosed to the public. This includes orders for purchases and sales of stock, convertible securities and other securities (e.g., bonds) and includes increasing or decreasing investment in Company securities through changes in employee stock purchase plan elections or a retirement account. The exercise of employee stock options for cash is not subject to this policy, but cashless exercises (e.g. sell to cover) are subject to the policy. However, stock that was acquired upon exercise of a stock option will be treated like any other stock and may not be sold by an employee who is in possession of material inside information. Any employee or director who possesses material inside information should wait until the start of the second business day after the information has been publicly released before trading. There is no exception to this policy, even for hardship to the employee or director or based on the use of proceeds (such as making a mortgage payment or for an emergency expenditure).
3. Avoid Speculation. Investing in the Company's common stock or other securities provides an opportunity to share in the future growth of the Company. But investment in the Company and sharing in the growth of the Company does not mean short range speculation based on fluctuations in the market. Such activities put the personal gain of the employee or director in conflict with the best interests of the Company and its stockholders. Although this policy does not mean that employees or directors may never sell shares, the Company encourages employees and directors to avoid frequent trading in Company stock. Speculating in Company stock is not part of the Company culture.

4. Trading in Other Securities. No employee or director should place a purchase or sale order (including investment through a retirement account), or recommend that another person place a purchase or sale order, in the securities of another company, if the employee or director learns in the course of his or her employment confidential information about the other corporation that is likely to affect the value of those securities. For example, it would be a violation of the securities laws if an employee or director learned through Company sources that the Company intended to purchase assets from a company, and then placed an order to buy or sell stock in that other company because of the likely increase or decrease in the value of its securities.
5. Closed Windows. Trading is subject to the following restrictions on trading in Company securities in addition to those set forth above:
 - Trading is prohibited from the date that is two weeks prior to the end of the then current fiscal quarter until the start of the second business day following an earnings release with respect to the preceding fiscal period (each, a “Closed Window”).
 - At times, the General Counsel may determine to impose a Closed Window prohibiting trading outside of a regularly scheduled Closed Window. Such a Closed Window may apply to all or a subset of employees and/or directors. The need for a Closed Window may arise as a result of a pending business transaction, a cyber- breach, or any material development that has not yet been publicly disclosed. The General Counsel is not under any obligation to provide a reason for the Closed Window. The closing of the window may itself constitute material inside information that should not be communicated.
 - No trading is permitted during a Closed Window except under an approved 10b5-1 Plan or for reasons of exceptional personal hardship and subject to prior approval by the Chief Executive Officer and General Counsel; provided that if one of these individuals wishes to trade during the Closed Window, it shall be subject to prior approval by the other.
 - The foregoing restrictions in this Section C.5 do not apply to transactions pursuant to pre-approved written plans for trading securities that comply with the Company’s 10b5-1 Trading Plan Guidelines (“10b5-1 Plans”).
6. Pre-Clearance. Clearance for all trades by the Pre-Clearance Group must be obtained by the General Counsel. The Pre-Clearance Group consists of (i) directors and executive officers of the Company and their assistants and household members, (ii) key accounting and finance, investor relations and legal department personnel, and (iii) such other persons as may be designated from time to time and informed of such status by the Company’s General Counsel.

D. Other Companies’ Stock.

Employees and directors who learn material information about suppliers, customers, competitors, or other strategic partners through their work at the Company, are expected to keep it confidential and not buy or sell stock in such companies until the information becomes public. Employees and directors are expected to not give tips about such stock.

E. Hedging and Derivatives.

Employees and directors are prohibited from engaging in any derivative transactions (including transactions involving options, puts, calls, prepaid variable forward contracts, equity swaps, collars and exchange funds or other derivatives) that are designed to hedge or speculate on any change in the market value of the Company's equity securities. As discussed below, directors and employees are also prohibited from shorting the Company's stock.

Trading in options or other derivatives is generally highly speculative and very risky. People who buy options are betting that the stock price will move rapidly. For that reason, when a person trades in options in his or her employer's stock, it will raise suspicion in the eyes of the SEC that the person was trading on the basis of inside information, particularly where the trading occurs before a company announcement or major event. It is difficult for an employee or director to prove that he or she did not know about the announcement or event.

If the SEC or the stock exchanges were to notice active options trading by one or more employees or directors of the Company prior to an announcement, they would investigate. Such an investigation could be embarrassing to the Company (as well as expensive) and could result in severe penalties and expense for the persons involved. For all of these reasons, the Company prohibits its employees and directors from trading in options or other securities involving the Company's stock. This policy does not pertain to employee stock options granted by the Company. Employee stock options cannot be traded.

F. Pledging of Securities, Margin Accounts.

Pledged securities may be sold by the pledgee without the pledgor's consent under certain conditions. For example, securities held in a margin account may be sold by a broker without the customer's consent if the customer fails to meet a margin call. Because such a sale may occur at a time when an employee or a director has material inside information or is otherwise not permitted to trade in Company securities, the Company prohibits employees and directors from pledging Company securities in any circumstance, including by purchasing Company securities on margin or holding Company securities in a margin account.

G. Applicability of U.S. Securities Laws to International Transactions.

All employees of the Company and its subsidiaries are subject to the restrictions on trading in Company securities and the securities of other companies. The U.S. securities laws may be applicable to trades in the Company's securities executed outside the U.S., as well as to the securities of the Company's subsidiaries or affiliates, even if they are located outside the United States. Transactions involving securities of subsidiaries or affiliates should be carefully reviewed by counsel for compliance not only with local law but also for possible application of U.S. securities laws.

LIST OF SIGNIFICANT SUBSIDIARIES
AS OF DECEMBER 31, 2024

Name	Jurisdiction
Atieva, Inc.	Delaware
Lucid USA, Inc.	Delaware
Lucid Group USA, Inc	Delaware

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-267147, 333-271722, 333-275372, and 333-282677) on Form S-3 and registration statements (Nos. 333-259794, 333-265734, 333-271725, and 333-279973) on Form S-8 of our reports dated February 25, 2025, with respect to the consolidated financial statements of Lucid Group, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Santa Clara, California
February 25, 2025

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated February 28, 2023 (except for Note 17, as to which the date is February 25, 2025) with respect to the consolidated financial statements included in the Annual Report of Lucid Group, Inc. on Form 10-K for the year ended December 31, 2024. We consent to the incorporation by reference of said report in the Registration Statements of Lucid Group, Inc. on Forms S-3 (File No. 333-267147, File No. 333-271722, File No. 333-275372 and File No. 333-282677) and Forms S-8 (File No. 333-259794, File No. 333-265734, File No. 333-271725 and File No. 333-279973).

/s/ GRANT THORNTON LLP

San Francisco, California
February 25, 2025

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Marc Winterhoff, certify that:

1. I have reviewed this Annual Report on Form 10-K of Lucid Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

/s/ Marc Winterhoff

Marc Winterhoff

Interim Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gagan Dhingra, certify that:

1. I have reviewed this Annual Report on Form 10-K of Lucid Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2025

/s/ Gagan Dhingra

Gagan Dhingra

Interim Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (FURNISHED HEREWITH)**

I, Marc Winterhoff, Interim Chief Executive Officer of Lucid Group, Inc. (the “Company”), certify, as of the date hereof and solely for purposes of and pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- a. The Annual Report on Form 10-K of the Company for the year ended December 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: February 25, 2025

/s/ Marc Winterhoff

Marc Winterhoff

Interim Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (FURNISHED HEREWITH)**

I, Gagan Dhingra, Interim Chief Financial Officer of Lucid Group, Inc. (the “Company”), certify, as of the date hereof and solely for purposes of and pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- a. The Annual Report on Form 10-K of the Company for the year ended December 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: February 25, 2025

/s/ Gagan Dhingra

Gagan Dhingra

Interim Chief Financial Officer

(Principal Financial Officer)

Cover - USD (\$)
\$ in Billions

12 Months Ended

Dec. 31, 2024

Jun.
Feb. 19, 2025 28,
2024

Cover [Abstract]

<u>Document Type</u>	10-K
<u>Document Annual Report</u>	true
<u>Document Period End Date</u>	Dec. 31, 2024
<u>Current Fiscal Year End Date</u>	--12-31
<u>Document Transition Report</u>	false
<u>Entity File Number</u>	001-39408
<u>Entity Registrant Name</u>	Lucid Group, Inc.
<u>Entity Incorporation, State or Country Code</u>	DE
<u>Entity Tax Identification Number</u>	85-0891392
<u>Entity Address, Address Line One</u>	7373 Gateway Boulevard
<u>Entity Address, City or Town</u>	Newark
<u>Entity Address, State or Province</u>	CA
<u>Entity Address, Postal Zip Code</u>	94560
<u>City Area Code</u>	510
<u>Local Phone Number</u>	648-3553
<u>Title of 12(b) Security</u>	Class A Common Stock, \$0.0001 par value per share
<u>Trading Symbol</u>	LCID
<u>Security Exchange Name</u>	NASDAQ
<u>Entity Well-known Seasoned Issuer</u>	Yes
<u>Entity Voluntary Filers</u>	No
<u>Entity Current Reporting Status</u>	Yes
<u>Entity Interactive Data Current</u>	Yes
<u>Entity Filer Category</u>	Large Accelerated Filer
<u>Entity Small Business</u>	false
<u>Entity Emerging Growth Company</u>	false
<u>ICFR Auditor Attestation Flag</u>	true
<u>Document Financial Statement Error Correction Flag</u>	false
<u>Entity Shell Company</u>	false
<u>Entity Public Float</u>	

\$ 2.4

[Entity Common Stock, Shares
Outstanding](#)
[Documents Incorporated by
Reference](#)

3,031,499,851

DOCUMENTS INCORPORATED BY REFERENCE:

Certain portions of the registrant's definitive proxy statement for its annual meeting of stockholders (the "Proxy Statement"), to be filed with the Securities and Exchange Commission within 120 days after December 31, 2024, are incorporated by reference into Part III of this Annual Report on Form 10-K (this "Annual Report"). Except with respect to information specifically incorporated by reference in this Annual Report, the Proxy Statement shall not be deemed to be filed as part hereof.

[Amendment Flag](#) false
[Document Fiscal Year Focus](#) 2024
[Document Fiscal Period Focus](#) FY
[Central Index Key](#) 0001811210

Audit Information	12 Months Ended		
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Audit Information [Abstract]			
Auditor Firm ID	185	185	248
Auditor Name	KPMG LLP	KPMG LLP	GRANT THORNTON LLP
Auditor Location	Santa Clara, California	Santa Clara, California	San Francisco, California

**CONSOLIDATED
BALANCE SHEETS - USD
(\$)
\$ in Thousands**

	Dec. 31, 2024	Dec. 31, 2023
<u>Current assets:</u>		
Cash and cash equivalents	\$ 1,606,865	\$ 1,369,947
Short-term investments (including \$15,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	2,424,103	2,489,798
Accounts receivable, net (including \$57,909 and \$35,526 from a related party as of December 31, 2024 and 2023, respectively)	112,025	51,822
Inventory	407,774	696,236
Prepaid expenses	52,951	69,682
Other current assets (including \$34,503 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	270,218	79,670
Total current assets	4,873,936	4,757,155
Property, plant and equipment, net	3,262,612	2,810,867
Right-of-use assets	211,886	221,508
Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	1,012,223	461,029
Other noncurrent assets	249,443	180,626
Investments in equity securities of a related party	37,831	81,533
TOTAL ASSETS	9,647,931	8,512,718
<u>Current liabilities:</u>		
Accounts payable	133,832	108,724
Finance lease liabilities, current portion	6,788	8,202
Other current liabilities (including \$126,417 and \$92,258 associated with related parties as of December 31, 2024 and 2023, respectively)	1,024,671	891,484
Total current liabilities	1,165,291	1,008,410
Finance lease liabilities, net of current portion	76,096	77,653
Common stock warrant liability	19,514	53,664
Long-term debt	2,002,151	1,996,960
Other long-term liabilities (including \$121,136 and \$178,311 associated with related parties as of December 31, 2024 and 2023, respectively)	572,800	524,339
Derivative liabilities associated with redeemable convertible preferred stock (related party)	639,425	0
Total liabilities	4,475,277	3,661,026
Commitments and contingencies (Note 12)		
<u>REDEEMABLE CONVERTIBLE PREFERRED STOCK</u>		
Redeemable convertible preferred stock, (related party)	1,299,842	0
<u>STOCKHOLDERS' EQUITY</u>		
Common stock, par value \$0.0001; 15,000,000,000 shares authorized as of December 31, 2024 and 2023; 3,032,219,724 and 2,300,111,489 shares issued and 3,031,361,899 and 2,299,253,664 shares outstanding as of December 31, 2024 and 2023, respectively	303	230
Additional paid-in capital	16,808,018	15,066,080

<u>Treasury stock, at cost, 857,825 shares at December 31, 2024 and 2023</u>	(20,716)	(20,716)
<u>Accumulated other comprehensive income (loss)</u>	(2,099)	4,850
<u>Accumulated deficit</u>	(12,912,694)	(10,198,752)
<u>Total stockholders' equity</u>	3,872,812	4,851,692
<u>TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY</u>	9,647,931	8,512,718
<u>Series A Redeemable Convertible Preferred Stock</u>		
<u>REDEEMABLE CONVERTIBLE PREFERRED STOCK</u>		
<u>Redeemable convertible preferred stock, (related party)</u>	730,025	0
<u>Series B Redeemable Convertible Preferred Stock</u>		
<u>REDEEMABLE CONVERTIBLE PREFERRED STOCK</u>		
<u>Redeemable convertible preferred stock, (related party)</u>	\$ 569,817	\$ 0

**CONSOLIDATED
BALANCE SHEETS**
(Parenthetical) - USD (\$)
\$ in Thousands

Dec. 31, 2024 Dec. 31, 2023

<u>Short-term investments</u>	\$ 2,424,103	\$ 2,489,798
<u>Accounts receivable, net</u>	112,025	51,822
<u>Other current assets</u>	270,218	79,670
<u>Long-term investments</u>	1,012,223	461,029
<u>Other current liabilities</u>	1,024,671	891,484
<u>Other long-term liabilities</u>	\$ 572,800	\$ 524,339
<u>Convertible preferred stock, shares authorized (in shares)</u>	10,000,000	
<u>Convertible preferred stock, par value (in dollars per share)</u>	\$ 0.0001	
<u>Convertible preferred stock, shares outstanding (in shares)</u>	175,000	0
<u>Common stock, par value (in dollars per share)</u>	\$ 0.0001	\$ 0.0001
<u>Common stock, shares authorized (in shares)</u>	15,000,000,000	15,000,000,000
<u>Common stock, shares, issued (in shares)</u>	3,032,219,724	2,300,111,489
<u>Common stock, shares outstanding (in shares)</u>	3,031,361,899	2,299,253,664
<u>Treasury stock (in shares)</u>	857,825	857,825
<u>Series A Redeemable Convertible Preferred Stock</u>		
<u>Convertible preferred stock, shares authorized (in shares)</u>	10,000,000	10,000,000
<u>Convertible preferred stock, par value (in dollars per share)</u>	\$ 0.0001	\$ 0.0001
<u>Convertible preferred stock, shares outstanding (in shares)</u>	100,000	0
<u>Convertible preferred stock, shares issued (in shares)</u>	100,000	0
<u>Preferred stock, liquidation preference value</u>	\$ 1,138,825	\$ 0
<u>Series B Redeemable Convertible Preferred Stock</u>		
<u>Convertible preferred stock, shares authorized (in shares)</u>	10,000,000	10,000,000
<u>Convertible preferred stock, par value (in dollars per share)</u>	\$ 0.0001	\$ 0.0001
<u>Convertible preferred stock, shares outstanding (in shares)</u>	75,000	0
<u>Convertible preferred stock, shares issued (in shares)</u>	75,000	0
<u>Preferred stock, liquidation preference value</u>	\$ 800,442	\$ 0
<u>Related Party</u>		
<u>Short-term investments</u>	15,000	0
<u>Accounts receivable, net</u>	57,909	35,526
<u>Other current assets</u>	34,503	0
<u>Long-term investments</u>	20,000	0
<u>Other current liabilities</u>	126,417	92,258
<u>Other long-term liabilities</u>	\$ 121,136	\$ 178,311

**CONSOLIDATED
STATEMENTS OF
OPERATIONS AND
COMPREHENSIVE LOSS -
USD (\$)
\$ in Thousands**

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Income Statement [Abstract]

<u>Revenue (including \$174,204, \$43,714, and nil from a related party for the years ended December 31, 2024, 2023, and 2022, respectively)</u>	\$ 807,832	\$ 595,271	\$ 608,181
<u>Costs and expenses</u>			
<u>Cost of revenue</u>	1,730,943	1,936,066	1,646,086
<u>Research and development</u>	1,176,453	937,012	821,512
<u>Selling, general and administrative</u>	900,952	797,235	734,574
<u>Restructuring charges</u>	20,304	24,546	0
<u>Total cost and expenses</u>	3,828,652	3,694,859	3,202,172
<u>Loss from operations</u>	(3,020,820)	(3,099,588)	(2,593,991)
<u>Other income (expense), net</u>			
<u>Change in fair value of common stock warrant liability</u>	34,150	86,926	1,254,218
<u>Change in fair value of equity securities of a related party</u>	(43,057)	5,999	0
<u>Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)</u>	155,350	0	0
<u>Interest income</u>	213,026	204,274	56,756
<u>Interest expense (including \$6,980, \$2,159, and \$283 to a related party for the years ended December 31, 2024, 2023, and 2022, respectively)</u>	(32,923)	(24,915)	(30,596)
<u>Other income (expense), net</u>	(18,469)	(90)	9,532
<u>Total other income, net</u>	308,077	272,194	1,289,910
<u>Loss before provision for income taxes</u>	(2,712,743)	(2,827,394)	(1,304,081)
<u>Provision for income taxes</u>	1,199	1,026	379
<u>Net loss</u>	(2,713,942)	(2,828,420)	(1,304,460)
<u>Accretion of redeemable convertible preferred stock (related party)</u>	(347,610)	0	0
<u>Net loss attributable to common stockholders, basic</u>	(3,061,552)	(2,828,420)	(1,304,460)
<u>Change in fair value of dilutive warrants</u>	0	0	(1,254,218)
<u>Net loss attributable to common stockholders, diluted</u>	\$ (3,061,552)	\$ (2,828,420)	\$ (2,558,678)
<u>Weighted-average shares outstanding attributable to common stockholders</u>			
<u>Basic (in shares)</u>	2,445,176,539	2,081,772,622	1,678,346,079
<u>Diluted (in shares)</u>	2,445,176,539	2,081,772,622	1,693,258,608
<u>Net loss per share attributable to common stockholders</u>			
<u>Basic (in dollars per share)</u>	\$ (1.25)	\$ (1.36)	\$ (0.78)
<u>Diluted (in dollars per share)</u>	\$ (1.25)	\$ (1.36)	\$ (1.51)
<u>Other comprehensive income (loss)</u>			
<u>Net unrealized gains (losses) on investments, net of tax</u>	\$ 1,942	\$ 12,669	\$ (11,572)

<u>Foreign currency translation adjustments</u>	(8,891)	3,753	0
<u>Total other comprehensive income (loss)</u>	(6,949)	16,422	(11,572)
<u>Comprehensive loss</u>	(2,720,891)	(2,811,998)	(1,316,032)
<u>Accretion of redeemable convertible preferred stock (related party)</u>	(347,610)	0	0
<u>Comprehensive loss attributable to common stockholders</u>	\$ (3,068,501)	\$ (2,811,998)	\$ (1,316,032)

**CONSOLIDATED
STATEMENTS OF
OPERATIONS AND
COMPREHENSIVE LOSS**

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

(Parenthetical) - USD (\$)

\$ in Thousands

Revenue	\$ 807,832	\$ 595,271	\$ 608,181
Interest expense	(32,923)	(24,915)	(30,596)
Related Party			
Revenue	174,204	43,714	0
Interest expense	\$ (6,980)	\$ (2,159)	\$ (283)

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY - USD (\$)												Total	At-the-Market Offering	2022 Subscription Agreement	Underwriting Agreement	2023 Subscription Agreement	2024 Underwriting Agreement	2024 Subscription Agreement	Series A Redeemable Preferred Stock	Series B Redeemable Preferred Stock	Common Stock	Common Stock At-the-Market Offering	Common Stock 2022 Subscription Agreement	Common Stock Underwriting Agreement	Common Stock 2023 Subscription Agreement	Common Stock 2024 Underwriting Agreement	Common Stock 2024 Subscription Agreement	Additional Paid-In Capital	Additional Paid-In Capital At-the-Market Offering	Additional Paid-In Capital 2022 Subscription Agreement	Additional Paid-In Capital Underwriting Agreement	Additional Paid-In Capital 2023 Subscription Agreement	Additional Paid-In Capital 2024 Underwriting Agreement	Additional Paid-In Capital 2024 Subscription Agreement	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit		
Beginning balance (in shares) at Dec. 31, 2021												0																											
Beginning balance at Dec. 31, 2021												\$ 0																											
Ending balance (in shares) at Dec. 31, 2022												0																											
Ending balance at Dec. 31, 2022												\$ 0																											
Beginning balance (in shares) at Dec. 31, 2021																					1,647,555,590																		
Beginning balance at Dec. 31, 2021												3,909,355									\$ 165								\$ 9,995,778						\$ (20,716)	\$ 0	\$ (6,065,872)		
Increase (Decrease) in Stockholders' Equity (Roll Forward)																																							
Net loss												(1,304,460)																								(1,304,460)			
Other comprehensive income (loss)												(11,572)																											
Tax withholding payments for net settlement of employee awards												(218,789)																									(11,572)		
Issuance of common stock upon vesting of employee RSUs (in shares)																					15,217,096																		
Issuance of common stock upon vesting of employee RSUs												0									\$ 1							(1)											
Issuance of common stock under employee stock purchase plan (in shares)																					2,106,158																		
Issuance of common stock under employee stock purchase plan												24,562																	24,562										
Issuance of common stock upon exercise of stock options (in shares)																					22,519,879																		
Issuance of common stock upon exercise of stock options (in shares)												17,788									\$ 2								17,786										
Issuance of common stock (in shares)																						56,203,334,857,712,679																	
Issuance of common stock												\$ 594,317	\$ 915,000								\$ 6	\$ 9						\$ 594,311	\$ 914,991										
Stock-based compensation												423,500																423,500											
Ending balance (in shares) at Dec. 31, 2022																					1,829,314,736																		
Ending balance at Dec. 31, 2022												\$ 4,349,701									\$ 183								11,752,138						(20,716)	(11,572)	(7,370,332)		
Ending balance (in shares) at Dec. 31, 2023												0							0	0																			
Ending balance at Dec. 31, 2023												\$ 0							\$ 0	\$ 0																			
Increase (Decrease) in Stockholders' Equity (Roll Forward)																																							
Net loss												(2,828,420)																									(2,828,420)		
Other comprehensive income (loss)												16,422																									16,422		
Tax withholding payments for net settlement of employee awards												(17,615)																	(17,615)										
Issuance of common stock upon vesting of employee RSUs (in shares)																					16,947,760																		
Issuance of common stock upon vesting of employee RSUs												0									\$ 2								(2)										
Issuance of common stock under employee stock purchase plan (in shares)																					4,748,875																		
Issuance of common stock under employee stock purchase plan												23,836																	23,836										
Issuance of common stock upon exercise of stock options (in shares)																					9,003,642																		
Issuance of common stock upon exercise of stock options (in shares)												10,343									\$ 1								10,342										
Issuance of common stock (in shares)																								173,544,948	265,693,703														
Issuance of common stock												\$ 300,560	\$ 1,184,224	\$ 1,812,641							\$ 17	\$ 27						300,560		\$ 1,184,207	\$ 1,812,614								
Stock-based compensation																					2,299,253,664																		
Ending balance (in shares) at Dec. 31, 2023																					2,299,253,664																		
Ending balance at Dec. 31, 2023												\$ 4,851,692									\$ 230								15,066,080						(20,716)	4,850	(10,198,752)		
Increase (Decrease) in Temporary Equity (Roll Forward)																																							
Issuance of Series redeemable convertible preferred stock, net of derivative liability and issuance costs (related party) (in shares)																			100,000	75,000																			
Issuance of Series redeemable convertible preferred stock, net of derivative liability and issuance costs (related party)																			\$ 500,549	\$ 451,683																			
Accretion of redeemable convertible preferred stock (related party)												\$ 347,610																											
Ending balance (in shares) at Dec. 31, 2024												175,000							100,000	75,000																			
Ending balance at Dec. 31, 2024												\$ 1,299,842							\$ 730,025	\$ 569,817																			
Increase (Decrease) in Stockholders' Equity (Roll Forward)																																							
Net loss												(2,713,942)																									(2,713,942)		
Other comprehensive income (loss)												(6,949)																									(6,949)		
Tax withholding payments for net settlement of employee awards												(10,021)																											
Issuance of common stock upon vesting of employee RSUs (in shares)																					44,945,260																		
Issuance of common stock upon vesting of employee RSUs												0									\$ 5								(5)										
Issuance of common stock under employee stock purchase plan (in shares)																					8,976,458																		
Issuance of common stock under employee stock purchase plan												\$ 19,208																	19,208										
Issuance of common stock upon exercise of stock options (in shares)												4,513,606									4,513,606																		
Issuance of common stock upon exercise of stock options (in shares)												\$ 4,883																	4,883										
Issuance of common stock (in shares)																														4,883									
Issuance of common stock																														277,484,525	396,188,386								
Accretion of redeemable convertible preferred stock (related party)												(347,610)																									(347,610)		
Stock-based compensation												\$ 331,534																											
Ending balance (in shares) at Dec. 31, 2024												3,031,361,899									3,031,361,899																		
Ending balance at Dec. 31, 2024												\$ 3,872,812									\$ 303								\$ 16,808,018					\$ (20,716)	\$ (2,099)	\$ (12,912,694)			

**CONSOLIDATED
STATEMENTS OF CASH
FLOWS - USD (\$)
\$ in Thousands**

12 Months Ended

**Dec. 31, Dec. 31, Dec. 31,
2024 2023 2022**

Cash flows from operating activities:

<u>Net loss</u>	\$	\$	\$
	(2,713,942)	(2,828,420)	(1,304,460)

Adjustments to reconcile net loss to net cash used in operating activities:

<u>Depreciation and amortization</u>	295,337	233,531	186,583
<u>Amortization of insurance premium</u>	33,330	39,507	35,620
<u>Non-cash operating lease cost</u>	30,765	26,201	19,711
<u>Stock-based compensation</u>	285,872	257,283	423,500
<u>Inventory and firm purchase commitments write-downs</u>	590,198	906,069	569,479
<u>Change in fair value of common stock warrant liability</u>	(34,150)	(86,926)	(1,254,218)
<u>Change in fair value of equity securities of a related party</u>	43,057	(5,999)	0
<u>Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)</u>	(155,350)	0	0
<u>Net accretion of investment discounts/premiums</u>	(76,739)	(105,432)	(20,695)
<u>Other non-cash items</u>	5,983	34,205	10,353

Changes in operating assets and liabilities:

<u>Accounts receivable (including \$(22,383), \$(35,526), and nil from a related party for the years ended December 31, 2024, 2023, and 2022, respectively)</u>	(61,279)	(32,509)	(16,498)
<u>Inventory</u>	(334,242)	(658,010)	(1,256,349)
<u>Prepaid expenses</u>	(16,675)	(45,641)	(28,822)
<u>Other current assets</u>	(141,110)	4,758	(43,591)
<u>Other noncurrent assets</u>	(62,759)	(121,790)	(43,230)
<u>Accounts payable</u>	34,756	(139,519)	180,469
<u>Other current liabilities</u>	131,627	(42,508)	284,862
<u>Other long-term liabilities (including \$4,900, \$107,763, and nil associated with a related party for the years ended December 31, 2024, 2023, and 2022, respectively)</u>	125,647	75,447	31,028
<u>Net cash used in operating activities</u>	(2,019,674)	(2,489,753)	(2,226,258)

Cash flows from investing activities:

<u>Purchases of property, plant and equipment (including \$(164,683), \$(80,511), and \$(18,834) from a related party for the years ended December 31, 2024, 2023, and 2022, respectively)</u>	(883,841)	(910,644)	(1,074,852)
<u>Purchases of investments (including \$(35,000), nil, and nil from a related party for the years ended December 31, 2024, 2023, and 2022, respectively)</u>	(4,622,890)	(3,998,282)	(3,854,129)
<u>Proceeds from maturities of investments</u>	4,112,084	3,720,890	1,149,714
<u>Proceeds from sale of investments</u>	100,193	148,388	0
<u>Proceeds from government grant</u>	0	97,500	97,267
<u>Other investing activities</u>	0	(4,827)	323
<u>Net cash used in investing activities</u>	(1,294,454)	(946,975)	(3,681,677)

Cash flows from financing activities:

Payment for issuance costs	(6,244)	0	(6,631)
Payment for short-term insurance financing note	0	0	(15,330)
Payment for finance lease liabilities	(3,166)	(5,425)	(4,977)
Proceeds from borrowings from a related party	79,844	62,911	29,818
Repayment of borrowings to a related party	(25,856)	0	(20,223)
Proceeds from failed sale-leaseback transaction	0	0	31,700
Proceeds from exercise of stock options	4,883	10,343	17,788
Proceeds from employee stock purchase plan	19,208	23,836	24,562
Tax withholding payments for net settlement of employee awards	(10,021)	(17,615)	(218,789)
Net cash provided by financing activities	3,549,673	3,070,915	1,347,235
Net increase (decrease) in cash, cash equivalents, and restricted cash	235,545	(365,813)	(4,560,700)
Beginning cash, cash equivalents, and restricted cash	1,371,507	1,737,320	6,298,020
Ending cash, cash equivalents, and restricted cash	1,607,052	1,371,507	1,737,320
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of amounts capitalized	25,526	18,182	23,199
Cash paid for taxes	88	37	480
Supplemental disclosure of non-cash investing and financing activity:			
Increases (decrease) in accounts payable and accrued liabilities related to property, plant and equipment (including \$(19,725), \$8,530 and \$11,196 associated with a related party for the years ended December 31, 2024, 2023 and 2022, respectively)	(68,930)	35,849	42,728
Government grant (related party) reflected in property, plant and equipment	(62,471)	(99,025)	(33,297)
Property, plant and equipment and right-of-use assets obtained through leases	24,173	32,477	157,894
Equity securities obtained through Strategic Technology Arrangement Series A Redeemable Convertible Preferred Stock	0	73,193	0
Cash flows from financing activities:			
Proceeds from issuance of redeemable convertible preferred stock to a related party	1,000,000	0	0
Payments of issuance costs for redeemable convertible preferred stock Series B Redeemable Convertible Preferred Stock	(2,351)	0	0
Cash flows from financing activities:			
Proceeds from issuance of redeemable convertible preferred stock to a related party	750,000	0	0
Payments of issuance costs for redeemable convertible preferred stock 2024 Underwriting Agreement	(641)	0	0
Cash flows from financing activities:			
Proceeds from issuance of common stock 2024 Subscription Agreement	718,357	0	0
Cash flows from financing activities:			
Proceeds from issuance of common stock 2023 Underwriting Agreement	1,025,660	0	0
Cash flows from financing activities:			
Proceeds from issuance of common stock 2023 Subscription Agreement	0	1,184,224	0

Cash flows from financing activities:

<u>Proceeds from issuance of common stock</u>	0	1,812,641	0
<u>At-the-Market Offering</u>			

Cash flows from financing activities:

<u>Proceeds from issuance of common stock</u>	0	0	594,317
<u>2022 Subscription Agreement</u>			

Cash flows from financing activities:

<u>Proceeds from issuance of common stock</u>	0	0	915,000
<u>Change in fair value of common stock warrant liability</u>			

Adjustments to reconcile net loss to net cash used in operating activities:

<u>Change in fair value of common stock warrant liability</u>	\$ (34,150)	\$ (86,926)	\$ (1,254,218)
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**CONSOLIDATED
STATEMENTS OF CASH
FLOWS (Parenthetical) -
USD (\$)
\$ in Thousands**

12 Months Ended

	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
<u>Accounts receivable</u>	\$ (61,279)	\$ (32,509)	\$ (16,498)
<u>Other long-term liabilities</u>	125,647	75,447	31,028
<u>Purchases of property, plant and equipment</u>	(883,841)	(910,644)	(1,074,852)
<u>Purchases of investments</u>	(4,622,890)	(3,998,282)	(3,854,129)
<u>Payment for credit facility issuance costs</u>	(6,244)	0	(6,631)
<u>Increase (decrease) in accounts payable and accrued liabilities related to property, plant and equipment</u>	(68,930)	35,849	42,728
<u>Related Party</u>			
<u>Accounts receivable</u>	(22,383)	(35,526)	0
<u>Other long-term liabilities</u>	4,900	107,763	0
<u>Purchases of property, plant and equipment</u>	(164,683)	(80,511)	(18,834)
<u>Purchases of investments</u>	(35,000)	0	0
<u>Payment for credit facility issuance costs</u>	(5,625)	0	0
<u>Increase (decrease) in accounts payable and accrued liabilities related to property, plant and equipment</u>	\$ (19,725)	\$ 8,530	\$ 11,196

DESCRIPTION OF BUSINESS

**12 Months Ended
Dec. 31, 2024**

[Organization, Consolidation
and Presentation of
Financial Statements
\[Abstract\]](#)

[DESCRIPTION OF
BUSINESS](#)

DESCRIPTION OF BUSINESS

Overview

Lucid Group, Inc. (“Lucid”) is a technology company that is setting new standards with the world’s most advanced electric vehicles (“EV”), the award-winning Lucid Air and all-new Lucid Gravity.

Throughout the notes to the consolidated financial statements, unless otherwise noted, the “Company,” “we,” “us” or “our” and similar terms refer to Legacy Lucid and its subsidiaries prior to the consummation of the merger, and Lucid and its subsidiaries after the consummation of the merger.

Liquidity

The Company devotes its efforts to business planning, selling and servicing of vehicles, providing technology access, research and development, construction and expansion of manufacturing facilities, expansion of retail studios and service center capacities, recruiting of management and technical staff, acquiring operating assets, and raising capital.

From inception through December 31, 2024, the Company has incurred operating losses and negative cash flows from operating activities. For the years ended December 31, 2024, 2023 and 2022, the Company has incurred net losses of \$2.7 billion, \$2.8 billion and \$1.3 billion, respectively. The Company had an accumulated deficit of \$12.9 billion as of December 31, 2024.

The Company completed the first phase of the construction of its Advanced Manufacturing Plant-1 in Casa Grande, Arizona (“AMP-1”) in 2021, transitioned general assembly to the AMP-1 phase 2 manufacturing facility and completed the semi knocked-down (“SKD”) portion of its Advanced Manufacturing Plant-2 in Saudi Arabia (“AMP-2”) in September 2023. The Company also completed key manufacturing activities, including the paint shop, stamping, a new body shop for the Lucid Gravity, and a majority of the powertrain shop, of the AMP-1 phase 2 manufacturing facility in 2024. The Company began commercial production of its first vehicle, the Lucid Air, in September 2021 and delivered its first vehicles in late October 2021. Currently, the AMP-1 phase 2 facility manufactures the Lucid Air and the Lucid Gravity. The Company continues to expand AMP-1, construct the completely-built-up (“CBU”) portion of AMP-2, and build a network of retail sales and service locations. The Company has plans for continued development of additional vehicle model types for future release. The aforementioned activities will require considerable capital, which is above and beyond the expected cash inflows from the initial sales of the Lucid Air. As such, the future operating plan involves considerable risk if secure funding sources are not identified and confirmed.

The Company's existing sources of liquidity include cash, cash equivalents, investments, and credit facilities. The Company funded operations primarily with issuances of common stock, convertible preferred stock, and convertible notes.

In 2022, the Company entered into a loan agreement with the Saudi Industrial Development Fund ("SIDF") with an aggregate principal amount of up to approximately \$1.4 billion, a five-year senior secured asset-based revolving credit facility ("ABL Credit Facility") with an initial aggregate principal commitment amount of up to \$1.0 billion, and revolving credit facilities (the "GIB Facility Agreement") with Gulf International Bank ("GIB") in an aggregate principal amount of approximately \$266.1 million. The GIB Facility Agreement provided for two committed revolving credit facilities, of which \$173.0 million was available as a bridge financing (the "Bridge Facility") and \$93.1 million was for general corporate purposes (the "Working Capital Facility").

In March 2023, the Company amended the GIB Facility Agreement (together with the GIB Facility Agreement, the "2023 Amended GIB Facility Agreement") to combine the Bridge Facility and the Working Capital Facility into a committed \$266.1 million revolving credit facility (the "2023 GIB Credit Facility"), which bears interest at a rate of 1.40% per annum over SAIBOR (based on the term of borrowing) and associated fees. See Note 6 "Debt" for more information.

In February 2025, Lucid LLC, a limited liability company established in Saudi Arabia and a subsidiary of the Company ("Lucid LLC"), entered into an agreement to renew the 2023 GIB Credit Facility (the "2025 GIB Credit Facility") maturing on February 24, 2028 to increase the credit facility committed amount from SAR 1.0 billion (approximately \$266.1 million) to SAR 1.9 billion (approximately \$506.7 million). Loans under the 2025 GIB Credit Facility may be used for general corporate purposes, have a maturity of no more than 12 months, and bear interest at a rate of 1.40% per annum over SAIBOR (based on the term of borrowing) and associated fees. See Note 18 "Subsequent Event" for more information.

In November 2022, the Company entered into an equity distribution agreement (the "Equity Distribution Agreement") with BofA Securities, Inc., Barclays Capital Inc. and Citigroup Global Markets Inc., under which the Company could offer and sell shares of its common stock having an aggregate offering price up to \$600.0 million (the "At-the-Market Offering"). On November 8, 2022, the Company also entered into a subscription agreement (the "2022 Subscription Agreement") with Ayar Third Investment Company, the controlling stockholder of the Company ("Ayar"), pursuant to which Ayar agreed to purchase from the Company up to \$915.0 million of shares of its common stock in one or more private placements through March 31, 2023. In December 2022, the Company completed its At-the-Market Offering program pursuant to the Equity Distribution Agreement for net proceeds of \$594.3 million after deducting commissions and other issuance costs and also consummated a private placement of shares to Ayar pursuant to the 2022 Subscription Agreement for \$915.0 million. No shares remain available for sale under the Equity Distribution Agreement. See Note 9 "Stockholders' Equity" and Note 16 "Related Party Transactions" for more information.

In May 2023, the Company entered into an underwriting agreement (the "2023 Underwriting Agreement") with BofA Securities, Inc. (the "Underwriter"), under which the Underwriter agreed to purchase from the Company shares of the Company's common stock in a public offering for aggregate net proceeds to the Company of \$1.2 billion. In May 2023, the Company also entered

into a subscription agreement (the “2023 Subscription Agreement”) with Ayar, pursuant to which Ayar agreed to purchase from the Company shares of the Company’s common stock in a private placement for aggregate net proceeds of \$1.8 billion. In June 2023, the Company completed the public offering pursuant to the 2023 Underwriting Agreement for aggregate net proceeds of \$1.2 billion and also consummated the private placement to Ayar pursuant to the 2023 Subscription Agreement for aggregate net proceeds of \$1.8 billion. See Note 9 “Stockholders’ Equity” and Note 16 “Related Party Transactions” for more information.

In March 2024, the Company entered into a subscription agreement (the “Series A Subscription Agreement”) with Ayar. Pursuant to the Series A Subscription Agreement, Ayar agreed to purchase from the Company 100,000 shares of its Series A convertible preferred stock, par value \$0.0001 per share (the “Series A Redeemable Convertible Preferred Stock”), for an aggregate purchase price of \$1.0 billion in a private placement. Subsequently, in March 2024, the Company issued the shares to Ayar pursuant to the Series A Subscription Agreement and received aggregate net proceeds of \$997.6 million. In August 2024, the Company entered into a subscription agreement (the “Series B Subscription Agreement”) with Ayar. Pursuant to the Series B Subscription Agreement, Ayar agreed to purchase from the Company 75,000 shares of its Series B convertible preferred stock, par value \$0.0001 per share (the “Series B Redeemable Convertible Preferred Stock”), for an aggregate purchase price of \$750.0 million in a private placement. Subsequently, in August 2024, the Company issued the shares to Ayar pursuant to the Series B Subscription Agreement and received aggregate net proceeds of \$749.4 million. See Note 8 “Redeemable Convertible Preferred Stock” and Note 16 “Related Party Transactions” for more information.

The Series A Redeemable Convertible Preferred Stock and the Series B Redeemable Convertible Preferred Stock (the “Redeemable Convertible Preferred Stock”) are convertible at the option of the holder (i) at any time the closing price per share of the common stock on the trading date immediately preceding the date on which the holder delivers the relevant notice of conversion is at least a certain price threshold as noted in the certificate of designations of Series A Redeemable Convertible Preferred Stock (the “Series A Certificate of Designations”) and in the certificate of designations of the Series B Redeemable Convertible Preferred Stock (the “Series B Certificate of Designations”) of the Company or (ii) during specified periods preceding a fundamental change or optional redemption by the Company under the terms of the Redeemable Convertible Preferred Stock. See Note 8 “Redeemable Convertible Preferred Stock” for more information.

In August 2024, the Company entered into a \$750.0 million five-year unsecured delayed draw term loan credit facility (the “DDTL Credit Facility”) with Ayar. See Note 6 “Debt” and Note 16 “Related Party Transactions” for more information.

In October 2024, the Company entered into an underwriting agreement (the “2024 Underwriting Agreement”) with the Underwriter, under which the Underwriter agreed to purchase shares of the Company’s common stock. The Company also granted the Underwriter a 30-day option to purchase additional shares of its common stock (the “Overallotment Option”), and the Underwriter exercised the Overallotment Option to purchase additional shares. In October 2024, the Company also entered into a subscription agreement (the “2024 Subscription Agreement”) with Ayar, pursuant to which Ayar agreed to purchase from the Company shares of the Company’s common stock in a private placement. In addition, given the Underwriter’s exercise of the Overallotment Option, Ayar agreed to purchase additional shares of the Company’s common stock. In October

2024, the Company completed the public offering pursuant to the 2024 Underwriting Agreement for aggregate net proceeds of \$718.4 million and also consummated the private placement of shares to Ayar pursuant to the 2024 Subscription Agreement for aggregate net proceeds of \$1,025.7 million. See Note 9 “Stockholders’ Equity” and Note 16 “Related Party Transactions” for more information.

Certain Significant Risks and Uncertainties

The Company’s current business activities consist of (i) generating sales from the deliveries and service of vehicles, (ii) research and development efforts to design, engineer and develop high-performance fully electric vehicles and advanced electric vehicle powertrain components, including battery pack systems, (iii) construction of the CBU portion of AMP-2 in Saudi Arabia, (iv) further construction of AMP-1 phase 2 in Casa Grande, Arizona, (v) expansion of its retail studios and service centers capabilities throughout North America and across the globe, and (vi) providing its technology access to third parties. The Company is subject to the risks associated with such activities, including the need to further develop its technology, its marketing, and distribution channels; the need to further develop its supply chain and manufacturing; and the need to hire additional management and other employees. Successful completion of the Company’s development program and, ultimately, the attainment of profitable operations are dependent upon future events, including our ability to access potential markets, and secure long-term financing on commercially reasonable terms.

The Company participates in a dynamic high-technology industry. Changes in any of the following areas could have a material adverse impact on the Company’s future financial position, results of operations, and/or cash flows: changes in the overall demand for its products and services; advances and trends in new technologies; competitive pressures; acceptance of the Company’s products and services; litigation or claims against the Company based on intellectual property (including patents), regulatory, or other factors; and the Company’s ability to attract and retain employees necessary to support its business operations.

A global economic recession or other economic downturn, whether due to inflation, global conflicts or other geopolitical events, public health crises, interest rate increases or other policy actions by major central banks, government closures of banks and liquidity concerns at other financial institutions, or other factors, may have an adverse impact on the Company’s business, prospects, financial condition and results of operations. Adverse economic conditions as well as uncertainty about the current and future global economic conditions may cause the Company’s customers to defer purchases or cancel their orders in response to higher interest rates, availability of consumer credit, decreased cash availability, fluctuations in foreign currency exchange rates, and weakened consumer confidence. Reduced demand for the Company’s products may result in significant decreases in product sales, which in turn would have a material adverse impact on the Company’s business, prospects, financial condition and results of operations. Because of the Company’s premium brand positioning and pricing, an economic downturn is likely to have a heightened adverse effect on the Company compared to many of its electric vehicle and traditional automotive industry competitors, to the extent that consumer demand for luxury goods is reduced in favor of lower-priced alternatives. In addition, any economic recession or other economic downturn could also cause logistical challenges and other operational risks if any of the Company’s suppliers, sub-suppliers or partners become insolvent or are otherwise unable to continue their operations, fulfill their obligations to the Company, or meet the Company’s future demand. In addition, the deterioration of conditions in the broad financing markets may limit the

Company's ability to obtain external financing to fund its operations and capital expenditures on terms favorable to the Company, if at all. See "Risk Factors" in Item 1A of Part I of this Annual Report on Form 10-K (the "Annual Report") for more information regarding risks associated with a global economic recession, including under the caption *"A global economic recession, government closures of banks and liquidity concerns at other financial institutions, or other downturn may have a material adverse impact on our business, prospects, results of operations and financial condition."*

In the current circumstances, any impact on the Company's financial condition, results of operations or cash flows in the future continues to be difficult to estimate and predict, as it depends on future events that are highly uncertain and cannot be predicted with accuracy.

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES**

Accounting Policies

[Abstract]

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES**

12 Months Ended

Dec. 31, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements included herein have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant balances and transactions have been eliminated in consolidation. Certain prior-period amounts have been reclassified in the accompanying consolidated financial statements and notes thereto in order to conform to the current period presentation.

Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Company’s Chief Executive Officer (the “CODM”) in deciding how to allocate resources to an individual segment and in assessing performance. The Company’s CODM is the Chief Executive Officer. The Company has determined that it operates in one operating and one reportable segment, as the CODM reviews financial information on a regular basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates, assumptions and judgments include, among others, inventory valuation, warranty reserve, useful lives of property, plant and equipment, fair value of common stock warrants, liabilities associated with the Redeemable Convertible Preferred Stock, estimates of residual value guarantee (“RVG”) liability, deferred revenue, access fees and over-the-air (“OTA”) software updates, sales return reserves, assumptions used to measure stock-based compensation expense, incremental borrowing rates for assessing operating and finance leases. These estimates and assumptions are based on management’s best estimates. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances change. Those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with an original maturity at the date of purchase of three months or less to be cash equivalents.

Restricted cash in other current assets is primarily related to letters of credit issued to the landlords for certain of the Company’s leased facilities.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash to amounts shown in the statements of cash flows (in thousands):

	2024
Cash and cash equivalents	\$ 1,600
Restricted cash included in other current assets	
Restricted cash included in other noncurrent assets	
Total cash, cash equivalents, and restricted cash	\$ 1,600

Investments

The Company’s investments in marketable debt securities have been classified and accounted for as available-for-sale and they are stated at fair value. The Company classifies its investments as either short-term or long-term based on each instrument’s underlying contractual maturity date. Unrealized gains and losses on available-for-sale securities are recorded in accumulated other comprehensive income (loss) which is included within stockholders’ equity. Interest income on available-for-sale securities is recorded in interest income. Amortization and accretion of purchase premiums and discounts on its investments of available-for-sale securities are included in interest income. Realized gains and losses on the sale of available-for-sale securities are recorded in other income. The Company determines the specific identification method. Realized gains and losses on the sale of available-for-sale securities are recorded in other income in the consolidated statements of operations and comprehensive loss.

The Company regularly reviews its investment portfolio of available-for-sale securities for allowance for credit losses. Factors considered include declines in fair values below amortized costs, adverse conditions related to securities, creditworthiness of the security issuer, and the timing of principal and interest payments.

Equity Securities

The Company's equity securities with readily determinable fair value are measured and stated at fair value with unrealized gains or losses recorded in the consolidated statements of operations and comprehensive loss.

Accounts Receivable, Net

Accounts receivable consists of receivables from our customers and from financial institutions offering financing products to our customers for the powertrain kits, services, and regulatory credits. The Company provides an allowance against accounts receivable for any potential uncollectible amounts. The recorded immaterial allowance for credit losses as of December 31, 2024 and 2023.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash, cash equivalents, investments and accounts receivable. The Company places its cash primarily with domestic financial institutions that are federally insured within statutory limits, but its deposits exceed federal deposit insurance limits. As of December 31, 2024 and 2023, accounts receivable from the EV purchase agreement with the Government of Saudi Arabia, a related party of the Company ("PIF"), which is an affiliate of Ayar, as represented by the Ministry of Finance (the "EV Purchase Agreement"), represented 51.7% and 68.5% of the accounts receivable balance, respectively. See Note 16 "Related Party Transactions" for more information.

Concentration of Supply Risk

The Company is dependent on its suppliers, the majority of which are single-source suppliers, and the inability of these suppliers to deliver necessary products according to the schedule and at prices, quality levels and volumes acceptable to the Company, or its inability to efficiently manage these suppliers, could have a material adverse effect on the Company's results of operations and financial condition.

Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is computed using standard cost for vehicles, which approximates actual cost. The Company records inventory write-downs for excess or obsolete inventories based upon assumptions about current and future demand forecasts. In excess of future demand forecast and market conditions, the excess amounts are written-off.

Inventory is also reviewed to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This determination is based on the selling price of the vehicles less the estimated cost to convert the inventory on-hand into a finished product. Once inventory is written down, the basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly determined carrying amount.

In the event there are changes in our estimates of future selling prices or production costs, the Company may be required to record additional and non-cash write-downs. A small change in the Company's estimates may result in a material change in its reported financial results.

Property, Plant, and Equipment, Net

Property, plant, and equipment are stated at cost, less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets. Interest expense capitalized for significant capital asset construction in progress is included within property, plant and equipment, net, over the life of the related assets. The Company capitalizes qualified costs incurred during the application development stage of internal use software. Costs incurred in the preliminary project stage and post-implementation stage are expensed.

The Company classifies vehicles sold with repurchase obligations that are accounted for as operating leases within Property, plant and equipment, net. These vehicles are measured at cost and depreciated on a straight-line basis to the estimated residual value over the contractual period.

The Company generally uses the following estimated useful lives for each asset category:

Asset Category	Life (years)
Machinery, tooling and vehicles	3 - 15
Computer equipment and software	3
Furniture and fixtures	5
Finance leases	Shorter of the lease term or the estimated useful life
Building and improvements	5 - 40
Leasehold improvements	Shorter of remaining lease term or the estimated useful life

Management determines the useful lives of the Company's property and equipment when those assets are initially recognized and routinely reviewed for impairment. The useful lives represent the best estimate of the useful lives based on the Company's current facts and circumstances. Changes in actual useful lives due to changes to its business operations, changes in the planned use of assets, and the technological advancements. When management determines that the useful life assumption for any asset, the remaining carrying amount of the asset is accounted for prospectively and depreciated over the remaining useful life.

Expenditures for repair and maintenance costs are expensed as incurred, and expenditures for major renewals and improvements that increase future economic benefits are capitalized and depreciated ratably over the identified useful life. Upon disposition or retirement of property and equipment, the related cost and accumulated depreciation and amortization are removed, and any gain or loss is reflected in the consolidated statement of operations and comprehensive loss. The disposition of property and equipment recorded for the years ended December 31, 2024, 2023 and 2022 was immaterial.

Impairment of Long-Lived Assets

Long-lived assets, including property, plant and equipment and right-of-use (“ROU”) assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for potential impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent the carrying amount of the underlying asset exceeds its fair value. The Company recognized impairment loss of \$15.3 million for the year ended December 31, 2023. Impairment loss recognized for the years ended 2024 and 2022 was immaterial.

Leases

The Company has lease agreements with lease and non-lease components and has elected not to utilize the practical expedient to account for lease components separately, rather the Company accounts for the lease and non-lease components separately in the consolidated financial statements. The Company has elected to account for ROU assets and corresponding lease liabilities for short-term leases having initial terms of 12 months or less if the leases do not contain a purchase option that the Company is reasonably certain to exercise. Instead, the Company recognizes lease payments on a straight-line basis over the lease term.

Operating lease assets are included within operating lease ROU assets. Finance lease assets are included within property, plant and equipment, net of accumulated depreciation. Operating lease liabilities are included within other current liabilities and other long-term liabilities; the finance lease liabilities are included within other long-term liabilities, net of current portion and finance lease liabilities, net of current portion on the Company’s consolidated balance sheets as of December 31, 2024 and 2023.

All lease assets and lease liabilities are recognized based on the present value of lease payments over the lease term. The Company estimates the discount rate by using the borrowing rate based on the information available at lease commencement date in determining the present value of lease payments.

Foreign Currency

The Company determines the functional currency of our foreign subsidiaries based on the primary currency in which they operate. The Company translates the assets and liabilities of foreign subsidiaries to U.S. dollars at the current exchange rate as of each balance sheet date. Revenue and expenses are translated at the average exchange rate prevailing during the period. Any resulting translation adjustments are included in accumulated other comprehensive income (loss). The assets and liabilities of subsidiaries whose local currency is not their functional currency are remeasured from their local currency to their functional currency and then translated to U.S. dollars. Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Gains and losses arising from foreign currency transactions and the effects of remeasurements are recorded within other income (expense) in the Company’s consolidated statements of operations and comprehensive loss. Foreign currency transaction gains and losses were not material for the years ended December 31, 2024, 2023 and 2022.

Revenue from Contracts with Customers

The Company follows a five-step process in which the Company identifies the contract, identifies the related performance obligations, determines the transaction price, allocates the transaction price to the identified performance obligations, and recognizes revenue when (or as) the performance obligations are satisfied.

Vehicle Sales

Vehicle Sales without Residual Value Guarantee

Vehicle sales revenue is generated from the sale of electric vehicles to customers. There are two performance obligations identified in vehicle sales contracts: the vehicle including an onboard advanced driver assistance system (“ADAS”), and the right to unspecified OTA software updates to be provided over the term of the basic vehicle warranty, which is generally four years. Shipping and handling provided by the Company is considered a fulfillment obligation.

Payment is typically received at the time of delivery or shortly after delivery of the vehicle to the customer, except for vehicle sales under the EV Lease. Generally, control transfers to the customer at the time of delivery when the customer takes physical possession of the vehicle, which may be at a location or destination chosen by the customer. The Company’s vehicle contracts do not contain a significant financing component. The Company has elected to measure revenue from the measurement of the transaction price. The Company estimates the standalone selling price of all performance obligations by considering the standalone price to deliver the good or service, third-party pricing of similar goods or services and other information that may be available. The transaction price is allocated to the performance obligations in proportion to the standalone selling price of the Company’s performance obligations.

The Company recognizes revenue related to the vehicle when the customer obtains control of the vehicle which occurs at a point in time either upon delivery to the agreed upon delivery location or upon pick up of the vehicle by the customer. As the unspecified OTA software updates are provided when available, revenue related to OTA software updates is recognized ratably over the basic vehicle warranty term, commencing when control of the vehicle transfers to the customer.

At the time of revenue recognition, the Company reduces the transaction price and records a sales return reserve against revenue for estimated variance to future product returns. Return rate estimates are based on historical experience and the sales return reserve balance was not material as of December 31, 2024.

The Company provides a manufacturer's warranty on all vehicles sold. The warranty covers the rectification of reported defects via repair, replacement of faulty parts or components. The warranty does not cover any item where failure is due to normal wear and tear. This assurance-type warranty does not represent a separate obligation separate from the vehicle. The estimated cost of the assurance-type warranty is accrued at the time of vehicle sale.

Vehicle Sales with Residual Value Guarantee

The Company provides an RVG to its commercial banking partners in connection with its vehicle leasing program. Vehicle sales with RVG totaled \$190.9 million, and \$31.1 million during the years ended December 31, 2024, 2023, and 2022, respectively. Under the vehicle leasing program, the Company receives payment for the vehicle sales price at the time of delivery or shortly after the delivery, does not bear casualty and credit risks during the lease term, and is contractually obligated (or entitled) to share a portion of the shortfall (or excess) between the resale value realized by the commercial banking partner and the resale value. At the lease inception, the Company is required to deposit cash collateral equal to a contractual percentage of the residual value of the vehicle with the commercial banking partners. The cash collateral is held in a restricted bank account owned by the commercial banking partner until it is used, as determined by the Company, to satisfy the RVG at the end of the lease term. Cash collateral is recorded in other current assets and other noncurrent assets on consolidated balance sheets and is subject to impairment review at each reporting period.

The Company accounts for the vehicle leasing program in accordance with ASC 842, *Leases*, ASC 460, *Guarantees* and ASC 606, *Revenue from Contracts with Customers*. The Company is the lessor at inception of a lease and immediately transfers the lease as well as the underlying vehicle to its commercial banking partner. The transaction being accounted for as a sale under ASC 606. The Company recognizes revenue when control transfers upon delivery when the commercial banking partner takes possession of the vehicle, and bifurcates the RVG at fair value and accounts for it as a guarantee liability. The remaining amount of the transaction price represents the performance obligations, including the vehicle, the right to unspecified OTA software updates and remarketing activities, in proportion to the fair value of the Company's performance obligations. Any fees or incentives that are paid or payable by the Company to commercial banking partners are recorded as a reduction of vehicle sales revenue.

The guarantee liability represents the estimated amount the Company expects to pay at the end of the lease term. The Company is released from the liability upon expiration or settlement of the RVG. The Company evaluates variables such as third-party residual value publications, risk of future price deterioration, market conditions and reconditioning costs to determine the estimated RVG liability. As of December 31, 2024, the Company recorded \$58.0 million of RVG liabilities were not material as of December 31, 2023. As the Company accumulates more data related to the resale value of our vehicles or other factors that may change, there could be material changes to the estimated guarantee liabilities. The maximum potential amount of future payments (in excess of RVG) that the Company could be required to make was \$401.1 million and \$101.1 million as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Company recorded \$53.3 million and \$28.7 million of total deferred revenue from all vehicle sales primarily related to remarketing activities for vehicle sales, respectively. The Company recorded \$18.5 million and \$7.7 million of the total deferred revenue within other long-term liabilities in the consolidated balance sheets as of December 31, 2024 and 2023. The remaining \$34.8 million and \$21.0 million within other long-term liabilities in the consolidated balance sheets as of December 31, 2024 and 2023 were recognized during the years ended December 31, 2024, 2023, and 2022 from the prior period deferred revenue balances was not material.

Vehicle Operating Lease Revenue

The Company accounts for sales of vehicles with repurchase obligations as operating leases. The Company sells vehicles primarily to rental companies and leases the vehicles at an agreed upon repurchase price. The Company records the difference between the proceeds received and the agreed upon repurchase price as vehicle leasing revenue on a straight-line basis over the term of the lease. Deferred leasing revenue and repurchase obligation were recorded in other long-term liabilities in the consolidated balance sheets, and were not material as of December 31, 2024 and 2023. The operating lease revenue was \$1.1 million, \$1.1 million, and \$1.1 million for the years ended December 31, 2024, 2023, and 2022.

Other

Other consists of revenue from non-warranty after-sales vehicle services and parts, sales of battery pack systems, powertrain kits, retail merchandise, and regulatory credits. Battery pack system and powertrain kits revenue consists of the sales of battery pack systems or powertrain kits, supplies and related services for commercial vehicles. The Company generates regulatory credits revenue from the sale of tradable credits the Company earns under various regulations. This includes credits related to greenhouse gas, and the Corporate Average Fuel Economy ("CAFE") credits. The sale of battery pack systems, powertrain kits along with related services is a single performance obligation recognized at the point in time when control is transferred to the customer. Shipping and handling provided to the customer is considered a fulfillment activity. While customers generally have the right to return defective or non-conforming products, past experience has demonstrated that returns have been immaterial. Customer remedies may include either a cash refund or an exchange of the returned product. Payment for the product is received at the time of invoice or in accordance with payment terms customary to the business. The Company's battery pack system or powertrain kits contracts do not contain a financing component. The Company has elected to exclude sales taxes from the measurement of the transaction price.

Control transfers to the customer when the product or regulatory credit is delivered or transferred to the customer as the customer can then direct the use of the regulatory credit and obtain substantially all of the remaining benefits from the asset at that point in time.

Cost of Revenue

Vehicle Sales

Cost of vehicle sales includes direct parts, materials, shipping and handling costs, allocable overhead costs such as depreciation of manufacturing facilities, information technology costs, personnel costs, including wages and stock-based compensation, estimated warranty costs, charges to reduce realizable value, charges for any excess or obsolete inventories, and losses from firm purchase commitments. Manufacturing credits earned are recorded as a reduction of cost of vehicle sales.

Vehicle Operating Lease

Depreciation of operating lease vehicles are classified as cost of vehicle operating lease revenue.

Other

Cost of other revenue includes direct parts, material and labor costs, manufacturing overhead, including depreciation of tooling costs, shipping and handling costs. Other revenue also includes costs associated with providing non-warranty after-sales services, and costs for retail merchandise.

Warranties

The Company provides a manufacturer's warranty on all vehicles it sells and accrues a warranty reserve for warranty coverage, as applicable. The actual claims incurred to date and an estimate of the nature, frequency, and costs of future claims. The Company accrues a warranty reserve for all claims expected to be incurred within the next 12 months. The Company includes the Company's best estimates of the projected costs related to recalls identified and special campaigns to repair or replace items under warranty. The Company reviews the adequacy of warranty reserve on a regular basis. Changes to the Company's historical or projected warranty experience may cause management to adjust the warranty reserve in the future. The portion of the warranty reserve for costs expected to be incurred within the next 12 months is included within other long-term liabilities while the remaining balance is included within other long-term liabilities in the consolidated balance sheets. The warranty expense is recorded as a cost of revenue in the consolidated statements of operations and comprehensive loss.

The Company recognizes recovery from suppliers as an offset to the warranty expenses in the consolidated statements of operations and comprehensive loss. Current assets in the consolidated balance sheet when the recovery amounts are contractually agreed with the suppliers. During the year ended December 31, 2024, the Company recorded supplier recovery of \$50 million.

Income Taxes

The Company utilizes the liability method to account for income taxes, under which deferred tax assets and liabilities arise from the temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements, as well as from net operating loss and tax credit carryforwards. Deferred tax assets and liabilities are determined by using the tax rates expected to be in effect when the taxes will actually be paid, or refunds received, as provided for under applicable law.

The Company recognizes deferred tax assets to the extent that these assets are more likely than not to be realized. In making such a determination, management considers all available evidence, including negative evidence are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and the results of recent operations. If it is determined that deferred tax assets would be realized in the future in excess of their net recorded amount, an adjustment is made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions on the basis of a two-step process which includes (1) determining whether it is more likely than not that the tax position will be sustained on the basis of the technical merits of the position, and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company's policy is to recognize interest and penalties related to unrecognized tax benefits in provision for income taxes in the consolidated statements of operations and comprehensive loss. Accrued interest and penalties are included within other long-term liabilities in the consolidated balance sheets.

Stock-Based Compensation

The Company issues stock-based compensation awards to employees, officers, directors, and non-employees in the form of stock options, restricted stock, and employee stock purchase plan (the "ESPP"). The Company measures and recognizes compensation expense for stock-based awards based on the fair value of the awards on the date of grant. The Company accounts for forfeitures of stock-based awards when they occur. The fair value of RSUs that vest based on service conditions is measured using the fair value of the Company's common stock on the date of the grant. The fair value of RSUs that vest based on performance conditions is measured using a Monte Carlo simulation model on the date of grant. The fair value of stock options that vest based on service conditions is measured using the Black-Scholes option pricing model on the date of grant. The Monte Carlo simulation model and the Black-Scholes option pricing model require management to make assumptions, including the fair value of the Company's common stock, the expected term of the award, the expected volatility of the Company's common stock, and the expected dividend yield of the Company's common stock. The assumptions used to determine the fair value of the awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment.

The fair value of awards that vest based on only continuous service is recognized on a straight-line basis over the requisite service period. The fair value of awards based on performance or market conditions is recognized over the requisite service period using the graded vesting attribution method. Stock-based compensation is only recognized for awards with performance conditions once the performance condition becomes probable of being achieved. The performance condition is based on the actual achievement of corporate performance goals and/or individual performance. The RSUs with market conditions will vest only if the Company achieves its market capitalization targets.

Comprehensive Loss

Comprehensive loss is composed of two components: net loss and other comprehensive income (loss). Other comprehensive income (loss) refers to losses on investments in available-for sale securities and foreign currency translation adjustments that are recorded as an element of stockholders' equity from the determination of net loss.

Research and Development

Research and development expenses primarily consist of materials, supplies, personnel-related expenses, contractor fees, and testing expenses, and allocated facilities cost. Substantially all of the Company's research and development expenses are for developing new products, related technologies, and services and improving existing products and services. Research and development costs have been expensed as incurred and included in the consolidated statements of operations and comprehensive loss.

Selling, General, and Administrative

Selling, general and administrative expenses primarily consist of personnel-related expenses for employees involved in general corporate, selling, and administrative functions, including executive management and administration, legal, human resources, allocated facilities and real estate, accounting, finance, tax, and information technology.

Advertising

Advertising costs are expensed as incurred and are included in selling, general, and administrative expenses in the consolidated statements of operations and comprehensive loss. Advertising costs were \$49.8 million and \$35.3 million for the years ended December 31, 2024 and 2023, respectively. These costs were not capitalized and were expensed as incurred. Advertising costs for the year ended December 31, 2022.

Restructuring

The Company's restructuring charges primarily consist of severance payments, employee benefits, employee transition and stock-based compensation expenses, and other costs associated with the management-approved restructuring plan. One-time employee termination benefits are recognized at the time of communication to employees that a restructuring is required, in which case the costs are recognized over the future service period. Ongoing employee termination benefits are recognized when the employee is terminated and the amounts are reasonably estimable. Other costs are recognized as incurred.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recognized when it is probable that a liability has been incurred and the amount within a range of loss can be reasonably estimated. When no amount can be reasonably estimated, but a better estimate than any other amount, the Company accrues for the minimum amount within the range. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Redeemable Convertible Preferred Stock

Accounting for the redeemable convertible preferred stock requires an evaluation to determine if liability classification is required under ASC 480. Liability classification is required for freestanding financial instruments that are (1) subject to an unconditional obligation requiring the issuer to redeem them by transferring assets, such as those that are mandatorily redeemable, (2) instruments other than equity shares that embody an obligation of the issuer to transfer assets, or (3) certain types of instruments that obligate the issuer to issue a variable number of equity shares.

Securities that do not meet the scoping criteria to be classified as a liability under ASC 480 are subject to redeemable equity guidance, which prescribes that they be subject to redemption upon an event not solely within the Company's control to be classified as temporary equity. Securities classified in temporary equity are measured at the proceeds received, net of issuance costs and excluding the fair value of bifurcated embedded derivatives, if any. Subsequent measurement of the redeemable convertible preferred stock is required as the instrument is probable of becoming redeemable. The Company accretes the carrying value of the preferred stock to its redemption value. In certain circumstances, the redemption price may vary based on changes in stock price, in which case the carrying value is adjusted immediately as they occur and adjust the carrying value of the security to equal the then current maximum redemption value at each reporting period.

Derivative Liabilities

The Company evaluates all of its financial instruments, including convertible notes and redeemable convertible preferred stock, to determine if they contain derivatives or contain features that qualify as embedded derivatives. The Company applies significant judgment to identify and evaluate complex financial instruments and these contracts and agreements to determine whether embedded derivatives exist. Embedded derivatives must be separately measured from the host contract if the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the instrument. Bifurcated embedded derivatives are recognized at fair value, with changes in fair value recognized in the consolidated statements of operations and comprehensive loss at each reporting period end. Bifurcated embedded derivatives are classified as a separate liability in the consolidated balance sheet.

The Company's derivative liabilities are related to the conversion features embedded in the Redeemable Convertible Preferred Stock. See Note 8 "Redeemable Convertible Preferred Stock" for more information.

Net Loss Per Share

Basic and diluted net loss per share attributable to common stockholders is computed in conformity with the two-class method required for participating securities. The Company considers all series of its redeemable convertible preferred stock to be participating securities as they are cumulative and participate in dividends on an as-converted basis. The net loss attributable to common stockholders will reflect the remeasurements of the host contracts for the cumulative equity accretions. Under the two-class method, the net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stockholders if the preferred stockholders do not have a contractual obligation to share in the Company's losses.

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potentially dilutive common share equivalents to the extent they are dilutive. For purposes of this calculation, Private Placement Warrants, stock options outstanding, RSUs outstanding, potential shares issued under ESPP, if-converted common shares from convertible note, if-converted common shares from Series A redeemable convertible preferred stock and if-converted common shares from Series B redeemable convertible preferred stock are considered to be common stock equivalents.

Common Stock Warrants

The Company accounts for warrants for shares of the Company's common stock that are not indexed to its own stock as liabilities at fair value on the balance sheet. Liability-classified common stock warrants are subject to remeasurement to fair value as of any respective exercise date and as of each subsequent reporting date. Changes in fair value recorded in the Company's statement of operations and comprehensive loss. The Company's privately placed common stock warrants (the "Private Placement Warrants") are liability-classified instruments because they are not deemed indexed to the Company's own common stock.

Government Grants

The Company recognizes government grants once there is reasonable assurance to receive the grants and meet all the conditions specified in the grant agreement. Grant income are recorded as deductions to the related expenses for which the grants are intended to compensate. Grants related to fixed assets are recognized in calculating the carrying amount of the related assets and are recognized in profit or loss over the life of a depreciable asset through reduced depreciation expense. Grants received in advance of the acquisition or construction of assets are recorded initially in deferred liability and then as a deduction in calculating the expense of the related fixed assets upon acquisition or construction of the assets.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Disclosures, which requires incremental segment information disclosure on an annual and interim basis. This amendment includes disclosure of segment expenses which are regularly provided to the CODM and included within each reported measure of segment profit or loss; other segment items by segment; description of its composition; reportable segment's profit or loss and assets; additional measures of segment profit or loss if the CODM uses more than one measure of segment's profit or loss in assessing segment performance, and the title and position of the entity's CODM and how the CODM uses the reported measure of segment's profit or loss in assessing segment performance and determining resource allocation. The Company with a single reportable segment is required to provide the required disclosures. The guidance is effective for fiscal years beginning with the Company's annual financial statements as of and for the year ended December 31, 2024. The Company has adopted this amendment. The guidance is effective for fiscal years beginning with the Company's annual financial statements as of and for the year ended December 31, 2024. The guidance applies to its financial statements for interim periods thereafter. Early adoption is permitted, and should be applied retrospectively. The Company has adopted the guidance for the fiscal year ended December 31, 2024. See Note 17 "Segment Reporting" for the required disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires additional income tax disclosures. This amendment includes disclosures of specific categories in the rate reconciliation and additional information for reconciling items exceeding a quantitative threshold; income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes, and also disaggregated by individual tax jurisdiction exceeding a quantitative threshold; income (or loss) from continuing operations before income tax expenses (or benefit) disaggregated between domestic and foreign operations; expense (or benefit) from continuing operations disaggregated by federal, state and foreign. The guidance is effective for annual periods beginning with the Company's annual financial statements as of and for the year ended December 31, 2025. Early adoption is permitted and should be applied prospectively (with retrospective application permitted). The Company is evaluating the impact of the guidance and does not expect a material impact to the related financial statement disclosures.

In March 2024, the SEC issued its final rule that requires certain climate-related disclosures in annual reports, including governance, oversight, and risk management processes on material climate-related risks; material impact of climate risks on the Company's strategy, business model, and outlook; material climate-related risks on the Company's material financial statements impacts due to severe weather events and other natural conditions. This SEC rule provides phased effective dates, starting with the Company's annual reports beginning on or after January 1, 2025. The SEC rule is currently stayed pending the outcome of litigation, and the Company is evaluating the impact of the rule on its annual reports.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures, which requires disclosure of specified information about certain costs and expenses (such as purchase price, employee compensation, depreciation, and amortization) within the relevant expense captions presented on the face of the statements of operations. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted, and should be applied either prospectively or retrospectively. The Company is evaluating the impact of the guidance on the related financial statement disclosures.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material effect on its financial statements or notes thereto.

RESTRUCTURING

[Restructuring and Related Activities \[Abstract\]](#)
[RESTRUCTURING](#)

12 Months Ended
Dec. 31, 2024

RESTRUCTURING

On May 24, 2024, the Company announced a restructuring plan (the “2024 Restructuring Plan”) intended to optimize operating expenses in response to market conditions and productivity improvement through a reduction in workforce. The Company substantially completed the 2024 Restructuring Plan in 2024.

During the year ended December 31, 2024, the Company recorded restructuring charges of \$20.3 million related to the 2024 Restructuring Plan within the consolidated statements of operations and comprehensive loss. The restructuring charges were primarily related to severance payments, employee transition and stock-based compensation, net of a reversal of previously recognized stock-based compensation expense.

On March 28, 2023, the Company announced a restructuring plan (the “2023 Restructuring Plan”) intended to reduce operating expenses in response to market conditions and productivity improvement through a reduction in workforce. The Company completed the 2023 Restructuring Plan during the first quarter of 2023. During the year ended December 31, 2023, the Company recorded restructuring charges of \$24.5 million. The restructuring charges were primarily related to severance payments, employee transition and stock-based compensation, net of a reversal of previously recognized stock-based compensation expense.

A summary of restructuring liabilities associated with the restructuring plans was as follows (in thousands):

	Year Ended
	2024
Restructuring liabilities - beginning of period	\$
Restructuring charges excluding non-cash items ⁽¹⁾⁽²⁾	21.1
Cash payments	(21.1)
Restructuring liabilities - end of period	\$

⁽¹⁾ Excluded non-cash items of \$1.5 million for the year ended December 31, 2024 related to the 2024 Restructuring Plan, which was net of accelerated stock-based compensation expense reversal of \$4.7 million related to previously recognized stock-based compensation expenses for unvested restricted stock awards.

⁽²⁾ Excluded non-cash items of \$1.4 million for the year ended December 31, 2023 related to the 2023 Restructuring Plan, which was net of accelerated stock-based compensation expense reversal of \$4.8 million related to previously recognized stock-based compensation expenses for unvested restricted stock awards.

As of December 31, 2024 and 2023, restructuring liabilities associated with the restructuring plans included within other liabilities on the consolidated balance sheet were immaterial.

BALANCE SHEETS COMPONENTS

Inventory

Inventory as of December 31, 2024 and 2023 was as follows (in thousands):

	December 2024
Raw materials	\$ 16
Work in progress	3
Finished goods	21
Total Inventory	\$ 40

Inventory as of December 31, 2024 and 2023 was comprised of raw materials, work in progress related to the production of vehicles for sale and assembly in Saudi Arabia, and finished goods inventory including new vehicles available for sale, vehicles in transit to fulfill customer orders, and vehicles which the Company intends to sell. During the years ended December 31, 2024, 2023, and 2022, the Company recorded write-downs of \$617.4 million, \$569.5 million, respectively, to reduce its inventories to its net realizable values and for any excess or obsolete inventories, as well as losses from commitments ("LCNRV").

Property, plant and equipment, net

Property, plant and equipment, net as of December 31, 2024 and 2023 was as follows (in thousands):

	December 2024
Land and land improvements	\$ 7
Building and improvements ⁽¹⁾	1,07
Machinery, tooling and vehicles ⁽²⁾⁽³⁾	1,72
Computer equipment and software	10
Leasehold improvements	26
Furniture and fixtures	5
Finance leases	8
Construction in progress	67
Total Property, plant and equipment	4,03
Less accumulated depreciation and amortization	(78)
Property, plant and equipment, net	\$ 3,26

⁽¹⁾ As of December 31, 2024 and 2023, \$127.5 million and \$120.2 million of capital expenditure support received from Ministry of Investment of Saudi Arabia ("MISA") was primarily for the construction of the AMP-2 building balance, respectively. See Note 2 "Summary of Significant Accounting Policies" and Note 16 "Related Party Transactions" for more information.

⁽²⁾ Included \$39.5 million and \$32.5 million of service loaner vehicles as of December 31, 2024 and 2023, respectively.

⁽³⁾ Included \$34.7 million and \$9.1 million of operating lease vehicles sold to rental companies as of December 31, 2024 and 2023, respectively.

Construction in progress represents the costs incurred in connection with the construction of buildings or new additions to the Company's plant facilities with outside vendors. Costs classified as construction in progress include all costs of obtaining the asset, installation of the asset, and bringing it to the condition necessary for its intended use. No depreciation is provided for construction in progress until such time as the asset is completed and is ready for use. Construction in progress consisted of the following (in thousands):

	December 2024
Machinery and tooling	\$ 56
Construction of AMP-1 and AMP-2 ⁽¹⁾	7
Leasehold improvements and other	3
Total construction in progress	\$ 67

⁽¹⁾ As of December 31, 2024 and 2023, \$67.3 million and \$12.1 million of capital expenditure support received from MISA was recorded primarily as a deduction to the AMP-2 facilities balance, respectively. See Note 2 “Summary of Significant Accounting Policies” and Note 16 “Related Party Transactions” for more information.

Depreciation and amortization expense was \$295.3 million, \$233.5 million and \$186.6 million for the years ended December 31, 2024, 2023 and 2022, respectively. Amount of interest capitalized on construction in progress related to significant capital asset construction was not material for the years ended December 31, 2024, 2023 and 2022, respectively.

Other current liabilities

Other current liabilities as of December 31, 2024 and 2023 were as follows (in thousands):

	December 2024
Engineering, design, and testing accrual	\$ 5
Construction in progress	3
Accrued compensation	20
Accrued purchases ⁽¹⁾	3
Retail leasehold improvements accrual	
Third-party services accrual	2
Tooling liability	11
Short-term borrowings	12
Operating lease liabilities, current portion	3
Reserve for loss on firm inventory purchase commitments	11
Accrued warranty	3
Deferred revenue ⁽²⁾	1
Other current liabilities	22
Total other current liabilities	\$ 1,02

⁽¹⁾ Primarily represent accruals for inventory related purchases and transportation charges that had not been invoiced.

⁽²⁾ Represent deferred revenue from vehicle sales primarily related to OTA and remarketing activities.

Other long-term liabilities

Other long-term liabilities as of December 31, 2024 and 2023 were as follows (in thousands):

	December 2024
Operating lease liabilities, net of current portion	\$ 22
Other long-term liabilities ⁽¹⁾⁽²⁾	34
Total other long-term liabilities	\$ 57

⁽¹⁾ As of December 31, 2023, \$62.5 million of capital expenditure support received from MISA was recorded as deferred liability within other long-term liabilities in the consolidated balance sheets. See Note 2 “Summary of Significant Accounting Policies” and Note 16 “Related Party Transactions” for more information.

⁽²⁾ As of December 31, 2024 and 2023, \$112.7 million and \$107.8 million of deferred revenue was recorded within other long-term liabilities in the consolidated balance sheets, respectively, for the strategic technology and supply arrangement, and integration and supply arrangements with Aston Martin Lagonda Global Holdings plc (together with its subsidiaries, “Aston Martin Lagonda Global Holdings”) for more information.

Accrued warranty

Accrued warranty activities consisted of the following (in thousands):

	Year
	2024
Accrued warranty - beginning of period	\$ 4
Warranty costs incurred	(5)
Provision for warranty ⁽¹⁾	12
Accrued warranty - end of period ⁽²⁾	\$ 11

⁽¹⁾ Provision for warranty for the years ended December 31, 2024 and 2023 included estimated costs related to the recalls identified and/or special campaigns to repair or replace items. For the year ended December 31, 2024, the Company recorded \$46.1 million provision associated with a special warranty campaign.

⁽²⁾ Accrued warranty balance of \$36.8 million and \$22.7 million was recorded within other current liabilities, and \$75.7 million and \$23.4 million was recorded within other long-term liabilities on the balance sheets as of December 31, 2024 and 2023, respectively.

FAIR VALUE
MEASUREMENTS AND
FINANCIAL
INSTRUMENTS

[Fair Value Disclosures](#)

[\[Abstract\]](#)

[FAIR VALUE
MEASUREMENTS AND
FINANCIAL
INSTRUMENTS](#)

12 Months Ended

Dec. 31, 2024

FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS

The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding Fair value is defined as the price that would be received for an asset or the “exit price” that would be paid to transfer a liability in the principal or in an orderly transaction between independent market participants on the measurement date. The Company measures certain financial assets and liabilities at fair value in each reporting period using a fair value hierarchy, which requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs in measuring fair value. A financial instrument classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. This hierarchy prioritizes the inputs into three broad levels as follows:

- **Level 1**—Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the instrument.
- **Level 3**—Inputs that are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in developing the fair value measurement. Factors used to develop the estimated fair value are unobservable inputs that are not supported by market activity. The sensitivity of the fair value measurement to changes in unobservable inputs may result in a significantly higher or lower measurement.

Cash, cash equivalents and investments are reported at their respective fair values on the Company’s consolidated balance sheets. The Company’s investments are classified as available-for-sale securities. Carrying amounts of accounts receivable, accounts payable, and other current liabilities are reported at their estimated fair values.

The following table sets forth the Company’s financial assets subject to fair value measurements on a recurring basis by level within the fair value hierarchy as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024					Recurring Basis
	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash and cash equivalents	Recurring Basis
Cash	\$ 610,201	\$ —	\$ —	\$ 610,201	\$ 610,201	\$ —
Level 1:						
Money market funds	677,712	—	—	677,712	677,712	—
U.S. Treasury securities	2,310,538	2,820	(531)	2,312,827	173,341	—
Subtotal	2,988,250	2,820	(531)	2,990,539	851,053	—
Level 2:						
Certificates of deposit	3,998	1	—	3,999	—	—
Time deposits ⁽¹⁾	515,000	—	—	515,000	60,000	—
Commercial paper	141,525	25	(4)	141,546	75,442	—
Corporate debt securities	781,178	1,281	(553)	781,906	10,169	—
Subtotal	1,441,701	1,307	(557)	1,442,451	145,611	—
Total	\$ 5,040,152	\$ 4,127	\$ (1,088)	\$ 5,043,191	\$ 1,606,865	\$ —

⁽¹⁾ Included \$35.0 million of time deposit with GIB in short-term investments and long-term investments. GIB is a related party of the PIF, which is an affiliate of Ayar. See Note 16 “Related Parties” for more information.

December 31, 2023						
	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash and cash equivalents	
Cash	\$ 516,673	\$ —	\$ —	\$ 516,673	\$ 516,673	\$
Level 1:						
Money market funds	698,702	—	—	698,702	698,702	
U.S. Treasury securities	2,033,711	2,480	(2,073)	2,034,118	104,572	
Subtotal	2,732,413	2,480	(2,073)	2,732,820	803,274	
Level 2:						
Certificates of deposit	105,993	97	(22)	106,068	—	
Time deposits	50,000	—	—	50,000	50,000	
Commercial paper	299,248	191	(8)	299,431	—	
Corporate debt securities	615,350	1,101	(669)	615,782	—	
Subtotal	1,070,591	1,389	(699)	1,071,281	50,000	
Total	\$ 4,319,677	\$ 3,869	\$ (2,772)	\$ 4,320,774	\$ 1,369,947	\$

During the years ended December 31, 2024, 2023, and 2022, there were immaterial gross realized gains or losses on the sale of available-for-sale receivable excluded from both the fair value and amortized cost basis of the available-for-sale securities was \$19.6 million and \$11.1 million as of December 31, 2023, respectively, and was recorded in other current assets on its consolidated balance sheets. As of December 31, 2024 and 2023, no allowance for impairment related to an impairment of available-for-sale securities.

The following table summarizes our available-for-sale securities by contractual maturity:

	Amortized cost
Within one year	\$
After one year through three years	
Total	\$

On November 6, 2023, the Company received 28,352,273 ordinary shares of Aston Martin with an initial fair value of \$73.2 million. The Company recorded fair values of \$37.8 million and \$81.5 million within investments in equity securities of a related party in the consolidated balance sheet as of December 31, 2024 and 2023, respectively. These equity securities are publicly traded stocks (where shares are denominated in GBP) measured at fair value on a recurring basis within level 1 in the fair value hierarchy. During the years ended December 31, 2024 and 2023, the Company recognized an unrealized loss of \$43.0 million and a gain of \$6.0 million, respectively, in change of fair value of equity securities of a related party in the consolidated statement of operations and comprehensive income. During the years ended December 31, 2024 and 2023, the Company also recognized \$0.6 million of unrealized foreign currency loss and \$2.3 million of gain related to these equity securities, respectively, in other income (expense), net in the consolidated statement of operations and comprehensive income. For more information, see “Part 2. Financial Statements and Supplementary Data – Note 10. Related Party Transactions” for more information.

Level 3 liabilities consist of the common stock warrant liability and the derivative liabilities associated with the Redeemable Convertible Preferred Stock. The fair values were measured upon issuance of the Private Placement Warrants and the Redeemable Convertible Preferred Stock and are remeasured at each reporting date. The valuation methodology and underlying assumptions are discussed further in Note 7 “Common Stock Warrant Liability” and Note 8 “Redeemable Preferred Stock”, respectively. Level 3 liabilities also consist of residual value guarantee liabilities, of which the fair value is measured initially upon delivery of the securities and subsequently for any changes on a quarterly basis. Significant changes in the unobservable inputs used in determining the fair value would result in a change in the fair value measurement.

The following table presents a reconciliation of the common stock warrant liability measured and recorded at fair value on a recurring basis (in thousands):

Fair value-beginning of period	\$
Change in fair value	
Fair value-end of period	\$

The following table presents a reconciliation of the derivative liabilities associated with the Redeemable Convertible Preferred Stock measured at a recurring basis (in thousands):

	Year ended December 31, 2020
Fair value-beginning of period	\$
Issuance	
Change in fair value	
Fair value-end of period	\$

DEBT

**12 Months Ended
Dec. 31, 2024**

[Debt Disclosure \[Abstract\]](#) [DEBT](#)

DEBT

2026 Notes

In December 2021, the Company issued an aggregate of \$2,012.5 million principal amount of 1.25% convertible senior notes due in December 2026 in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended, at an issuance price equal to 100% of the principal amount of 2026 Notes. The Company has designated the 2026 Notes as green bonds, whose proceeds will be allocated in accordance with the Company's green framework. The 2026 Notes were issued pursuant to and are governed by an indenture dated December 14, 2021, between the Company and U.S. Bank National Association as the trustee. The proceeds from the issuance of the 2026 Notes were \$1,986.6 million, net of the issuance discount and debt issuance costs.

The 2026 Notes are unsecured obligations which bear regular interest at 1.25% per annum and are payable semiannually in arrears on June 15 and December 15 of each year, beginning on June 15, 2022. The 2026 Notes will mature on December 15, 2026, unless repurchased, redeemed, or converted in accordance with the terms of the 2026 Notes. The 2026 Notes are convertible into cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, at the option of the holder, at any time prior to September 15, 2026, in multiples of \$1,000 principal amount of 2026 Notes, which is subject to the Company's election, at an initial conversion rate of 18.2548 shares of Class A common stock per \$1,000 principal amount of 2026 Notes, which is subject to adjustment in the event of a stock split, reverse stock split, or other corporate transaction. The conversion price of approximately \$54.78 per share of our Class A common stock. The conversion rate is subject to customary adjustments for corporate transactions. The Company may redeem for cash all or any portion of the 2026 Notes, at the Company's option, on or after December 20, 2024 if the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest up to the day before the redemption date. The holders may require the Company to redeem the 2026 Notes upon the occurrence of certain fundamental change transactions at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest up to the day before the redemption date.

Holders of the 2026 Notes may convert all or a portion of their 2026 Notes at their option prior to September 15, 2026, in multiples of \$1,000 principal amount of 2026 Notes, under the following circumstances:

- during any calendar quarter commencing after the quarter ended on March 31, 2022 (and only during such calendar quarter), if the Company's closing stock price exceeds 130% of the conversion price for at least 20 trading days during the 30 consecutive trading days at the end of the prior calendar quarter;
- during the five consecutive business days immediately after any 10 consecutive trading day period in which the trading price per \$1,000 principal amount of 2026 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock and the conversion rate on such trading day;
- upon the occurrence of specified corporate events; or
- if the Company calls any or all 2026 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, but only with respect to the notes called for redemption.

On or after September 15, 2026, the 2026 Notes are convertible at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Holders of the 2026 Notes who convert the 2026 Notes in connection with a make-whole fundamental change, as defined in the indenture, or in connection with a redemption may be entitled to an increase in the conversion rate.

The Company accounted for the issuance of the 2026 Notes as a single liability measured at its amortized cost, as no other embedded features require separate recognition as derivatives. The following table is a summary of the 2026 Notes as of December 31, 2024 and 2023 (in millions):

	December 31, 2024	December 31, 2023
Principal Amount	\$ 2,012.5	\$ 2,012.5
Unamortized Debt Discounts and Issuance Costs	(125.9)	(125.9)
Net Carrying Amount	\$ 1,886.6	\$ 1,886.6
Fair Value (Level 2)	\$ 1,575.0	\$ 1,575.0

The effective interest rate for the 2026 Notes is 1.5%. The components of interest expense related to the 2026 Notes were as follows (in millions):

	Year Ended December 31,	
	2024	2023
Contractual interest	\$ 25.2	\$ 25.2
Amortization of debt discounts and debt issuance costs	5.2	5.2
Interest expense	\$ 30.4	\$ 30.4

The 2026 Notes were not eligible for conversion as of December 31, 2024 and 2023. No sinking fund is provided for the 2026 Notes, which means the Company is required to redeem or retire them periodically. As of December 31, 2024 and 2023, the Company was in compliance with applicable covenants under the indentures governing the 2026 Notes.

SIDF Loan Agreement

On February 27, 2022, Lucid LLC entered into a loan agreement (as subsequently amended, the “SIDF Loan Agreement”) with SIDF, a related party and an affiliate of Ayar. Under the SIDF Loan Agreement, SIDF has committed to provide loans (the “SIDF Loans”) to Lucid LLC in an aggregate principal amount of SAR 5.19 billion (approximately \$1.4 billion); provided that SIDF may reduce the availability of SIDF Loans under the facility in certain circumstances. The SIDF Loans are subject to repayment in semi-annual installments in amounts ranging from SAR 25 million (approximately \$6.7 million) to SAR 350 million (approximately \$93.1 million) commencing on April 3, 2026 and ending on November 12, 2038. SIDF Loans are financing and will be used to finance certain costs in connection with the construction of AMP-2. Lucid LLC may repay SIDF Loans earlier than the maturity date without penalty. Obligations under the SIDF Loan Agreement are secured by the Company or any of its other subsidiaries.

SIDF Loans will not bear interest. Instead, Lucid LLC will be required to pay SIDF service fees, consisting of follow-up and technical evaluation fees, in an aggregate, from SAR 415 million (approximately \$110.4 million) to SAR 1.77 billion (approximately \$471.1 million), over the term of the SIDF Loan Agreement, secured by security interests in the equipment, machines and assets funded thereby.

The SIDF Loan Agreement contains certain restrictive financial covenants and imposes annual caps on Lucid LLC’s payment of dividends, distributions or certain capital expenditures. The SIDF Loan Agreement also defines customary events of default, including abandonment of or failure to commence construction of plant in the King Abdullah Economic City (“KAEC”), and drawdowns under the SIDF Loan Agreement are subject to certain conditions precedent. As of December 31, 2024 and 2023, no amount was outstanding under the SIDF Loan Agreement.

GIB Facility Agreement

On April 29, 2022, Lucid LLC entered into the GIB Facility Agreement with GIB, maturing on February 28, 2025. GIB is a related party of the Company and an affiliate of Ayar. The GIB Facility Agreement provided for two committed revolving credit facilities in an aggregate principal amount of SAR 1.0 billion (approximately \$266.1 million). SAR 650 million (approximately \$173.0 million) under the GIB Facility Agreement was available as the Bridge Facility for the financing of capital expenditures in connection with AMP-2. The remaining SAR 350 million (approximately \$93.1 million) was available as the Working Capital Facility for use for general corporate purposes. Loans under the Bridge Facility and the Working Capital Facility had a maturity of no more than 12 months. The Bridge Facility incurred interest at a rate of 1.25% per annum over 3-month SAIBOR and the Working Capital Facility incurred interest at a rate of 1.70% per annum over 3-month SAIBOR and associated fees.

On March 12, 2023, Lucid LLC entered into the 2023 Amended GIB Facility Agreement to combine the Bridge Facility and the Working Capital Facility into a single SAR 1.0 billion (approximately \$266.1 million) 2023 GIB Credit Facility which may be used for general corporate purposes. Loans under the 2023 GIB Credit Facility Agreement have a maturity of no more than 12 months and bear interest at a rate of 1.40% per annum over SAIBOR (based on the term of 3 months) and associated fees.

The Company is required to pay a quarterly commitment fee of 0.15% per annum based on the unutilized portion of the 2023 GIB Credit Facility. The 2023 Amended GIB Facility Agreement will terminate, and all amounts then outstanding thereunder would become payable, on the maturity date of the 2023 GIB Credit Facility Agreement. The commitment fees for the years ended December 31, 2024, 2023, and 2022 were immaterial. The 2023 Amended GIB Facility Agreement is subject to certain conditions precedent to drawdowns, representations and warranties and covenants of Lucid LLC and events of default.

As of December 31, 2024 and 2023, the Company had outstanding borrowings of SAR 475 million (approximately \$126.4 million) and SAR 727.5 million (approximately \$193.9 million), respectively. The weighted average interest rate on the outstanding borrowings was 7.04% and 7.49% as of December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, availability under the 2023 GIB Credit Facility was SAR 523 million (approximately \$139.2 million) and SAR 727.5 million (approximately \$193.9 million), respectively, after giving effect to the outstanding letters of credit. The outstanding borrowings were recorded within other current liabilities in the consolidated balance sheets. The Company recorded interest expense of SAR 18 million (approximately \$4.9 million) and SAR 8 million (approximately \$2.1 million) for the years ended December 31, 2024 and 2023, respectively. The interest expense recorded for the year ended December 31, 2022 was immaterial. As of December 31, 2024 and 2023, the Company was in compliance with applicable covenants under the 2023 Amended GIB Facility Agreement.

ABL Credit Facility

In June 2022, the Company entered into the ABL Credit Facility with a syndicate of banks that may be used for working capital and general corporate purposes. The ABL Credit Facility provides for an initial aggregate principal commitment amount of up to \$1.0 billion (including a \$350.0 million letter of credit sub-facility) and has a stated maturity date of June 9, 2027. Borrowings under the ABL Credit Facility bear interest at the rate of 3-month SAIBOR plus a margin specified in the credit agreement governing the ABL Credit Facility. In June 2024, the Company amended the ABL Credit Facility to update the terms and conditions. Availability under the ABL Credit Facility is subject to the value of eligible assets in the borrowing base and is reduced by outstanding loan borrowings and letters of credit which bear customary letter of credit fees. Subject to certain terms and conditions, the Company may request one or more increases in the aggregate commitments under the ABL Credit Facility in an aggregate amount up to the sum of \$500.0 million plus certain other amounts. The Company is required to pay a commitment fee of 0.25% per annum based on the unutilized portion of the ABL Credit Facility.

The ABL Credit Facility contains customary covenants that limit the ability of the Company and its restricted subsidiaries to, among other activities, incur additional debt, create liens and encumbrances, redeem or repurchase stock, dispose of certain assets, consummate acquisitions or other investments, prepay or defease debt, enter into sale and leaseback transactions, consummate mergers and other fundamental changes. The ABL Credit Facility also includes a minimum liquidity covenant which, at the Company's option following satisfaction of certain pre-conditions, may be replaced with a springing, minimum coverage ratio financial covenant, in each case on terms set forth in the credit agreement governing the ABL Credit Facility. As of December 31, 2024, the Company was in compliance with applicable covenants under the ABL Credit Facility.

As of December 31, 2024 and 2023, the Company had no outstanding borrowings under the ABL Credit Facility. Outstanding letters of credit under the ABL Credit Facility were \$56.9 million and \$45.4 million as of December 31, 2024 and 2023, respectively. Availability under the ABL Credit Facility was \$354.9 million (including \$144.0 million cash and cash equivalents) and \$413.4 million (including \$144.0 million cash and cash equivalents) as of December 31, 2024 and 2023, respectively. The Company incurred issuance costs of \$6.3 million to obtain the ABL Credit Facility, which were capitalized within other noncurrent assets in the consolidated balance sheets and amortized over the facility term using the straight-line method. The Company recorded amortization of the deferred issuance costs and commitment fee of \$3.7 million for the years ended December 31, 2024 and 2023, and \$2.1 million for the year ended December 31, 2022.

DDTL Credit Facility

In August 2024, the Company entered into the DDTL Credit Facility with Ayar, that may be used for working capital and general corporate purposes. The DDTL Credit Facility provides for a delayed draw term loan credit facility in an aggregate principal amount of \$750.0 million and has a stated maturity date of August 2029. Borrowings under the DDTL Credit Facility bear interest at the applicable interest rates specified in the credit agreement governing the DDTL Credit Facility. The Company is required to pay a quarterly undrawn fee of 0.50% per annum based on the unutilized portion of the DDTL Credit Facility.

The DDTL Credit Facility contains customary covenants that limit the ability of the Company and its restricted subsidiaries to, among other activities, incur additional debt, create liens and encumbrances, redeem or repurchase stock, dispose of certain assets, consummate acquisitions or other investments, prepay or defease debt, enter into sale and leaseback transactions or consummate mergers and other fundamental changes. The DDTL Credit Facility also includes a minimum liquidity covenant. As of December 31, 2024, the Company was in compliance with applicable covenants under the DDTL Credit Facility.

As of December 31, 2024, the Company had no outstanding borrowings under the DDTL Credit Facility. The Company incurred issuance costs of \$2.1 million to obtain the DDTL Credit Facility, which was capitalized within other noncurrent assets in the consolidated balance sheet and amortized over the facility term using the straight-line method. The Company recorded amortization of the deferred issuance costs and commitment fee of \$2.1 million for the year ended December 31, 2024.

COMMON STOCK WARRANT LIABILITY

On July 23, 2021, in connection with the merger, the Company effectively issued 44,350,000 Private Placement Warrants to purchase shares of L exercise price of \$11.50. The Private Placement Warrants were initially recognized as a liability with a fair value of \$812.0 million and was remea \$53.7 million as of December 31, 2023. The Private Placement Warrants remained unexercised and were remeasured to a fair value of \$19.5 milli 2024. The Company recognized gains of \$34.2 million, \$86.9 million, and \$1,254.2 million for the years ended December 31, 2024, 2023 and 20 consolidated statements of operations and comprehensive loss. The fair value of the Private Placement Warrants that are not subject to the contingent forfeiture provisions was estimated using a Black-Scholes was as follows:

	December 31, 2024
Fair value of Private Placement Warrants per share	\$ 0

Assumptions used in the Black-Scholes option pricing model take into account the contract terms as well as the quoted price of the Company’s co market. The volatility is primarily based on the Company’s historical volatility. The expected life is based on the remaining contractual term of th free interest rate is based on the implied yield available on U.S. Treasury securities with a maturity equivalent to the warrants’ expected life. The used in the Black-Scholes option pricing models were as follows:

	December 31, 2024
Volatility	95.0
Expected term (in years)	1.6
Risk-free rate	4.2
Dividend yield	—

**REDEEMABLE
CONVERTIBLE
PREFERRED STOCK**

12 Months Ended

Dec. 31, 2024

[Temporary Equity
Disclosure \[Abstract\]
REDEEMABLE
CONVERTIBLE
PREFERRED STOCK](#)

REDEEMABLE CONVERTIBLE PREFERRED STOCK

In March 2024, the Company entered into the Series A Subscription Agreement with Ayar. Pursuant to the Series A Subscription Agreement, Ayar purchased from the Company 100,000 shares of the Series A Redeemable Convertible Preferred Stock for an aggregate purchase price of \$1.0 billion in a private placement. In March 2024, the Company issued the shares to Ayar pursuant to the Series A Subscription Agreement and received aggregate gross proceeds of \$1.0 billion.

In August 2024, the Company entered into the Series B Subscription Agreement with Ayar. Pursuant to the Series B Subscription Agreement, Ayar purchased from the Company 75,000 shares of the Series B Redeemable Convertible Preferred Stock for an aggregate purchase price of \$750.0 million in a private placement. In August 2024, the Company issued the shares to Ayar pursuant to the Series B Subscription Agreement and received aggregate gross proceeds of \$750.0 million.

The shares of the Series A Redeemable Convertible Preferred Stock and the Series B Redeemable Convertible Preferred Stock were issued pursuant to the Series A Certificate of Designations and the Series B Certificate of Designations (the "Certificate of Designations"), respectively. Pursuant to the Series A Certificate of Designations and the Series B Subscription Agreement, Ayar has agreed, with certain exceptions, that without prior written consent of the Company, it will not convert the Series A Redeemable Convertible Preferred Stock for the twelve months after the date of the closing of the respective private placement.

Dividends: The Redeemable Convertible Preferred Stock ranks senior to the common stock with respect to dividends and distributions of assets upon liquidation, dissolution or winding up. The Redeemable Convertible Preferred Stock has an initial value of \$10,000 per share (the "Initial Value"). Dividends on the Redeemable Convertible Preferred Stock are payable in the form of cash or, at the discretion of the Company, in kind. Dividends on the Redeemable Convertible Preferred Stock are payable in the form of cash or, at the discretion of the Company, in kind. Dividends accrue daily on the Initial Value (as increased by dividends previously compounded thereon) of each share of the Redeemable Convertible Preferred Stock at a rate of 9% per annum and compound annually. Dividend payment dates on each March 31, June 30, September 30 and December 31 of each year, commencing June 30, 2024 for the Series A Redeemable Convertible Preferred Stock and September 30, 2024 for the Series B Redeemable Convertible Preferred Stock.

Liquidation Preference: Upon a liquidation, dissolution or winding up of the Company, each holder of shares of the Redeemable Convertible Preferred Stock will be entitled to receive, with respect to each share of then-outstanding Redeemable Convertible Preferred Stock, out of the assets of the Company available for distribution to its stockholders an amount in cash equal to the greater of (a) an amount per share of the Redeemable Convertible Preferred Stock as of the date of liquidation, dissolution or winding up equal to (i) the per share Accrued Value as of the relevant date multiplied by (ii) the relevant percentage (the "Minimum Consideration"); and (b) the amount that such Holder would have received with respect to such share of the Redeemable Convertible Preferred Stock if such share of the Redeemable Convertible Preferred Stock had been converted at their Accrued Value into shares of common stock on the business day immediately preceding such liquidation, dissolution or winding up. As of December 31, 2024, the liquidation preference of the Series A Redeemable Convertible Preferred Stock and the Series B Redeemable Convertible Preferred Stock was \$1,138.8 million and \$800.4 million, respectively.

Voting Rights: Each Holder is entitled to the number of votes equal to the number of whole shares of common stock into which the aggregate shares of Redeemable Convertible Preferred Stock held by such Holder are convertible on the record date for determining stockholders entitled to vote on any matter presented to the Company for their action or consideration at any meeting of stockholders and on which matter holders of the common stock shall be entitled to vote. Each Holder is entitled to notice of any meeting of stockholders and, except as otherwise provided in the Certificate of Designations or otherwise required by law, each Holder shall vote as a single class with the holders of the common stock and any other class or series of stock entitled to vote thereon. The voting power of Holders is such that each share is equal to the quotient of the \$10,000 Initial Value and the minimum price (\$2.77 for the Series A Redeemable Convertible Preferred Stock and \$2.67 for the Series B Redeemable Convertible Preferred Stock).

As long as at least 10% of the aggregate number of shares issued on the respective initial issue date remain outstanding, and subject to certain other terms, the Holders of the Redeemable Convertible Preferred Stock are entitled to a separate class vote with respect to, among other things, amendments to the Company's organizational documents that have an adverse effect on the Redeemable Convertible Preferred Stock, authorizations or issuances by the Company of capital stock of the Company that ranks senior or equal to the Redeemable Convertible Preferred Stock with respect to dividends or distributions on liquidation or the terms of which provide for cash dividends (other than the common stock), dissolution, and decreases in the number of authorized shares of the Redeemable Convertible Preferred Stock. The Company also agreed that as long as at least 50% of the shares issued on the respective initial issue date, the Company will comply with certain debt incurrence covenants in its Credit Agreement dated December 2022, by and among the Company, as the Borrower Representative, the other Borrowers party thereto from time-to-time, the Lenders and Issuing Agent, the Company, as Administrative Agent, and Bank of America, N.A., as Administrative Agent, as amended, which agreement may be waived with the sole consent of Ayar.

Conversion: Each share of the Redeemable Convertible Preferred Stock is convertible, at the option of the respective Holder, from time-to-time and without the payment of additional consideration by the Holder, (a) at any time that the closing price per share of the common stock on the trading day immediately preceding the date on which the Holder delivers the relevant notice of conversion is at least \$5.50 (subject to certain adjustments), unless the Company, in its sole discretion, or (b) in all events during certain specified periods relating to a fundamental change or optional redemption event. The number of shares of common stock into which such number of fully paid and non-assessable shares of common stock as is determined by dividing (i) the applicable Accrued Value as of the conversion date by (ii) the applicable conversion price in effect as of such conversion date, which shall initially be \$3.5952 for the Series A Redeemable Convertible Preferred Stock and \$3.5952 for the Series B Redeemable Convertible Preferred Stock, subject to customary anti-dilution adjustments, including in the event of any stock split, stock dividend, recapitalization or similar events (the "Conversion Price").

Mandatory Conversion: On or after the third anniversary of the initial issue date, if at any time (i) the daily VWAP of the common stock has been at or below the Conversion Price for at least twenty (20) trading days (whether or not consecutive) during any thirty (30) consecutive trading days (including the day of the election) and (ii) certain common stock liquidity conditions are satisfied, the Company will have the right, exercisable at its election within fifteen (15) business days of the completion of the applicable thirty (30) trading day period, to cause all or any portion of the Redeemable Convertible Preferred Stock to convert into shares of common stock and non-assessable shares of common stock, as determined by dividing (i) the applicable Accrued Value as of the conversion date by (ii) the Conversion Price as of such conversion date. The Company will be required to pay an additional amount per share of the Redeemable Convertible Preferred Stock payable upon conversion of common stock valued based on a five-day average daily VWAP or a combination thereof in respect of such conversion equal to the greater of (x) the Minimum Consideration and (ii) the value of the shares of common stock delivered upon mandatory conversion thereof and (y) zero.

Fundamental Change: Upon a fundamental change, the Holders will be entitled, on the fundamental change repurchase date specified by the Company, to receive an amount equal to the greater of (a) the Minimum Consideration and (b) an amount equal to the value that such Holder would have received if it had converted its shares of the Redeemable Convertible Preferred Stock into shares of common stock on the business day immediately before the fundamental change repurchase date. The fundamental change repurchase price may be paid in cash, shares of common stock (or other securities to be received by a holder of common stock upon a fundamental change) valued based on a five-day average daily VWAP (with the number of shares of common stock rounded up to the nearest whole share), or at the Company's election. The Company may not elect to deliver shares of its common stock (or other securities to be received by a holder of common stock upon a fundamental change) in partial or full satisfaction of the fundamental change repurchase price, if certain common stock liquidity conditions are not satisfied.

Optional Redemption: On or after the fifth anniversary of the initial issue date, the Company may redeem all or any portion of the Redeemable Convertible Preferred Stock at a redemption price per share equal to the greater of (a) the Minimum Consideration and (b) an amount equal to the value (calculated based on a five-day average daily VWAP) of the number of shares of common stock if it had converted its shares of the Redeemable Convertible Preferred Stock into shares of common stock on the redemption date. Such redemption price may be paid in cash, shares of common stock valued based on a twenty (20)-day average daily VWAP, or at the Company's election.

The Company may not pay any portion of such redemption price in shares of common stock if the common stock liquidity conditions are not satisfied.

While the Redeemable Convertible Preferred Stock is callable after five years at the Company's option, the Redeemable Convertible Preferred Stock was not redeemable at the option of Ayar and was classified as mezzanine equity, because it is the majority shareholder of the Company. The Company recorded the Redeemable Convertible Preferred Stock initially at its issuance price, net of issuance costs of \$2.4 million and net of the initial value of the bifurcated derivative liability of \$497.1 million. The Company also recorded the Series B Redeemable Convertible Stock initially at its issuance price, net of issuance costs of \$0.8 million and net of the initial value of the bifurcated derivative liability of \$297.7 million.

The Company accretes the Redeemable Convertible Preferred Stock to its redemption value, which is greater of (a) the Minimum Consideration and (b) the value that such Holder would have received if it had converted its shares of the Redeemable Convertible Preferred Stock into shares of common stock on the Redemption Date. In certain circumstances, the redemption price may vary based on changes in stock price, in which case the Company recognizes changes in redemption value immediately as they occur and adjust the carrying value of the security to equal the then current maximum redemption value at the end of each reporting period. During the year ended December 31, 2024, the Company recorded accretion of \$229.5 million and \$118.1 million related to the Series A Redeemable Convertible Preferred Stock and the Series B Redeemable Convertible Preferred Stock, respectively. Accretion of the Redeemable Convertible Preferred Stock resulted in adjustments to additional paid-in capital in the consolidated balance sheet as of December 31, 2024. The carrying value of the Series A Redeemable Convertible Preferred Stock and Series B Redeemable Convertible Preferred Stock was \$730.0 million and \$569.8 million as of December 31, 2024, respectively.

The Company assessed the above features to determine whether any features are required to be bifurcated and separately accounted for as an embedded derivative. The Company concluded that the conversion features, inclusive of all settlement outcomes where the pay-off is indexed to the if-converted value, meet the criteria to be separately accounted for as a bifurcated derivative. As a result, the Company bifurcated the Redeemable Convertible Preferred Stock between the host contracts and the conversion features. The host contracts are accounted for within mezzanine equity as described above, and (ii) the bifurcated derivative liabilities related to the conversion features. The bifurcated derivative liabilities were first allocated to the fair value of the bifurcated derivatives with the residual being allocated to the host contracts. The bifurcated derivative liabilities are measured at fair value at each reporting period with changes in fair value recorded in the consolidated statement of operations and comprehensive loss.

As of December 31, 2024, the derivative liabilities for the Redeemable Convertible Preferred Stock were remeasured to fair value of \$639.4 million related to Series A Redeemable Convertible Preferred Stock and \$230.6 million related to Series B Redeemable Convertible Preferred Stock. The Company recognized gains of \$155.4 million for the year ended December 31, 2024 in change in fair value of derivative liabilities associated with Redeemable Convertible Preferred Stock (related party) in the consolidated statements of operations and comprehensive loss.

The Company estimated the fair value of the derivative liabilities using a binomial lattice model with the volatility, credit spread, and term as significant inputs. Assumptions used in the valuation also take into account the contractual terms as well as the quoted price of the Company's common stock. Significant changes in any of those inputs in isolation would result in significant changes to the fair value measurement.

The level 3 fair value inputs used in the valuation of the derivative liabilities associated with the Redeemable Convertible Preferred Stock were as follows:

		Decem
	Series A	
	Derivative Liability	
Volatility		40.0
Credit spread		17.9
Stock price	\$	3.02
Term (in years)		4.2
Risk-free rate		4.3

STOCKHOLDERS' EQUITY

12 Months Ended
Dec. 31, 2024

[Equity \[Abstract\]](#)

[STOCKHOLDERS' EQUITY](#) STOCKHOLDERS' EQUITY

Preferred Stock

The Company has authorized the issuance of 10,000,000 shares of undesignated preferred stock with a par value of \$0.0001 per share with rights to vote and voting rights, designated from time-to-time by the Board of Directors. As of December 31, 2024, there were 100,000 and 75,000 issued and outstanding shares of Redeemable Convertible Preferred Stock and Series B Redeemable Convertible Preferred Stock, respectively. There were no issued and outstanding shares of stock as of December 31, 2023.

Common Stock

On November 8, 2022, the Company entered into the Equity Distribution Agreement with BofA Securities, Inc., Barclays Capital Inc. and Citigroup Inc. under which the Company could offer and sell shares of its common stock having an aggregate offering price up to \$600.0 million. During the year ended December 31, 2022, the Company issued 56,203,334 shares at a weighted average price per share of \$10.68 and received net proceeds of \$594.3 million after deducting other issuance costs of \$5.7 million. No shares remain available for sale under the Equity Distribution Agreement.

On November 8, 2022, the Company also entered into the 2022 Subscription Agreement, pursuant to which Ayar agreed to purchase from the Company up to 10,000,000 shares of its common stock in one or more private placements through March 31, 2023. During the year ended December 31, 2022, the Company issued 10,000,000 shares to Ayar pursuant to the 2022 Subscription Agreement at a weighted average price per share of \$10.68, and received aggregate proceeds of \$915.0 million.

On May 31, 2023, the Company entered into the 2023 Underwriting Agreement with the Underwriter, under which the Underwriter agreed to purchase from the Company up to 200,000,000 shares of the Company's common stock at a price per share of \$6.83, for aggregate net proceeds to the Company of \$1.2 billion. In June 2023, the Company issued 175,000,000 shares to the Underwriter pursuant to the 2023 Underwriting Agreement and received aggregate net proceeds of \$1.2 billion after deducting issuance costs of \$0.2 billion.

On May 31, 2023, the Company entered into the 2023 Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company up to 200,000,000 shares of the Company's common stock at a price per share of \$6.83 in a private placement for aggregate net proceeds to the Company of \$1.8 billion. In June 2023, the Company issued the shares to Ayar pursuant to the 2023 Subscription Agreement and received aggregate net proceeds of \$1.8 billion after deducting issuance costs of \$0.2 billion.

On October 16, 2024, the Company entered into the 2024 Underwriting Agreement with the Underwriter, under which the Underwriter agreed to purchase from the Company up to 200,000,000 shares of the Company's common stock. The Company also granted the Underwriter an Overallotment Option to purchase additional shares. On October 18, 2024, the Company exercised the Overallotment Option to purchase an additional 15,037,594 shares. On October 18, 2024, the Company completed the public offering of 215,037,594 shares pursuant to the 2024 Underwriting Agreement at a price per share of \$2.59, and received aggregate net proceeds of \$718.4 million after deducting issuance costs of \$0.2 million.

On October 16, 2024, the Company entered into the 2024 Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company up to 200,000,000 shares of the Company's common stock. In addition, given the Underwriter's exercise of the Overallotment Option, Ayar agreed to purchase an additional 15,037,594 shares of the Company's common stock. As of October 31, 2024, the Company consummated the private placement of shares to Ayar pursuant to the 2024 Subscription Agreement at a price per share of \$2.59, for aggregate net proceeds of \$1,025.7 million after deducting issuance costs of \$0.8 million.

Issuance costs incurred were recorded as a reduction of the gross proceeds received from the equity offerings within additional paid-in capital on the balance sheet.

Treasury Stock

During the year ended December 31, 2021, the Company repurchased an aggregate of 857,825 shares of its common stock, including 712,742 shares from the Underwriter and 145,083 shares from Board of Directors of the Company's predecessor, Atieva, Inc. at \$24.15 per share. No common stock was repurchased during the year ended December 31, 2024 and 2023.

Common Stock Reserved for Issuance

The Company's common stock reserved for future issuances as of December 31, 2024 was as follows:

Private Placement Warrants to purchase common stock

Stock options outstanding

Restricted stock units outstanding

Shares available for future grants under equity plans

If-converted common shares from convertible note

If-converted common shares from Series A redeemable convertible preferred stock

If-converted common shares from Series B redeemable convertible preferred stock

Total shares of common stock reserved

STOCK-BASED AWARDS

12 Months Ended
Dec. 31, 2024

[Share-Based Payment
Arrangement \[Abstract\]](#)
[STOCK-BASED AWARDS](#)

STOCK-BASED AWARDS

Lucid 2021 Incentive Plan and ESPP

In July 2021, the Company’s Board of Directors adopted and the stockholders approved the 2021 Incentive Plan (the “2021 Incentive Plan”), which includes an addendum. The 2021 Incentive Plan replaced the 2021 Plan. The 2021 Incentive Plan provides for the grant of restricted shares, non-qualified stock options, unrestricted shares, stock appreciation rights, restricted stock units and cash awards. Shares of common stock underlying awards that are generally are returned to the pool of shares available for issuance under the 2021 Incentive Plan.

The Company had 45,196,984 shares of common stock available for issuance under the 2021 Incentive Plan, including the ESPP, as of December 31, 2024.

Stock Options

The Company’s outstanding stock options generally expire between 7 years to 10 years from the date of grant and are exercisable when the option holder has completed the requisite vesting period. For incentive stock options and non-statutory options vest over four years, the majority of which vest at a rate of 25% on the first anniversary of the grant date, with the remainder vesting ratably each month over the next three years. A summary of stock option activity for the year ended December 31, 2024 was as follows:

	Outstanding Options		
	Number of Options	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Term
Balance as of December 31, 2023	32,911,135	\$ 1.99	5.8
Options granted	232,177	3.99	
Options exercised	(4,513,606)	1.08	
Options canceled	(1,735,603)	7.01	
Balance as of December 31, 2024	26,894,103	\$ 1.84	4.8
Options vested and exercisable as of December 31, 2024	24,696,617	\$ 1.37	4.8

The weighted-average grant-date fair value for options granted for the year ended December 31, 2024 was \$1.80. Aggregate intrinsic value represents the difference between the exercise price of the options and the fair value of common shares. The aggregate intrinsic value of options exercised was \$8.4 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The total fair value of stock options granted during the years ended December 31, 2024 and 2023 was \$0.4 million and \$17.4 million, respectively, over the respective vesting periods. No stock options were granted during the year ended December 31, 2022. The total fair value of stock options vested during the years ended December 31, 2024, 2023 and 2022, was \$4.9 million, \$5.4 million and \$5.5 million, respectively.

The Company estimates the fair value of the options utilizing the Black-Scholes option pricing model, which is dependent upon several variables, including the exercise price, term, expected volatility of the Company’s share price over the expected term, expected risk-free interest rate over the expected option term, and expected forfeiture rates. A summary of the weighted-average assumptions the Company utilized to record compensation cost for stock options granted during the years ended December 31, 2024 and 2023 was as follows:

	December 31, 2024
Volatility	8.0%
Expected term (in years)	4.8
Risk-free interest rate	4.5%
Expected dividends	0.0%

As of December 31, 2024, unrecognized stock-based compensation cost related to outstanding unvested stock options that are expected to vest was \$1.2 million, which is expected to be recognized over a weighted-average period of 2.5 years.

Restricted Stock Units (“RSUs”)

A summary of RSUs activity for the year ended December 31, 2024 was as follows:

	Restricted Stock Units		
	Time-Based Shares	Performance-Based Shares	Total Shares
Balance as of December 31, 2023	54,699,739	9,305,825	64,005,564
Granted	94,696,162	14,188,690	108,884,852
Vested	(46,298,088)	(1,884,410)	(48,182,498)
Cancelled/Forfeited	(15,128,805)	(5,613,644)	(20,742,449)
Balance as of December 31, 2024	87,969,008	15,996,461	103,965,469

Time-based RSUs granted prior to the closing of merger are subject to both performance-based and service-based vesting conditions. The performance condition will be met upon the closing of the merger, and the service condition will be met generally over four years. The Company granted 13,834,748 shares of time-based RSUs to the former CEO that will vest in sixteen equal quarterly installments, beginning on December 5, 2021, and are subject to continuous employment. The performance condition of the Company's non-CEO RSUs granted prior to the closing of merger was satisfied 375 days after the closing. The remaining RSUs will be subject to continuous employment thereafter, subject to continuous employment. The Company recognizes compensation expense for these time-based RSUs on a graded vesting basis over the requisite vesting period. Fair value of these time-based RSUs was measured using the fair value of the Company's common stock on the date of grant, adjusted for the market price of Churchill's stock adjusted for the expected exchange ratio at the time, and discounted for lack of marketability.

Time-based RSUs granted subsequent to the closing of merger are only subject to service-based vesting conditions and the compensation expense is recognized on a straight-line basis over the requisite service period. The fair value of these time-based RSUs granted after the closing of the merger was measured using the fair value of the Company's common stock on the date of the grant.

As of December 31, 2024, unrecognized stock-based compensation cost related to outstanding unvested time-based RSUs that are expected to vest is expected to be recognized over a weighted-average period of 1.6 years. The total fair value of time-based RSUs vested during the years ended December 31, 2024, 2023 and 2022 was \$140.8 million, \$121.1 million, and \$190.9 million, respectively.

In 2021, the Company granted performance-based RSUs to the former CEO and they are subject to performance and market conditions. The performance condition will be satisfied upon the closing of the merger. The market conditions will be satisfied and vest in five tranches based on the achievement of market capitalization to each tranche over a six-month period subject to the former CEO's continuous employment through the applicable vesting date. Any performance-based RSUs granted to our former CEO that have not vested within five years after the closing will be forfeited. The fair value of these performance-based RSUs was measured using the fair value of the Company's common stock on the date of grant, adjusted for the market price of Churchill's stock adjusted for the expected exchange ratio at the time, and discounted for lack of marketability. On March 27, 2021, using a Monte Carlo simulation model, with the following assumptions:

Weighted average volatility
Expected term (in years)
Risk-free interest rate
Expected dividends

The Company recognizes compensation expense using a graded vesting attribution method over the derived service period for the former CEO's performance-based RSUs. Stock-based compensation expense is recognized when the relevant performance condition is considered probable of achievement for the performance-based RSUs. For the year ended December 31, 2022, the market condition was met for the performance-based awards of the former CEO for four of the five tranches. The Board of Directors, representing an aggregate of 13,934,271 performance RSUs. The Company recorded stock-based compensation expense of \$8.2 million for the year ended December 31, 2022. The unamortized expense of \$8.2 million as of December 31, 2022 for the fifth tranche, representing 2,090,140 RSUs, during the year ended December 31, 2023. There were no performance-based RSUs vested for our former CEO for the years ended December 31, 2024, 2023 and 2022. The fair value of the former CEO's performance-based RSUs vested was \$315.3 million during the year ended December 31, 2022. For the years ended December 31, 2023 and 2022, the Company withheld approximately 1.9 million, 1.9 million, and 9.4 million shares, respectively, of common stock by net settlement to satisfy the tax withholding requirements related to the former CEO's time-based and performance-based RSUs.

The Company granted performance-based RSUs to certain employees and they are subject to (i) corporate performance conditions and/or individual performance conditions and (ii) a service condition which will be met generally over 3 years. The number of awards granted represents 100% of the target goal. Under the terms of the awards, the employees may earn between 0% to 150% of the original number of grants based on actual achievement of corporate performance goals and/or individual performance goals. Compensation expense is recognized when the relevant performance condition is considered probable of achievement for the performance-based RSUs. For the years ended December 31, 2024, 2023 and 2022, the Company recorded stock-based compensation expenses of \$26.1 million, \$7.9 million, and nil, respectively, for performance-based RSUs. The total fair value of these performance-based RSUs vested during the year ended December 31, 2024 was \$5.3 million, during the year ended December 31, 2023 and 2022. As of December 31, 2024, the unamortized expense for the performance-based RSUs was \$30.1 million, which is expected to be recognized over a weighted-average period of 1.1 years primarily contingent upon realization of the corporate performance conditions.

Employee Stock Purchase Plan ("ESPP")

The ESPP authorizes the issuance of shares of common stock pursuant to purchase rights granted to employees. The plan provides for 24-month offerings in December and June of each year, and each offering period will consist of four six-month purchase periods. The purchase price for each share purchased during an offering period will be the lesser of 85% of the fair market value of the share on the purchase date or 85% of the fair market value of the share on the offering period.

If the market value of our common stock on the purchase date is lower than the market value at the beginning of the offering period, the ongoing offering will be terminated. Immediately following the purchase of ESPP shares on the purchase date and participants in the terminated offering are automatically enrolled in the next offering period. In a reset of the offering price and a modification charge to be recognized over the new offering period. During the years ended December 31, 2024, 2023, and 2022, there were two ESPP resets that resulted in modification charges of \$17.8 million, \$23.2 million, and \$19.9 million, respectively, which are being recognized over the offering period ending in November 2026.

The Company issued 8,976,458, 4,748,875, and 2,106,158 shares at a weighted-average price of \$2.14, \$5.02, and \$11.66 for the years ended December 31, 2024, 2023, and 2022, respectively. As of December 31, 2024, unrecognized stock-based compensation cost related to the ESPP was \$31.4 million, which is expected to be recognized over a weighted-average period of 1.9 years.

Stock-based Compensation Expense

Total employee and nonemployee stock-based compensation expense for the years ended December 31, 2024, 2023 and 2022, was classified in the statement of operations and comprehensive loss as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Cost of revenue	\$ 4,335	\$ 13,125
Research and development	172,190	131,875
Selling, general and administrative	110,827	110,827
Restructuring charges	(1,480)	(1,480)
Total	\$ 285,872	\$ 254,247

The Company capitalized stock-based compensation expenses of \$45.7 million and \$43.3 million for the years ended December 31, 2024 and 2023, respectively, primarily as part of the cost of inventory.

LEASES

12 Months Ended
Dec. 31, 2024

[Leases \[Abstract\]](#)
[LEASES](#)

LEASES

The Company has entered into various non-cancellable operating and finance lease agreements for certain of the Company's offices, manufacturing and service locations, equipment and vehicles, worldwide. The Company has determined if an arrangement is a lease, or contains a lease, in accordance with ASC 842 at inception and records the leases in the Company's financial statements upon lease commencement, which is the date when the underlying asset is made available to the lessee by the lessor.

Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Our assessed lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Certain operating leases provide for annual increases to lease payments based on the index or rate. The Company estimates the annual increase in lease payments based on the index or rate at the lease commencement date. Differences between expected and actual payment are expensed as incurred. Lease expense for finance lease payments is recognized as amortization expense of the finance lease asset and interest expense on the finance lease liability over the lease term.

In August 2022, the Company entered into a four-year agreement ("Lease Agreement") to lease land in Casa Grande, Arizona adjacent to our manufacturing facility. The Company classifies this lease as a finance lease because the Lease Agreement contains a purchase option which the Company is reasonably certain to exercise. As of December 31, 2024 and 2023, assets associated with the finance lease were \$79.3 million. As of December 31, 2024 and 2023, liabilities associated with the finance lease were \$80.0 million and \$80.6 million, respectively.

Contemporaneously with the execution of the Lease Agreement, the Company entered into a sale agreement, pursuant to which the Company sold certain parcels of land to the lessor for \$31.7 million and leased back these parcels of land under the Lease Agreement. The sale of the land and subsequent lease did not result in a transfer of control of the land; therefore, the sale-leaseback transaction is accounted for as a failed sale and leaseback financing obligation. The Company recorded the sales proceeds received as a financial liability within other long-term liabilities in the consolidated balance sheets as of December 31, 2024 and 2023.

The balances for the operating and finance leases where the Company is the lessee were presented as follows within the Company's consolidated balance sheets as of December 31, 2024 and 2023:

	December 2024
Operating leases:	
Right-of-use assets	\$ 21.1
Other current liabilities	\$ 3.2
Other long-term liabilities	22.8
Total operating lease liabilities	\$ 26.9
Finance leases:	
Property, plant and equipment, net	\$ 8.1
Total finance lease assets	\$ 8.1
Finance lease liabilities, current portion	\$ 1.7
Finance lease liabilities, net of current portion	7.9
Total finance lease liabilities	\$ 9.6

The components of lease expense were as follows within the Company's consolidated statements of operations and comprehensive loss (in thousands):

	Year Ended Dec	
	2024	2023
Operating lease expense:		
Operating lease expense ⁽¹⁾	\$ 62,119	\$ 5
Variable lease expense	1,948	
Finance lease expense:		
Amortization of leased assets	\$ 3,009	\$
Interest on lease liabilities	4,665	
Total finance lease expense	\$ 7,674	\$ 1
Total lease expense	\$ 71,741	\$ 6

⁽¹⁾ Excluded short-term leases, which were not material.

Other information related to leases where the Company is the lessee was as follows:

	December 31
	2024
Weighted-average remaining lease term (in years):	
Operating leases	
Finance leases	
Weighted-average discount rate:	
Operating leases	11.
Finance leases	5.

Supplemental cash flow information related to leases where the Company is the lessee was as follows (in thousands):

	Year Ended Dec	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 59,131	\$ 4
Operating cash flows from finance leases (interest payments)	5,261	
Financing cash flows from finance leases	3,166	
Leased assets obtained in exchange for new operating lease liabilities	23,111	3
Leased assets obtained in exchange for new finance lease liabilities	1,062	

As of December 31, 2024, the maturities of the Company's operating and finance lease liabilities (excluding short-term leases) were as follows (in thousands):

	Operating L
2025	\$ 6
2026	6
2027	5
2028	5
2029	4
Thereafter	9
Total minimum lease payments	38
Less: Interest	(11)
Present value of lease obligations	26
Less: Current portion	(3)
Long-term portion of lease obligations	\$ 22

As of December 31, 2024, the Company entered into additional leases for facilities and equipment that have not yet commenced with undiscounted value of \$41.1 million. The leases are expected to commence in 2025 and 2026.

LEASES

LEASES

The Company has entered into various non-cancellable operating and finance lease agreements for certain of the Company's offices, manufacturing facilities, retail and service locations, equipment and vehicles, worldwide. The Company has determined if an arrangement is a lease, or contains a lease, in accordance with ASC 842 at inception and records the leases in the Company's financial statements upon lease commencement, which is the date when the underlying asset is made available by the lessor.

Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Our assessed lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Certain operating leases provide for annual increases to lease payments based on the index or rate. The Company estimates the annual increase in lease payments based on the index or rate at the lease commencement date. Differences between the estimated and actual payment are expensed as incurred. Lease expense for finance lease payments is recognized as amortization expense of the finance lease asset and interest expense on the finance lease liability over the lease term.

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The balances for the operating and finance leases where the Company is the lessee were presented as follows within the Company's consolidated balance sheets:

	December 31, 2024
Operating leases:	
Right-of-use assets	\$ 21.1
Other current liabilities	\$ 3.3
Other long-term liabilities	22.6
Total operating lease liabilities	\$ 25.9
Finance leases:	
Property, plant and equipment, net	\$ 8.8
Total finance lease assets	\$ 8.8
Finance lease liabilities, current portion	\$ 7.7
Finance lease liabilities, net of current portion	72.3
Total finance lease liabilities	\$ 80.0

The components of lease expense were as follows within the Company's consolidated statements of operations and comprehensive loss (in thousands):

	Year Ended Dec	
	2024	2023
Operating lease expense:		
Operating lease expense ⁽¹⁾	\$ 62,119	\$ 5
Variable lease expense	1,948	
Finance lease expense:		
Amortization of leased assets	\$ 3,009	\$
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	December 31
	2024
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Finance leases	
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	2024	2023
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2025	\$ 6
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Thereafter	9
Total minimum lease payments	38
Less: Interest	(11)
Present value of lease obligations	26
Less: Current portion	(3)
Long-term portion of lease obligations	\$ 22

As of December 31, 2024, the Company entered into additional leases for facilities and equipment that have not yet commenced with undiscounted cash payments of \$41.1 million. The leases are expected to commence in 2025 and 2026.

COMMITMENTS AND CONTINGENCIES

Contractual Obligations

As of December 31, 2024 and 2023, the Company had \$1,037.1 million and \$270.2 million in commitments related to AMP-1 and AMP-2 plant and equipment, respectively. These commitments represent future expected payments on open purchase orders entered into as of December 31, 2024 and 2023.

The Company’s non-cancellable long-term commitments primarily related to certain inventory component purchases. On October 1, 2024, the Company entered into amendments (the “Amendments”) to certain battery-supply agreements with Panasonic Energy Co., Ltd. and certain of its affiliates. As of December 31, 2024, under the terms of the Amendments, the Company had remaining minimum purchase commitments of an aggregate of approximately \$2.7 billion, calculated at base prices, which could vary period-to-period primarily as a result of changes in raw material indexes. The estimated future payments having a remaining term of one year were as follows (in thousands):

Years ended December 31,

2025
2026
2027
2028
2029
Thereafter
Total

Legal Matters

From time-to-time, the Company may become subject to legal proceedings, claims and litigation arising in the ordinary course of business. Some of these proceedings and other proceedings may involve highly complex issues that are subject to substantial uncertainties, and could result in damages, fines, penalties or relief.

Beginning on April 18, 2021, two individual actions and two putative class actions were filed in federal courts in Alabama, California, New Jersey and New York against the Company (f/k/a Churchill Capital Corp IV), its wholly owned subsidiary, Atieva, Inc. (“Lucid”), and certain current and former officers and directors of the Company, generally relating to the Merger. On September 16, 2021, the plaintiff in the New Jersey action dismissed that lawsuit. The remaining actions were ultimately transferred to the Northern District of California and consolidated under the caption *Motors Securities Litigation*, Case No. 4:21-cv-09323-YGR (the “Consolidated Class Action”). On December 30, 2021, lead plaintiffs in the Consolidated Class Action filed a revised amended consolidated complaint (the “Complaint”), which asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against a putative class of shareholders who purchased stock in CCIV between February 5, 2021 and February 22, 2021. The Complaint names as defendants the Company, the Company’s former chief executive officer, and generally alleges that, prior to the public announcement of the Merger, defendants purportedly made false and misleading statements regarding the expected start of production for the Lucid Air and related matters. The District Court granted defendants’ motion to dismiss the Complaint with plaintiffs being provided the ability to seek leave to amend. On June 29, 2023, the District Court denied plaintiff’s motion for leave to amend the Complaint and terminated the case. On July 28, 2023, plaintiffs appealed the District Court’s decisions to the Ninth Circuit Court of Appeals. On August 8, 2024, the district court judgment dismissing the case. On September 17, 2024, the Ninth Circuit denied Plaintiffs’ petition for a rehearing or rehearing en banc. On October 24, 2024, the Ninth Circuit issued its mandate affirming the district court judgment. Plaintiffs did not appeal the case to the U.S. Supreme Court, and the case is final and closed.

In addition, two separate purported shareholders of the Company filed shareholder derivative actions, purportedly on behalf of the Company, against certain of the Company’s officers and directors in California federal court, captioned *Sahr Lebbie v. Peter Rawlinson, et al.*, Case No. 4:22-cv-00531-YGR (N.D. Cal.) (filed on February 26, 2022) and *Zsata Williams-Spinks v. Peter Rawlinson, et al.*, Case No. 4:22-cv-01115-YGR (N.D. Cal.) (filed on February 23, 2022). The complaints assert claims against the Company as a nominal defendant. Based on allegations that are similar to those in the Consolidated Class Action, the Lebbie complaint asserts claims for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, abuse of control, gross mismanagement and waste of corporate assets and claims under Sections 10(b) and 21D of the Exchange Act in connection with the Consolidated Class Action and the Williams-Spinks complaint asserts claims for breach of fiduciary duty, gross mismanagement, abuse of control, unjust enrichment, contribution under Sections 10(b) and 21D of the Exchange Act, and claims for attorneys’ fees and expenses in connection with the Consolidated Class Action. The complaints seek compensatory damages, interest thereon, certain corporate records and attorneys’ fees and expenses. On April 29, 2022, the District Court consolidated the two actions into *In re Lucid Group, Inc. (f/k/a Churchill Capital Corp IV) Shareholder Derivative Litigation*, Case No. 4:22-cv-00531-YGR (N.D. Cal.) (the “Consolidated Derivative Action”). On May 25, 2022, the District Court then stayed the Consolidated Derivative Action.

Action pending developments in the Consolidated Class Action. On December 12, 2023, given that the Consolidated Class Action was dismissed, the Company appealed to the Ninth Circuit Court of Appeals, the District Court administratively closed the Consolidated Derivative Action for statistical purposes and the parties' obligations under the stay. On January 9, 2025, the parties filed a joint stipulation of dismissal without prejudice with the District Court, and the District Court closed.

On April 1, 2022 and May 31, 2022, two alleged shareholders filed putative class actions under the federal securities laws against Lucid Group, Inc. and the Company relating to alleged statements, updated projections and guidance provided in the late 2021 to early 2022 timeframe. The complaints, filed in the Northern District of California, are captioned *Victor W. Mangino v. Lucid Group, Inc., et al.*, Case No. 3:22-cv-02094-JD, and *Anant Goel v. Lucid Group, Inc.*, Case No. 3:22-cv-03176-JD. The two matters were consolidated into one action, entitled *In re Lucid Group, Inc. Securities Litigation*, Case No. 22-cv-03176-JD. The consolidated complaint named as defendants Lucid Group, Inc. and the Company's former chief executive officer and former chief financial officer, alleging that defendants purportedly made false or misleading statements regarding delivery and revenue projections and related matters between November 2021 and November 2022. The consolidated complaint sought certification of the action as a class action, as well as compensatory damages, interest thereon, and attorneys' fees. Defendants filed a Motion to Dismiss on February 23, 2023. On August 8, 2024, the Court granted in part and denied in part Defendants' Motion to Dismiss. Plaintiffs leave to plead their complaint. On September 20, 2024, Plaintiffs filed an Amended Consolidated Complaint, which no longer names the Company's former chief financial officer as an individual defendant. Defendants filed a motion to dismiss the Amended Consolidated Complaint, in part, on December 12, 2024. The Motion to Dismiss currently is scheduled for May 1, 2025. Defendants believe that the plaintiffs' claims are without merit and intend to defend the case, but they cannot ensure that their efforts to dismiss partially the consolidated complaint will be successful or that they will ultimately avoid liability.

In addition, on July 11, 2022, a purported shareholder of the Company filed a shareholder derivative action, purportedly on behalf of the Company, against the Company's officers and directors in California state court, captioned *Floyd Taylor v. Glenn August, et al.*, Superior Court, Alameda County, Case No. 22CS00012. The complaint also names the Company as a nominal defendant. Based on allegations that are similar to those in the *In re Lucid Group, Inc. Securities Litigation*, the *Taylor* complaint asserts claims for breach of fiduciary duty, unjust enrichment, waste of corporate assets and aiding and abetting breach of fiduciary duty. The case seeks compensatory damages, punitive damages, an accounting, interest, and attorneys' fees and expenses. The case is currently stayed per stipulation of the parties.

In addition, on September 5, 2024, a purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against the Company's current and former directors in Delaware state court, captioned *Tricia Rodney v. Rawlinson, et al.*, Delaware Court of Chancery, Case No. 2024-0927. The complaint also names the Company as a nominal defendant. The complaint alleges: (i) a breach of fiduciary duty claim against the Company's former directors; (ii) a breach of fiduciary duty claim against other then-current members of the Board in 2022; and (iii) an unjust enrichment claim against the Company's former directors.

On November 8, 2024, another purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against the Company's current and former directors in Delaware state court, captioned *Ed Lomont v. Rawlinson, et al.*, Delaware Court of Chancery, Case No. 2024-0927. The complaint also names the Company as a nominal defendant. The complaint alleges claims similar to the *Rodney* shareholder derivative action and underlying allegations as those in the *In re Lucid Group, Inc. Securities Litigation* action. On January 28, 2025, the Court consolidated the *Rodney* and *Lomont* actions into *In re Lucid Group, Inc. Stockholder Derivative Litigation*, Delaware Court of Chancery, Consolidated Case No. 2024-0927. The consolidated action is currently stayed per stipulation of the parties.

On December 3, 2024, another purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against the Company's current and former directors in Delaware state court, captioned *May Vang and Mohammed Khalid v. Rawlinson, et al.*, Delaware Court of Chancery, Case No. 2024-1243. The complaint also names the Company as a nominal defendant. The complaint asserts claims similar to the *Taylor* shareholder derivative action and underlying allegations as those in the *In re Lucid Group, Inc. Securities Litigation* action. The case is currently stayed per stipulation of the parties.

On January 29, 2025, another purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against the Company's current and former directors in California federal court, captioned *Zalmon Uvaydov v. Rawlinson, et al.*, U.S. District Court for the Northern District of California, Case No.: 3:25-cv-943. The complaint asserts claims similar to the *Taylor* shareholder derivative action, as well as a contribution claim under the Securities Exchange Act against the Company's former CEO, and is premised on the same underlying allegations as those in the *In re Lucid Group, Inc. Securities Litigation* action.

On February 7, 2025, another purported shareholder of the Company filed a shareholder derivative lawsuit purportedly on behalf of the Company against the Company's current and former directors in California federal court, captioned *Neil Cook v. Rawlinson, et al.*, U.S. District Court for the Northern District of California, Case No.: 3:25-cv-01346. The complaint asserts claims similar to the *Taylor* shareholder derivative action, as well as a Section 14(a) claim, and is premised on the same underlying allegations as those in the *In re Lucid Group, Inc. Securities Litigation* action.

Moreover, on March 25, 2021, the Illinois Automobile Dealers Association, Chicago Automobile Trade Association, Peoria Metro New Car Dealers Association, Motorcycle Dealers Association, and 241 individual motor vehicle dealers filed an action against the Office of the Illinois Secretary of State ("SOS") in its official capacity as the Illinois Secretary of State; Lucid USA, Inc. ("Lucid USA"); and other defendants, in the Circuit Court of Cook County, Illinois, Case No. 2021CH01438. The suit generally alleges that Illinois law does not permit manufacturers to obtain licenses as motor vehicle dealers and that the SOS sought to prevent Lucid from engaging in the sale of motor vehicles directly to consumers. The SOS granted Lucid USA a dealer's license on June 1, 2022. On July 1, 2022, the Court granted Defendants' Motion to Dismiss. Plaintiffs subsequently appealed and the decision was affirmed by the First District Appellate Court. On January 28, 2024, Plaintiffs filed a petition for further review of the case by the Illinois Supreme Court and the Illinois Supreme Court denied review.

Furthermore, while we have registered and applied for trademarks in an effort to protect our brand and goodwill with customers, competitors or other parties in the past, and may in the future, oppose our trademark applications or otherwise challenge our use of the trademarks and other brand names in the future. Such oppositions and challenges can be expensive and may adversely affect our ability to maintain the goodwill gained in connection with a particular trademark.

addition, we may lose our trademark or are unable to submit specimens of use by the applicable deadline to perfect such trademark rights. For instance, we recently reached an agreement with Gravity, Inc. to settle a claim before the United States Patent and Trademark Office (“USPTO”) that opposed and requested cancellation of our trademark application and registration for the use of “Gravity.”

At this time, the Company does not consider any such claims, lawsuits or proceedings that are currently pending, individually or in the aggregate, and those referenced above, to be material to the Company’s business or likely to result in a material adverse effect on its future operating results, financial condition or cash flows should such proceedings be resolved unfavorably.

Indemnification

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to customers, vendors, investors, directors, officers and key employees with respect to certain matters, including, but not limited to, losses arising out of our breach of such agreements, services to be provided by us, and from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions may not be subject to any caps or deductibles. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is not determinable. The Company has never paid a material claim, nor has it been sued in connection with these indemnification arrangements. The Company has indemnified its customers with respect to letters of credit and surety bond primarily used as security against facility leases, utilities infrastructure and other agreements that require indemnification. Indemnification obligations were \$72.6 million and \$56.3 million as of December 31, 2024 and 2023, respectively, for which no liabilities are recorded on the balance sheets.

INCOME TAXES

12 Months Ended
Dec. 31, 2024

[Income Tax Disclosure](#)

[\[Abstract\]](#)

[INCOME TAXES](#)

INCOME TAXES

The components of loss before provision for income taxes for the years ended December 31, 2024, 2023 and 2022, were as follows (in thousands):

	Year Ended Dec	
	2024	2023
Loss subject to domestic income taxes	\$ (2,699,739)	\$ (2,82
Loss subject to foreign income taxes	(13,004)	(
Loss before provision for income taxes	\$ (2,712,743)	\$ (2,82

The Company recorded provision for income taxes in connection with its domestic, state, and foreign subsidiaries for the years ended December 31, 2024, 2023 and 2022, respectively, as follows (in thousands):

	Year Ended Dec	
	2024	2023
Current		
Federal	\$ —	\$
State	—	
Foreign	1,339	
Total current tax expense	\$ 1,339	\$
Deferred		
Federal	\$ —	\$
State	—	
Foreign	(140)	
Total deferred tax expense	\$ (140)	\$
Total provision for income taxes	\$ 1,199	\$

The reconciliation of taxes at the federal statutory rate to our provision for income taxes for the years ended December 31, 2024, 2023 and 2022 v

	Year Ended Dec	
	2024	2023
Statutory federal income tax rate	21.0%	2
Stock-based compensation	(1.6)	
Change in fair value of warrant liability	1.5	
Tax-exempt interest	—	
Nondeductible expenses	0.6	
Tax credits	1.2	
Change in valuation allowance	(22.7)	(
Provision for income taxes	—%	

The amount of provision for income taxes differs from the expected benefit due to the impact of the U.S. valuation allowance, as well as income tax operations.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes as of December 31, 2024 and 2023, were as follows:

	2024
Deferred tax assets:	
Net operating loss carryforwards	\$ 1,60
Tax credit carryforwards	19
Stock-based compensation expense	
Capitalization of research and development costs	4
Accruals and reserves	23
Lease liability	8
Inventory	46
Other	6
Total deferred tax assets	3,08
Valuation allowance	(2,90
Total deferred tax assets, net of valuation allowance	18
Deferred tax liabilities:	
Depreciation	(7
Right-of-use assets	(7
Tax accounting method change	(3
Total deferred tax liabilities	(18
Deferred tax assets (liabilities), net of valuation allowance	\$

The Company does not anticipate foreign earnings would be subject to U.S. taxation upon repatriation. However, distributions of unremitted foreign earnings to foreign withholding taxes. Accordingly, provisions have not been made on the Company's basis differences in investments that primarily result from subsidiaries which are indefinitely reinvested. If recorded, the deferred tax liability associated with indefinitely reinvested basis differences would be reflected in the Company's financial statements.

A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized in a particular tax jurisdiction. All available evidence, both positive and negative, is considered to determine whether, based on the weight of available evidence, a valuation allowance is needed for some portion or all of a deferred tax asset. Judgment must be used in considering the relative impact of negative and positive evidence. Based on the weight of the available evidence, which includes the Company's historical operating losses, lack of taxable income, and the accumulated losses, the Company has determined that a valuation allowance is required as of December 31, 2024 and 2023, the Company provided a full valuation allowance against its U.S. and state deferred tax assets. The valuation allowance was \$2,904.9 million and \$2,137.9 million, as of December 31, 2024 and 2023, respectively. The valuation allowance on our net deferred taxes in 2024 and 2023 was \$763.6 million during the years ended December 31, 2024 and 2023, respectively.

The Company had federal, state, and foreign net operating loss carryforwards of \$5,766.1 million, \$5,142.4 million, and \$19.1 million, respectively, as of December 31, 2024, which will begin to expire at various dates beginning in 2027. The Company also had federal and state tax research and development tax credit carryforwards of \$151.8 million and \$78.6 million, respectively. The federal research and development tax credit carryforwards will expire at various dates beginning in 2027. The state research and development tax credit carryforwards do not expire.

The Internal Revenue Code of 1986, as amended, imposes restrictions on the utilization of net operating losses and certain credits in the event of a change of control of a corporation. Accordingly, a company's ability to use net operating losses and certain credits may be limited as prescribed under the Code.

Internal Revenue Code Section 382, which provide for limitations on net operating losses carryforwards and certain built in losses following ownership changes, and Section 383, which provides for special limitations on certain excess credits, etc. (collectively, "IRC Section 382"). Utilization of the carryforward losses is subject to a substantial annual limitation due to the ownership change limitations provided by the IRC Section 382 and similar state provisions, resulting in a limitation on the amount of deferred tax assets before considering the valuation allowance. The Company has completed a formal Section 382 study of our equity transactions as of December 31, 2020. The study determined that the Company experienced an "ownership change" in 2016, and the Company will not be able to utilize \$12.0 million of net operating loss and \$3.0 million of U.S. federal research and development tax credit carryforwards.

Uncertain Tax Positions

The following table summarizes the activity related to unrecognized tax benefits for the years ended December 31, 2024, 2023 and 2022 (in thousands of dollars):

	December	
	2024	2023
Unrecognized benefit—beginning of period	\$ 140,767	\$ 105,200
Gross increases—prior-period tax positions	—	—
Gross decreases—prior-period tax positions	(111,065)	(111,065)
Gross increases—current-period tax positions	8,904	3,904
Gross decrease—current-period tax positions	—	—
Statute lapse	(83)	(83)
Unrecognized benefit—end of period	\$ 38,523	\$ 14,956

As of December 31, 2024, 2023 and 2022, the total amount of unrecognized tax benefits was \$38.5 million, \$140.8 million, and \$105.2 million, respectively. If recognized for respective periods, would favorably impact the Company's effective tax rate. The Company expects a significant change in the total amount of unrecognized tax benefits within the next 12 months.

Related to the unrecognized tax benefits above, the interest expense and penalty expense recognized as part of provision for income taxes in the operations and comprehensive loss for the years ended December 31, 2024, 2023 and 2022 were not material. As of December 31, 2024 and 2023, the Company has an immaterial liability for interest expense and penalties, which was included within other long-term liabilities in the consolidated balance sheets.

The Company files U.S., state, and foreign income tax returns with varying statutes of limitations. The federal, state, and foreign returns statutes of limitations are generally 3, 4, and 6 years, respectively, for all years. There are currently no income tax audits underway by U.S., state, or foreign tax authorities.

NET LOSS PER SHARE

12 Months Ended
Dec. 31, 2024

[Earnings Per Share](#)

[\[Abstract\]](#)

[NET LOSS PER SHARE](#)

NET LOSS PER SHARE

Basic and diluted net loss per share attributable to common stockholders are calculated as follows (in thousands, except share and per share amounts):

	Year Ended December 31,	
	2024	2023
Net loss	\$ (2,713,942)	\$ (2,821,110)
Accretion of redeemable convertible preferred stock (related party)	(347,610)	(347,610)
Net loss attributable to common stockholders, basic	(3,061,552)	(2,821,110)
Change in fair value of dilutive warrants	—	—
Net loss attributable to common stockholders, diluted	\$ (3,061,552)	\$ (2,821,110)
Weighted-average shares outstanding, basic	2,445,176,539	2,081,771,110
Private Placement Warrants using the treasury stock method	—	—
Weighted-average shares outstanding, diluted	2,445,176,539	2,081,771,110
Net loss per share:		
Basic	\$ (1.25)	\$ (1.35)
Diluted	\$ (1.25)	\$ (1.35)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to common stockholders because including them would have had an anti-dilutive effect:

Excluded Securities	December 31,	
	2024	2023
Private Placement Warrants to purchase common stock	44,350,000	44,350,000
Options outstanding to purchase common stock	26,894,103	32,914,103
RSUs outstanding	96,985,937	57,125,937
Employee stock purchase plan	25,425,375	14,115,375
If-converted common shares from convertible note	36,737,785	36,737,785
If-converted common shares from Series A redeemable convertible preferred stock	297,567,387	297,567,387
If-converted common shares from Series B redeemable convertible preferred stock	177,103,144	177,103,144
Total	705,063,731	185,225,731

The 6,979,532, 6,880,905, and 2,090,140 shares of common stock equivalents subject to RSUs are excluded from the anti-dilutive table above as they remain contingently issuable since the market or corporate and individual performance conditions have not been satisfied as of December 31, 2024, 2023, and 2022, respectively.

**EMPLOYEE BENEFIT
PLAN**

**12 Months Ended
Dec. 31, 2024**

Retirement Benefits

[Abstract]

**EMPLOYEE BENEFIT
PLAN**

EMPLOYEE BENEFIT PLAN

The Company has a 401(k) savings plan (the “401(k) Plan”) that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating employees may elect to contribute up to 100% of their eligible compensation, subject to certain limitations. The 401(k) Plan provides for a discretionary employer-matching contribution. The matching contribution expense under the Company’s 401(k) Plan was not material for the year ended December 31, 2024, and nil for the years ended December 31, 2023 and 2022.

**RELATED PARTY
TRANSACTIONS**

**12 Months Ended
Dec. 31, 2024**

Related Party Transactions

[Abstract]

**RELATED PARTY
TRANSACTIONS**

RELATED PARTY TRANSACTIONS

Leases

In February 2022, the Company entered into a lease agreement with KAEC, a related party of the PIF, which is an affiliate of Ayar, for its first international manufacturing plant in Saudi Arabia. The lease has an initial term of 25 years expiring in 2047. The right-of-use asset related to this lease was \$4.2 million and \$4.5 million as of December 31, 2024 and 2023, respectively. The lease liability was \$6.1 million and \$5.7 million as of December 31, 2024 and 2023, respectively. The right-of-use asset and lease liability were recorded in right-of-use assets and other long-term liabilities in the consolidated balance sheets, respectively. The lease expense recorded for the years ended December 31, 2024, 2023, and 2022 was immaterial.

In July 2023, the Company entered into a lease agreement with King Abdullah Financial District Development and Management Company, a subsidiary of the PIF, which is an affiliate of Ayar, for its corporate office in Saudi Arabia. The lease has an initial term of six years expiring in 2029. The right-of-use asset related to this lease was \$2.0 million and \$2.3 million as of December 31, 2024 and 2023, respectively. The lease liability was \$2.4 million and \$2.3 million as of December 31, 2024 and 2023, respectively. The right-of-use asset and lease liability were recorded in right-of-use assets and other long-term liabilities in the consolidated balance sheets, respectively. The lease expense recorded for the years ended December 31, 2024 and 2023 was immaterial.

SIDF Loan Agreement

In February 2022, Lucid LLC entered into the SIDF Loan Agreement with the SIDF, a related party of the PIF, which is an affiliate of Ayar. Under the SIDF Loan Agreement, SIDF has committed to provide the SIDF Loans to Lucid LLC in an aggregate principal amount of up to SAR 5.19 billion (approximately \$1.4 billion); provided that SIDF may reduce the availability of SIDF Loans under the facility in certain circumstances. See Note 6 “Debt” for more information.

MISA Agreements

In February 2022, Lucid LLC entered into agreements with MISA, a related party of the PIF, which is an affiliate of Ayar, pursuant to which MISA has agreed to provide economic support for certain capital expenditures in connection with Lucid LLC’s on-going design and construction of AMP-2. The support by MISA is subject to Lucid LLC’s completion of certain milestones related to the construction and operation of AMP-2. Following the commencement of construction, if operations at the plant do not commence within 30 months, or if the agreed scope of operations is not attained within 55 months, MISA may suspend availability of subsequent support.

Pursuant to the agreements, MISA has the right to require Lucid LLC to transfer the ownership of AMP-2 to MISA, at the fair market value thereof, reduced by an amortized value of the support provided in the event of customary events of default including abandonment or material and chronically low utilization of AMP-2. Alternatively, Lucid LLC is entitled to avoid the transfer of

the ownership of AMP-2 by electing to pay such amortized value. The agreements will terminate on the fifteenth anniversary of the commencement of CBU operations at AMP-2 at the latest.

During the year ended December 31, 2022, the Company received support of SAR 366 million (approximately \$97.3 million) in cash, of which \$64.0 million was recorded as deferred liability within other long-term liabilities and \$33.3 million was recorded as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet as of December 31, 2022. Subsequently, the Company recorded \$64.0 million as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet as of December 31, 2023.

During the year ended December 31, 2023, the Company received support of SAR 366 million (approximately \$97.5 million) in cash, of which \$62.5 million was recorded as deferred liability within other long-term liabilities and \$35.0 million was recorded as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet as of December 31, 2023. As of December 31, 2024, the Company recorded \$97.5 million as a deduction in calculating the carrying amount of the related assets in the consolidated balance sheet. There were no unfulfilled conditions and contingencies attached to the payments received.

GIB Facility Agreement

In April 2022, Lucid LLC entered into the GIB Facility Agreement with GIB. GIB is a related party of the PIF, which is an affiliate of Ayar. The GIB Facility Agreement provided for two committed revolving credit facilities in an aggregate principal amount of SAR 1.0 billion (approximately \$266.1 million).

In March 2023, Lucid LLC entered into an amendment of the 2023 GIB Facility Agreement to combine the Bridge Facility and the Working Capital Facility into a committed SAR 1.0 billion (approximately \$266.1 million) 2023 GIB Credit Facility which may be used for general corporate purposes. See Note 6 “Debt” for more information.

Construction Service Contract

Lucid LLC entered into agreements with Al Bawani Company Limited (“Al Bawani”), an affiliate of the PIF, which is an affiliate of Ayar, for certain design and construction services in connection with the development of AMP-2. The capital expenditures incurred to date under these agreements were SAR 865.2 million (approximately \$230.3 million) and SAR 444.6 million (approximately \$118.6 million) as of December 31, 2024 and 2023, respectively. Net advance payments made to Al Bawani under these agreements were SAR 129.6 million (approximately \$34.5 million) as of December 31, 2024, and was recorded within other current assets in the consolidated balance sheet. Amounts due to Al Bawani was SAR 74.0 million (approximately \$19.7 million) as of December 31, 2023, and was recorded within other current liabilities in the consolidated balance sheet.

Subscription Agreements

In November 2022, the Company entered into the 2022 Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company, up to \$915.0 million shares of its common stock in one or more private placements through March 31, 2023. In December 2022,

the Company issued 85,712,679 shares at a weighted average price per share of \$10.68, and received aggregate proceeds of \$915.0 million.

In May 2023, the Company entered into the 2023 Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company 265,693,703 shares of the Company's common stock at a price per share of \$6.83 in a private placement for aggregate net proceeds of \$1.8 billion. In June 2023, the Company issued the shares to Ayar pursuant to the 2023 Subscription Agreement and received aggregate net proceeds of \$1.8 billion after deducting issuance costs of \$2.0 million. See Note 9 "Stockholders' Equity" for more information.

In March 2024, the Company entered into the Series A Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company 100,000 shares of its Series A Redeemable Convertible Preferred Stock for an aggregate purchase price of \$1.0 billion in a private placement. Subsequently, in March 2024, the Company issued the shares to Ayar pursuant to the Series A Subscription Agreement and received aggregate net proceeds of \$997.6 million after deducting issuance cost of \$2.4 million. In August 2024, the Company entered into the Series B Subscription Agreement with Ayar, pursuant to which Ayar agreed to purchase from the Company 75,000 shares of its Series B Redeemable Convertible Preferred Stock for an aggregate purchase price of \$750.0 million in a private placement. Subsequently, in August 2024, the Company issued the shares to Ayar pursuant to the Series B Subscription Agreement and received aggregate net proceeds of \$749.4 million after deducting issuance costs of \$0.6 million. See Note 8 "Redeemable Convertible Preferred Stock" for more information.

In October 2024, the Company entered into the 2024 Subscription Agreement, pursuant to which Ayar agreed to purchase from the Company 374,717,927 shares of the Company's common stock in a private placement. In addition, Ayar agreed to purchase an additional 21,470,459 shares of the Company's common stock. As of October 31, 2024, the Company consummated the private placement of shares to Ayar pursuant to the 2024 Subscription Agreement, at a price per share of \$2.59, for aggregate net proceeds of \$1,025.7 million after deducting issuance costs of \$0.8 million. See Note 9 "Stockholders' Equity" for more information.

Common stock acquired by Ayar under the 2022 Subscription Agreement, 2023 Subscription Agreement, 2024 Subscription Agreement, the Redeemable Convertible Preferred Stock acquired by Ayar under the Series A Subscription Agreement and the Series B Subscription Agreement, and the common stock issuable upon conversion thereof are subject to the Investor Rights Agreement dated February 22, 2021 (as amended from time-to-time, the "Investor Rights Agreement"), which governs the registration for resale of such common stock and the Redeemable Convertible Preferred Stock.

Human Resources Development Fund ("HRDF") Joint Cooperation Agreement

In March 2023, Lucid LLC entered into a joint cooperation agreement with HRDF, a related party of the PIF, which is an affiliate of Ayar. Pursuant to the agreement, Lucid LLC will train and develop local personnel in Saudi Arabia, and HRDF agreed to reimburse the Company training related costs in an aggregate maximum amount of SAR 29.3 million (approximately \$7.8 million) during the program.

The Company received a payment SAR 10.9 million (approximately \$2.9 million) in cash during the year ended December 31, 2024, and SAR 8.8 million (approximately \$2.3 million) during the

year ended December 31, 2023. The Company recorded \$1.8 million of deferred liability within other current liabilities in the consolidated balance sheets as of December 31, 2023. The deduction recorded to operating expenses in the consolidated statement of operations and comprehensive loss was not material for the year ended December 31, 2023. The deferred liability was nil as of December 31, 2024 and the Company recorded the remaining deferred liability balance as a deduction to operating expenses in the consolidated statement of operations and comprehensive loss.

EV Purchase Agreement

In August 2023, Lucid LLC entered into the EV Purchase Agreement with the Government of Saudi Arabia, a related party of the PIF, which is an affiliate of Ayar, as represented by the Ministry of Finance. The EV Purchase Agreement supersedes the letter of undertaking that Lucid LLC entered into in April 2022. Pursuant to the terms of the EV Purchase Agreement, the Government of Saudi Arabia and its entities and corporate subsidiaries and other beneficiaries (collectively, the “Purchaser”) may purchase up to 100,000 vehicles, with a minimum purchase quantity of 50,000 vehicles and an option to purchase up to an additional 50,000 vehicles during a ten-year period. Under the EV Purchase Agreement, the Purchaser may reduce the minimum vehicle purchase quantity by the number of vehicles set out in any purchase order not accepted by us or by the number of any vehicles that Lucid LLC fails to deliver within six months from the date of the applicable purchase order. The Purchaser also has sole and absolute discretion to decide whether to exercise the option to purchase the additional 50,000 vehicles.

The Company recognized net vehicle sales amount of SAR 654.6 million (approximately \$174.2 million) and SAR 163.9 million (approximately \$43.7 million) during the years ended December 31, 2024 and 2023, respectively. The deferred revenue from the vehicle sales was primarily related to OTA and was recorded within other current liabilities and other long-term liabilities in the consolidated balance sheets. As of December 31, 2024 and 2023, the deferred revenue balance was not material. The Company recorded amounts due from the Purchaser of SAR 217.6 million (approximately \$57.9 million) and SAR 133.2 million (approximately \$35.5 million) in accounts receivable, net in the consolidated balance sheets as of December 31, 2024 and 2023, respectively. See “Vehicle Sales without Residual Value Guarantee” section under Note 2 “Summary of Significant Accounting Policies” for the revenue recognition policies.

Implementation Agreement with Aston Martin

In June 2023, the Company entered into an agreement (the “Implementation Agreement”) with Aston Martin, a related party of the PIF, which is an affiliate of Ayar, under which the Company and Aston Martin have established a long-term strategic technology and supply arrangement. On November 6, 2023, pursuant to the terms of the Implementation Agreement, integration and supply arrangements became effective, under which the Company will provide Aston Martin access to its powertrain, battery system, and software technologies, work with Aston Martin to integrate its powertrain and battery components with Aston Martin’s battery electric vehicle chassis, and supply powertrain and battery components to Aston Martin (collectively, the “Strategic Technology Arrangement”). In connection with the commencement of the Strategic Technology Arrangement, the Company received technology access fees in 28,352,273 ordinary shares of Aston Martin (subject to a lock-up provision of 365 days from its issuance) and the first cash installment of \$33.0 million. These shares were initially measured at a fair value of \$73.2 million. As of December 31, 2024 and 2023, the Company remeasured the shares and

recorded fair values of \$37.8 million and \$81.5 million within investments in equity securities of a related party in the consolidated balance sheets, respectively. The Company will receive the remaining cash payments of \$99 million phased over a period of three years. In connection with the Strategic Technology Arrangement, the Company will also receive an aggregate of \$10 million for integration service fees phased over a period of three years, of which the Company received \$5.8 million from inception through December 31, 2024. The accounts receivable recorded in the consolidated balance sheet as of December 31, 2024 was immaterial. The Company accounts for technology access, integration service, and supply arrangement as a single performance obligation and recognizes revenue related to technology access and integration service based on estimated units of delivery under the supply arrangement. As of December 31, 2024 and 2023, the Company recorded \$112.7 million and \$107.8 million as deferred revenue primarily within other long-term liabilities in the consolidated balance sheets, respectively. Aston Martin has also committed to an effective minimum spend with the Company on powertrain components of \$225 million.

DDTL Credit Facility

In August 2024, the Company entered into a \$750.0 million five year DDTL Credit Facility with Ayar, which may be used for working capital and general corporate purposes. See Note 6 “Debt” for more information.

Time Deposit

The Company purchases time deposits with GIB from time-to-time. GIB is a related party of the PIF, which is an affiliate of Ayar. As of December 31, 2024, the time deposit balance was \$35.0 million, which was recorded within short-term investments and long-term investments in the consolidated balance sheet. See Note 5 “Fair Value Measurements and Financial Instruments” for more information.

SEGMENT REPORTING

12 Months Ended
Dec. 31, 2024

[Segment Reporting](#)
[\[Abstract\]](#)

SEGMENT REPORTING

SEGMENT REPORTING

The Company operates in one reportable segment, as the CODM reviews financial information presented on a consolidated basis for purposes of allocating resources, and evaluating financial performance. The Company's CODM is its Chief Executive Officer. The Company derives segment revenue from the sale of electric vehicles to customers, and the Company's reported measure of the segment's profit or loss is the consolidated net loss reported in the operations and comprehensive loss. The CODM uses the consolidated net loss for monitoring actual results to assess the Company's financial performance. The CODM does not evaluate its reportable segment using asset information.

The disaggregation of the Company's revenue by geographic area based on the sales location where the sales originated was as follows (in thousands):

	Year Ended December 31, 2024
North America ⁽¹⁾	\$ 587.3
Middle East ⁽²⁾	191.1
Other international	
Total revenue	\$ 807,832

⁽¹⁾ United States revenue was \$587.3 million, \$511.3 million, and \$597.2 million for the years ended December 31, 2024, 2023, and 2022, respectively. No individual country outside the United States represented more than 10% of the total revenue for the year ended December 31, 2022.

⁽²⁾ Kingdom of Saudi Arabia revenue was \$191.1 million for the year ended December 31, 2024. Middle East represented revenue from Kingdom of Saudi Arabia for the year ended December 31, 2024.

The following table included information about reported segment revenue, segment profit or loss, and significant segment expenses (in thousands):

	Year Ended December 31, 2024	
	2024	2023
Revenue	\$ 807,832	\$ 597,200
Less:		
Cost of revenue - excluding LCNRV and provision for warranty	(993,154)	(93,154)
Cost of revenue - LCNRV	(617,446)	(92,446)
Cost of revenue - provision for warranty	(120,343)	(7,343)
Research and development expenses	(1,176,453)	(93,453)
Selling, general, and administrative expenses	(900,952)	(79,952)
Restructuring charges	(20,304)	(2,304)
Change in fair value of common stock warrant liability	34,150	8,150
Change in fair value of equity securities	(43,057)	
Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)	155,350	
Interest income	213,026	21,026
Interest expense	(32,923)	(2,923)
Other income (expense), net	(18,469)	
Provision for income taxes	(1,199)	
Segment net loss	(2,713,942)	(2,82,942)
Consolidated net loss	\$ (2,713,942)	\$ (2,82,942)

Depreciation and amortization expenses were \$295.3 million, \$233.5 million, and \$186.6 million for the years ended December 31, 2024, 2023, and 2022, respectively.

The long-lived assets by geographic area were as follows (in thousands):

	December
	2024
United States	\$ 3,3
Foreign	1
Total long-lived assets	\$ 3,4

SUBSEQUENT EVENTS

**12 Months Ended
Dec. 31, 2024**

[Subsequent Events](#)

[\[Abstract\]](#)

SUBSEQUENT EVENTS

SUBSEQUENT EVENT

In connection with the preparation of the consolidated financial statements for the year ended December 31, 2024, the Company evaluated subsequent events and concluded there were no subsequent events that required recognition in the consolidated financial statements.

2025 GIB Credit Facility

On February 24, 2025, Lucid LLC entered into the 2025 GIB Credit Facility maturing on February 24, 2028 to increase the credit facility committed amount from SAR 1.0 billion (approximately \$266.1 million) to SAR 1.9 billion (approximately \$506.7 million). Loans under the 2025 GIB Credit Facility may be used for general corporate purposes, have a maturity of no more than 12 months, and bear interest at a rate of 1.40% per annum over SAIBOR (based on the term of borrowing) and associated fees. The Company is required to pay a quarterly commitment fee of 0.25% per annum based on the unutilized portion of the 2025 GIB Credit Facility.

Pay vs Performance Disclosure - USD (\$) \$ in Thousands	12 Months Ended		
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Pay vs Performance Disclosure			
Net loss	\$ (2,713,942)	\$ (2,828,420)	\$ (1,304,460)

**Insider Trading
Arrangements**

**3 Months Ended
Dec. 31, 2024**

Trading Arrangements, by Individual

Rule 10b5-1 Arrangement Adopted false

Non-Rule 10b5-1 Arrangement Adopted false

Rule 10b5-1 Arrangement Terminated false

Non-Rule 10b5-1 Arrangement Terminated false

**Insider Trading Policies and
Procedures**

**12 Months Ended
Dec. 31, 2024**

[Insider Trading Policies and Procedures \[Line Items\]](#)

[Insider Trading Policies and Procedures Adopted](#)

true

**Cybersecurity Risk
Management and Strategy
Disclosure**

12 Months Ended

Dec. 31, 2024

**Cybersecurity Risk
Management, Strategy, and
Governance [Line Items]**

**Cybersecurity Risk
Management Processes for
Assessing, Identifying, and
Managing Threats [Text
Block]**

Management of Cybersecurity Risk

Our Cybersecurity Risk Management Processes

Our cybersecurity risk management program provides a framework for handling cybersecurity threats and incidents by identifying and escalating risks, issues, and key decisions to management, the Audit Committee, and our Board. We designed our program to protect our products and services, confidential business information (including intellectual property), and employee and consumer data and includes steps for detecting and monitoring cybersecurity threats and incidents, assessing the severity of such threats or incidents, identifying the source of such threats or incidents, including whether such threats or incidents are associated with a third-party vendor or service provider, implementing cybersecurity countermeasures and mitigation strategies and informing management, the Audit Committee, and our Board of potentially material cybersecurity threats and incidents. In addition, our cybersecurity team provides cybersecurity training to employees during the onboarding process and on a periodic basis thereafter, with specialized training and tabletop exercises for our core incident response teams and executive management on at least an annual basis.

Under the oversight of the ISSC, our cybersecurity risk management program is implemented day-to-day by our cybersecurity team, who identifies, considers, and assesses risks from cybersecurity threats and incidents on a regular basis; establishes processes to monitor such cybersecurity risks; provides mitigation and remediation measures; engages in policy review and development; provides product support and deployment; and maintains our cybersecurity program. Our cybersecurity team also implements data loss prevention tools and capabilities, customer security measures, incident response measures, and processes for management of third-party vendors and service providers. Our cybersecurity incident response is driven by our Lucid Data and Security Incident Response Plan. Based upon the severity assessment and ranking, incidents are handled by the relevant teams for technical, operational, and legal risk management.

In addition, Lucid has implemented processes to integrate our cybersecurity risk management processes into our overall enterprise risk management system including within our greater product management, personnel management, and third-party vendor and service provider management processes.

Third-Party Auditors and Consultants in Cybersecurity Risk Management

Our cybersecurity team also periodically engages third-party cybersecurity experts for risk assessment and system enhancements. We utilize third-party auditors and assessors in connection with our cybersecurity risk management program to identify gaps and develop policies, procedures, and strategies designed to improve the cybersecurity program. We also use third-party consultants to obtain and will use them to maintain relevant organizational cybersecurity certifications, including UN Regulation 155 Vehicle Cybersecurity Approval. As a general matter,

we have from time-to-time utilized third-party cybersecurity consultants on an ad hoc basis in specific instances, including (i) to address potential cybersecurity threats and incidents, (ii) to conduct cybersecurity assessments and penetration testing on high-value systems and applications; and (iii) to develop internal capabilities to improve our cybersecurity defense.

Cybersecurity Risk Management of Third-Party Vendors and Service Providers

We have also implemented risk management practices designed to minimize cybersecurity risks that arise from utilizing third-party vendors and service providers that receive or have access to Lucid confidential information or personal data. In order to oversee and identify such risks, we have implemented the following processes: (i) a third-party security risk management program designed to assess security risk of new third-party vendors or service providers and develop countermeasures to manage unacceptable risks; (ii) provisions in our third-party vendors and service provider contracts with added security requirements; (iii) training procurement teams on management of third-party vendor and service providers; (iv) role-based access controls for third-party personnel; and (v) data transfer mechanisms for the sharing of data with third parties. While we are in the process of increasing the resiliency of these capabilities across the board, our control over and ability to monitor the security posture of third-party vendors and service providers remains limited and there can be no assurance that we can prevent, mitigate or remediate the risk of any compromise or failure in the security infrastructure owned or controlled by such third parties. In addition, any contractual protections with such third parties, including our right to indemnification, if any at all, may be limited or insufficient to prevent a negative impact on our business from such compromise or failure.

[Cybersecurity Risk
Management Processes
Integrated \[Flag\]](#)
[Cybersecurity Risk
Management Processes
Integrated \[Text Block\]](#)

true

At Lucid, cybersecurity risk management is an integral part of our overall enterprise risk management program. We have made significant investments in people, processes, and technology to protect Lucid's connected vehicles, services, confidential business information, and employee and consumer personal data. We have implemented multiple and varied processes and technologies for the avoidance, identification, assessment, mitigation, and remediation of risks from cybersecurity threats and incidents designated to protect against the cybersecurity risk landscape. We regularly assess and enhance our protection, detection, response, and recovery capabilities and engage with the cybersecurity communities including Auto-ISAC, third-party cybersecurity and compliance partners, internal stakeholders, and organizations leading best practices, to support our goals and objectives. Our cybersecurity risk management program integrates multiple teams across the organization, including our IT, digital and physical product, infrastructure, and legal teams, with leadership and oversight by executive management, the Audit Committee of the Board of Directors ("Audit Committee"), and the Board of Directors ("Board").

To date, Lucid is not aware of risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect Lucid, including our business strategy, results of operations or financial

condition. See Item 1A. “Risk Factors” of this Annual Report for further information about our cybersecurity risk.

[Cybersecurity Risk](#)

[Management Third Party](#)

true

[Engaged \[Flag\]](#)

[Cybersecurity Risk Third](#)

[Party Oversight and](#)

true

[Identification Processes \[Flag\]](#)

[Cybersecurity Risk Materially](#)

[Affected or Reasonably Likely](#)

false

[to Materially Affect Registrant](#)

[\[Flag\]](#)

[Cybersecurity Risk Board of](#)

[Directors Oversight \[Text](#)

[Block\]](#)

Board and Committee Oversight

Our Board has oversight responsibility for our overall enterprise risk management and delegates cybersecurity risk management oversight to the Audit Committee. The Audit Committee oversees Lucid’s policies and practices with respect to risk assessment and risk management, including discussing with management (i) Lucid’s major financial, cybersecurity, privacy and other information technology risk exposures; (ii) the steps that have been taken to monitor and control such exposures; and (iii) any material cybersecurity threats or incidents. The Audit Committee and the Board receive regular reporting from Lucid’s management, including the leadership of our enterprise IT security and product cybersecurity departments (“Cybersecurity Leaders”) on the status of our cybersecurity program and ad hoc reporting on material cybersecurity threats and incidents.

[Cybersecurity Risk Board](#)

[Committee or Subcommittee](#)

[Responsible for Oversight](#)

[\[Text Block\]](#)

At the management level, our Information Security Steering Committee (“ISSC”), with oversight by our VP of IT and General Counsel, is responsible for leading our cybersecurity risk management program and enterprise cybersecurity matters. Under the ISSC, we have various cybersecurity working committees, led by our Cybersecurity Leaders, which are primarily responsible for operational review of cybersecurity threats and incidents as part of our incident response process. Cybersecurity Leaders receive reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity threats and incidents. For potentially material cybersecurity threats and incidents, we escalate these to the ISSC, which, with additional oversight and support from our interim CEO, would raise such threats and incidents to our Audit Committee Chair and, as appropriate, to our Board as they arise. If the cybersecurity incident is determined to be material, disclosure would be filed with the SEC within four business days of determination.

[Cybersecurity Risk Process for](#)
[Informing Board Committee](#)
[or Subcommittee Responsible](#)
[for Oversight \[Text Block\]](#)

Cybersecurity Leaders receive reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity threats and incidents. For potentially material cybersecurity threats and incidents, we escalate these to the ISSC, which, with additional oversight and support from our interim CEO, would raise such threats and incidents to our Audit Committee Chair and, as appropriate, to our Board as they arise. If the cybersecurity incident is determined to be material, disclosure would be filed with the SEC within four business days of determination.

[Cybersecurity Risk Role of Management \[Text Block\]](#)

Management's Role

At the management level, our Information Security Steering Committee (“ISSC”), with oversight by our VP of IT and General Counsel, is responsible for leading our cybersecurity risk management program and enterprise cybersecurity matters. Under the ISSC, we have various cybersecurity working committees, led by our Cybersecurity Leaders, which are primarily responsible for operational review of cybersecurity threats and incidents as part of our incident response process. Cybersecurity Leaders receive reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity threats and incidents. For potentially material cybersecurity threats and incidents, we escalate these to the ISSC, which, with additional oversight and support from our interim CEO, would raise such threats and incidents to our Audit Committee Chair and, as appropriate, to our Board as they arise. If the cybersecurity incident is determined to be material, disclosure would be filed with the SEC within four business days of determination.

Our Cybersecurity Leaders and the dedicated personnel on their teams have industry-recognized certifications such as Certified Information Security Manager, Certified Information Systems Security Professional, and Boardroom qualified Technology Expert, and experienced information systems security professionals and information security managers with many years of technical cybersecurity management experience.

[Cybersecurity Risk Management Positions or Committees Responsible \[Flag\]](#)

true

[Cybersecurity Risk Management Positions or Committees Responsible \[Text Block\]](#)

At the management level, our Information Security Steering Committee (“ISSC”), with oversight by our VP of IT and General Counsel, is responsible for leading our cybersecurity risk management program and enterprise cybersecurity matters. Under the ISSC, we have various cybersecurity working committees, led by our Cybersecurity Leaders, which are primarily responsible for operational review of cybersecurity threats and incidents as part of our incident response process. Cybersecurity Leaders receive reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity threats and incidents.

[Cybersecurity Risk Management Expertise of Management Responsible \[Text Block\]](#)

Our Cybersecurity Leaders and the dedicated personnel on their teams have industry-recognized certifications such as Certified Information Security Manager, Certified Information Systems Security Professional, and Boardroom qualified Technology Expert, and experienced information systems security professionals and information security managers with many years of technical cybersecurity management experien

[Cybersecurity Risk Process for Informing Management or Committees Responsible \[Text Block\]](#)

Cybersecurity Leaders receive reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity threats and incidents. For potentially material cybersecurity threats and incidents, we escalate these to the ISSC, which, with additional oversight and support from our interim CEO, would raise such threats and incidents to our Audit Committee Chair and, as appropriate, to our Board as they arise. If the cybersecurity incident is determined to be material, disclosure would be filed with the SEC within four business days of determination.

Cybersecurity Risk
Management Positions or
Committees Responsible
Report to Board [Flag]

true

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES
(Policies)**

12 Months Ended

Dec. 31, 2024

[Accounting Policies](#)

[\[Abstract\]](#)

[Basis of Presentation](#)

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements included herein have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of wholly owned subsidiaries.

[Principles of Consolidation](#)

All significant intercompany balances and transactions have been eliminated in consolidation.

[Reclassifications](#)

Certain prior-period amounts have been reclassified in the accompanying consolidated financial statements and notes thereon to conform to the current period presentation.

[Segment Reporting](#)

Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Company's Chief Executive Officer (the "CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is the Chief Executive Officer. The Company has determined that it operates in one operating and one reportable segment, as the CODM reviews financial information on a quarterly basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

[Use of Estimates](#)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates, assumptions and judgments include, among others, inventory valuation, warranty reserve, useful lives of property, plant and equipment, fair value of common stock warrants, liabilities associated with the Redeemable Convertible Preferred Stock, estimates of residual value guarantee ("RVG") liability, deferred revenue, access fees and over-the-air ("OTA") software updates, sales return reserves, assumptions used to measure stock-based compensation expense, incremental borrowing rates for assessing operating and finance leases. These estimates and assumptions are based on management's best estimates. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances change. Those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

[Cash, Cash Equivalents and
Restricted Cash](#)

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with an original maturity at the date of purchase of three months or less to be cash equivalents.

Restricted cash in other current assets is primarily related to letters of credit issued to the landlords for certain of the Company's leased facilities.

[Investments](#)

Investments

The Company's investments in marketable debt securities have been classified and accounted for as available-for-sale and they are stated at fair value. The Company classifies its investments as either short-term or long-term based on each instrument's underlying contractual maturity date. Unrealized gains and losses on available-for-sale securities are recorded in accumulated other comprehensive income (loss) which is included within stockholders' equity. Interest income, amortization and accretion of purchase premiums and discounts on its investments of available-for-sale securities are included in interest income. Realized gains and losses are determined using the specific identification method. Realized gains and losses on the sale of available-for-sale securities are recorded in other income in the consolidated statements of operations and comprehensive loss.

The Company regularly reviews its investment portfolio of available-for-sale securities for allowance for credit losses. Factors considered include changes in fair values below amortized costs, adverse conditions related to securities, creditworthiness of the security issuer, and the timing of principal and interest payments.

[Equity Securities](#)

Equity Securities

The Company's equity securities with readily determinable fair value are measured and stated at fair value with unrealized gains and losses recorded in the consolidated statements of operations and comprehensive loss.

[Accounts Receivable, Net](#)

Accounts Receivable, Net

Accounts receivable consists of receivables from our customers and from financial institutions offering financing products. The Company records the sale of vehicles, sales of powertrain kits, services, and regulatory credits. The Company provides an allowance against accounts receivable for any potential uncollectible amounts.

[Concentration of Credit Risk](#)

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash, cash equivalent accounts receivable. The Company places its cash primarily with domestic financial institutions that are federally insured limits, but its deposits exceed federally insured limits.

[Concentration of Supply Risk](#)

Concentration of Supply Risk

The Company is dependent on its suppliers, the majority of which are single-source suppliers, and the inability of these suppliers to deliver necessary products according to the schedule and at prices, quality levels and volumes acceptable to the Company, or its inability to efficiently manage these suppliers, could have a material adverse effect on the Company's results of operations and financial condition.

[Inventory](#)

Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is computed using standard cost for vehicles, which approximates actual cost. The Company records inventory write-downs for excess or obsolete inventories based upon assumptions about current and future demand forecasts. In excess of future demand forecast and market conditions, the excess amounts are written-off.

Inventory is also reviewed to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This determination is based on the selling price of the vehicles less the estimated cost to convert the inventory on-hand into a finished product. Once inventory is written down, the basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly determined value.

In the event there are changes in our estimates of future selling prices or production costs, the Company may be required to record additional and further write-downs. A small change in the Company's estimates may result in a material change in its reported financial results.

[Property, Plant, and Equipment, Net](#)

Property, Plant, and Equipment, Net

Property, plant, and equipment are stated at cost, less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets. Interest expense capitalized for significant capital asset construction in progress is included within property, plant and equipment, net. Depreciation expense over the life of the related assets. The Company capitalizes qualified costs incurred during the application development stage of internal use software. Costs incurred during the preliminary project stage and post-implementation stage are expensed.

The Company classifies vehicles sold with repurchase obligations that are accounted for as operating leases within Property, plant and equipment, net. These vehicles are measured at cost and depreciated on a straight-line basis to the estimated residual value over the contractual period.

The Company generally uses the following estimated useful lives for each asset category:

Asset Category	Life (years)
Machinery, tooling and vehicles	3 - 15
Computer equipment and software	3
Furniture and fixtures	5
Finance leases	Shorter of the lease term or the estimated useful life
Building and improvements	5 - 40
Leasehold improvements	Shorter of remaining lease term or the estimated useful life

Management determines the useful lives of the Company's property and equipment when those assets are initially recognized and routinely reviewed for impairment. Current estimate of useful lives represents the best estimate of the useful lives based on the Company's current facts and circumstances. Changes in actual useful lives due to changes to its business operations, changes in the planned use of assets, and the technological advancements. When management revises its estimate useful life assumption for any asset, the remaining carrying amount of the asset is accounted for prospectively and depreciated over the remaining useful life.

Expenditures for repair and maintenance costs are expensed as incurred, and expenditures for major renewals and improvements that extend the functionality of the asset are capitalized and depreciated ratably over the identified useful life. Upon disposition or retirement of property and equipment, the related cost and accumulated depreciation and amortization are removed, and any gain or loss is reflected in the statement of operations and comprehensive loss.

[Impairment of Long-Lived Assets](#)

Impairment of Long-Lived Assets

Long-lived assets, including property, plant and equipment and right-of-use ("ROU") assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for potential impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent the carrying amount of the underlying asset exceeds its fair value.

[Leases](#)

Leases

The Company has lease agreements with lease and non-lease components and has elected not to utilize the practical expedient to account for lease components separately, rather the Company accounts for the lease and non-lease components separately in the consolidated financial statements. The Company has ROU assets and corresponding lease liabilities for short-term leases having initial terms of 12 months or less if the leases do not contain a purchase option that the Company is reasonably certain to exercise. Instead, the Company recognizes lease payments on a straight-line basis over the lease term.

Operating lease assets are included within operating lease ROU assets. Finance lease assets are included within property, plant and equipment, net of accumulated depreciation. Operating lease liabilities are included within other current liabilities and other long-term liabilities; the finance lease liabilities are included within other current portion and finance lease liabilities, net of current portion on the Company's consolidated balance sheets as of December 31, 2024 and 2023.

All lease assets and lease liabilities are recognized based on the present value of lease payments over the lease term. The Company estimates the discount rate based on the information available at lease commencement date in determining the present value of lease payments.

[Foreign Currency](#)

Foreign Currency

The Company determines the functional currency of our foreign subsidiaries based on the primary currency in which they operate. The Company translates the assets and liabilities of foreign subsidiaries to U.S. dollars at the current exchange rate as of each balance sheet date. Revenue and expenses are translated at the average exchange rate prevailing during the period. Any resulting translation adjustments are included in accumulated other comprehensive income (loss). The assets and liabilities of subsidiaries whose local currency is not their functional currency are remeasured from their local currency to their functional currency and then translated at the current exchange rate. Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in a currency other than the functional currency. Gains and losses arising from foreign currency transactions and the effects of remeasurements are included in other income (expense), net within the Company's consolidated statements of operations and comprehensive loss.

[Revenue from Contracts with Customers](#)

Revenue from Contracts with Customers

The Company follows a five-step process in which the Company identifies the contract, identifies the related performance obligations, determines the transaction price, allocates the transaction price to the identified performance obligations, and recognizes revenue when (or as) the performance obligations are satisfied.

Vehicle Sales

Vehicle Sales without Residual Value Guarantee

Vehicle sales revenue is generated from the sale of electric vehicles to customers. There are two performance obligations identified in vehicle sales: the vehicle including an onboard advanced driver assistance system ("ADAS"), and the right to unspecified OTA software updates to be provided over the term of the basic vehicle warranty, which is generally four years. Shipping and handling provided by the Company is considered a fulfillment obligation.

Payment is typically received at the time of delivery or shortly after delivery of the vehicle to the customer, except for vehicle sales under the EV Leasing program. Generally, control transfers to the customer at the time of delivery when the customer takes physical possession of the vehicle, which may be at a location other than the destination chosen by the customer. The Company's vehicle contracts do not contain a significant financing component. The Company has elected to measure revenue from the measurement of the transaction price. The Company estimates the standalone selling price of all performance obligations by considering the price of the good or service, third-party pricing of similar goods or services and other information that may be available. The transaction price is allocated to the performance obligations in proportion to the standalone selling price of the Company's performance obligations.

The Company recognizes revenue related to the vehicle when the customer obtains control of the vehicle which occurs at a point in time either upon delivery to the agreed upon delivery location or upon pick up of the vehicle by the customer. As the unspecified OTA software updates are provided when available, revenue related to OTA software updates is recognized ratably over the basic vehicle warranty term, commencing when control of the vehicle transfers to the customer.

At the time of revenue recognition, the Company reduces the transaction price and records a sales return reserve against revenue for estimated variable consideration related to future product returns. Return rate estimates are based on historical experience and the sales return reserve balance was not material as of December 31, 2024.

The Company provides a manufacturer's warranty on all vehicles sold. The warranty covers the rectification of reported defects via repair, replacement or refund of faulty parts or components. The warranty does not cover any item where failure is due to normal wear and tear. This assurance-type warranty does not create a liability obligation separate from the vehicle. The estimated cost of the assurance-type warranty is accrued at the time of vehicle sale.

Vehicle Sales with Residual Value Guarantee

The Company provides an RVG to its commercial banking partners in connection with its vehicle leasing program. Vehicle sales with RVG totaled \$190.9 million, and \$31.1 million during the years ended December 31, 2024, 2023, and 2022, respectively. Under the vehicle leasing program, the Company receives payment for the vehicle sales price at the time of delivery or shortly after the delivery, does not bear casualty and credit risks during the lease term, and is contractually obligated (or entitled) to share a portion of the shortfall (or excess) between the resale value realized by the commercial banking partner and the original resale value. At the lease inception, the Company is required to deposit cash collateral equal to a contractual percentage of the residual value of the vehicle with the commercial banking partners. The cash collateral is held in a restricted bank account owned by the commercial banking partner until it is used, as

of the RVG at the end of the lease term. Cash collateral is recorded in other current assets and other noncurrent assets on consolidated balance sheet and is subject to impairment review at each reporting period.

The Company accounts for the vehicle leasing program in accordance with ASC 842, *Leases*, ASC 460, *Guarantees* and ASC 606, *Revenue from Contracts with Customers*. The Company is the lessor at inception of a lease and immediately transfers the lease as well as the underlying vehicle to its commercial banking partner. The transaction being accounted for as a sale under ASC 606. The Company recognizes revenue when control transfers upon delivery when the customer obtains possession of the vehicle, and bifurcates the RVG at fair value and accounts for it as a guarantee liability. The remaining amount of the transaction is accounted for as the performance obligations, including the vehicle, the right to unspecified OTA software updates and remarketing activities, in proportion to the fair value of the Company's performance obligations. Any fees or incentives that are paid or payable by the Company to commercial banking partners are recorded as a reduction of vehicle sales revenue.

The guarantee liability represents the estimated amount the Company expects to pay at the end of the lease term. The Company is released from its obligation upon expiration or settlement of the RVG. The Company evaluates variables such as third-party residual value publications, risk of future price deterioration, market conditions and reconditioning costs to determine the estimated RVG liability. As of December 31, 2024, the Company recorded \$58.0 million of RVG liabilities. RVG liabilities were not material as of December 31, 2023. As the Company accumulates more data related to the resale value of our vehicles or market conditions change, there could be material changes to the estimated guarantee liabilities. The maximum potential amount of future payments (in excess of RVG) the Company could be required to make was \$401.1 million and \$101.1 million as of December 31, 2024 and 2023, respectively.

Vehicle Operating Lease Revenue

The Company accounts for sales of vehicles with repurchase obligations as operating leases. The Company sells vehicles primarily to rental companies. The customer repurchase the vehicles at an agreed upon repurchase price. The Company records the difference between the proceeds received and the agreed upon repurchase price as vehicle leasing revenue on a straight-line basis over the term of the lease. Deferred leasing revenue and repurchase obligation were recorded in other long-term liabilities in the consolidated balance sheets, and were not material as of December 31, 2024 and 2023. The operating lease revenue for the years ended December 31, 2024, 2023, and 2022.

Other

Other consists of revenue from non-warranty after-sales vehicle services and parts, sales of battery pack systems, powertrain kits, retail merchandise and other. Battery pack system and powertrain kits revenue consists of the sales of battery pack systems or powertrain kits, supplies and related services for electric vehicles. The Company generates regulatory credits revenue from the sale of tradable credits the Company earns under various regulations. This include credits related to greenhouse gas, and the Corporate Average Fuel Economy ("CAFE") credits. The sale of battery pack systems, powertrain kits along with related services and credits is a single performance obligation recognized at the point in time when control is transferred to the customer. Shipping and handling provided with the product is considered a fulfillment activity. While customers generally have the right to return defective or non-conforming products, past experience has demonstrated that returns have been immaterial. Customer remedies may include either a cash refund or an exchange of the returned product. Payment for the product is received at invoice or in accordance with payment terms customary to the business. The Company's battery pack system or powertrain kits contracts do not contain a financing component. The Company has elected to exclude sales taxes from the measurement of the transaction price.

Control transfers to the customer when the product or regulatory credit is delivered or transferred to the customer as the customer is able to direct the use of the product or regulatory credit and obtain substantially all of the remaining benefits from the asset at that time.

Cost of Revenue

Cost of Revenue

Vehicle Sales

Cost of vehicle sales includes direct parts, materials, shipping and handling costs, allocable overhead costs such as depreciation of manufacturing facilities, information technology costs, personnel costs, including wages and stock-based compensation, estimated warranty costs, charges to reduce the realizable value, charges for any excess or obsolete inventories, and losses from firm purchase commitments. Manufacturing credits earned are recorded as a reduction of cost of vehicle sales.

Vehicle Operating Lease

Depreciation of operating lease vehicles are classified as cost of vehicle operating lease revenue.

Other

Cost of other revenue includes direct parts, material and labor costs, manufacturing overhead, including depreciation of tooling and logistic costs. Cost of other revenue also includes costs associated with providing non-warranty after-sales services, retail merchandise.

Warranties

Warranties

The Company provides a manufacturer's warranty on all vehicles it sells and accrues a warranty reserve for warranty coverage, as applicable. The Company records actual claims incurred to date and an estimate of the nature, frequency, and costs of future claims. The Company accrues a warranty reserve for all vehicles sold and includes the Company's best estimates of the projected costs related to recalls identified and special campaigns to repair or replace items under warranty.

reviews the adequacy of warranty reserve on a regular basis. Changes to the Company's historical or projected warranty experience may cause the warranty reserve in the future. The portion of the warranty reserve for costs expected to be incurred within the next 12 months is included within the consolidated balance sheets while the remaining balance is included within other long-term liabilities in the consolidated balance sheets. The warranty expense is recorded as revenue in the consolidated statements of operations and comprehensive loss.

The Company recognizes recovery from suppliers as an offset to the warranty expenses in the consolidated statements of operations and comprehensive loss and in other current assets in the consolidated balance sheet when the recovery amounts are contractually due from suppliers.

[Income Taxes](#)

Income Taxes

The Company utilizes the liability method to account for income taxes, under which deferred tax assets and liabilities arise from the temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements, as well as from net operating loss and tax credit carryforwards. Tax amounts are determined by using the tax rates expected to be in effect when the taxes will actually be paid, or refunds received, as provided for under applicable law.

The Company recognizes deferred tax assets to the extent that these assets are more likely than not to be realized. In making such a determination, management considers all available evidence, including negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is determined that deferred tax assets would be realized in the future in excess of their net recorded amount, an adjustment is made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions on the basis of a two-step process which includes (1) determining whether it is more likely than not that the tax position will be sustained on the basis of the technical merits of the position, and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company's policy is to recognize interest and penalties related to unrecognized tax benefits in provision for income taxes in the consolidated statements of operations and comprehensive loss. Accrued interest and penalties are included within other long-term liabilities in the consolidated balance sheets.

[Stock-Based Compensation](#)

Stock-Based Compensation

The Company issues stock-based compensation awards to employees, officers, directors, and non-employees in the form of stock options, restricted stock, and employee stock purchase plan (the "ESPP"). The Company measures and recognizes compensation expense for stock-based awards based on the fair value of the awards at the date of grant. The Company accounts for forfeitures of stock-based awards when they occur. The fair value of RSUs that vest based on service conditions is measured using the fair value of the Company's common stock on the date of the grant. The fair value of RSUs that vest based on performance conditions is measured using a Monte Carlo simulation model on the date of grant. The fair value of stock options that vest based on service conditions is measured using the Black-Scholes option pricing model on the date of grant. The Monte Carlo simulation model and the Black-Scholes option pricing model require management to make assumptions, including the fair value of the Company's common stock, the expected term of the award, the expected volatility of the Company's common stock, and the expected dividend yield of the Company's common stock. The assumptions used to determine the fair value of the awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment.

The fair value of awards that vest based on only continuous service is recognized on a straight-line basis over the requisite service period. The fair value of awards based on performance or market conditions is recognized over the requisite service period using the graded vesting attribution method. Stock-based compensation is only recognized for awards with performance conditions once the performance condition becomes probable of being achieved. The performance condition is based on the actual achievement of corporate performance goals and/or individual performance. The RSUs with market conditions will vest only if the Company achieves its market capitalization targets.

[Comprehensive Loss](#)

Comprehensive Loss

Comprehensive loss is composed of two components: net loss and other comprehensive income (loss). Other comprehensive income (loss) refers to changes in equity, net of taxes, from losses on investments in available-for sale securities and foreign currency translation adjustments that are recorded as an element of stockholders' equity, net of taxes, from the determination of net loss.

[Research and Development](#)

Research and Development

Research and development expenses primarily consist of materials, supplies, personnel-related expenses, contractor fees, and testing expenses, and allocated facilities cost. Substantially all of the Company's research and development expenses are for research and development of developing new products, related technologies, and services and improving existing products and services. Research and development expenses have been expensed as incurred and included in the consolidated statements of operations and comprehensive loss.

[Selling, General, and Administrative](#)

Selling, General, and Administrative

Selling, general and administrative expenses primarily consist of personnel-related expenses for employees involved in general corporate, selling, and administrative functions, including executive management and administration, legal, human resources, allocated facilities and real estate, accounting, finance, tax, and information technology.

[Advertising](#)

Advertising

Advertising costs are expensed as incurred and are included in selling, general, and administrative expenses in the consolidated statements of operations and comprehensive loss.

[Restructuring](#)

Restructuring

The Company's restructuring charges primarily consist of severance payments, employee benefits, employee transition and stock-based compensation with the management-approved restructuring plan. One-time employee termination benefits are recognized at the time of communication to employees if required, in which case the costs are recognized over the future service period. Ongoing employee termination benefits are recognized when the amounts are reasonably estimable. Other costs are recognized as incurred.

[Commitments and Contingencies](#)

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recognized if it is probable that a liability has been incurred and the amount within a range of loss can be reasonably estimated. When no amount can be estimated, or the estimate is a better estimate than any other amount, the Company accrues for the minimum amount within the range. Legal costs incurred in connection with loss contingencies are expensed as incurred.

[Net Loss Per Share](#)

Net Loss Per Share

Basic and diluted net loss per share attributable to common stockholders is computed in conformity with the two-class method required for participating securities. The Company considers all series of its redeemable convertible preferred stock to be participating securities as they are cumulative and participate in dividends on an as-converted basis. The net loss attributable to common stockholders will reflect the remeasurements of the host contracts for the cumulative dividends and equity accretions. Under the two-class method, the net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stockholders if the preferred stockholders do not have a contractual obligation to share in the Company's losses.

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potentially dilutive common share equivalents to the extent they are dilutive. Shares of Private Placement Warrants under treasury stock method are included in the computation of diluted net loss per share when they are dilutive. For the purposes of this calculation, Private Placement Warrants, stock options outstanding, RSUs outstanding, potential shares issued under ESPP, if-converted shares from convertible note, if-converted common shares from Series A redeemable convertible preferred stock and if-converted common shares from Series B redeemable convertible preferred stock are considered to be common stock equivalents.

[Redeemable Convertible Preferred Stock](#)

Redeemable Convertible Preferred Stock

Accounting for the redeemable convertible preferred stock requires an evaluation to determine if liability classification is required under ASC 480. Liability classification is required for freestanding financial instruments that are (1) subject to an unconditional obligation requiring the issuer to redeem them by transferring assets, such as those that are mandatorily redeemable, (2) instruments other than equity shares that embody an obligation of the issuer to transfer assets, or (3) certain types of instruments that obligate the issuer to issue a variable number of equity shares.

Securities that do not meet the scoping criteria to be classified as a liability under ASC 480 are subject to redeemable equity guidance, which prescribes that they be subject to redemption upon an event not solely within the Company's control to be classified as temporary equity. Securities classified in temporary equity are measured at the proceeds received, net of issuance costs and excluding the fair value of bifurcated embedded derivatives, if any. Subsequent measurement of the redeemable convertible preferred stock is required as the instrument is probable of becoming redeemable. The Company accretes the carrying value of the preferred stock to its redemption value. In certain circumstances, the redemption price may vary based on changes in stock price, in which case the Company adjusts the carrying value of the preferred stock to the redemption value immediately as they occur and adjust the carrying value of the security to equal the then current maximum redemption value at each reporting period.

[Derivative Liabilities](#)

Derivative Liabilities

The Company evaluates all of its financial instruments, including convertible notes and redeemable convertible preferred stock, to determine if they contain derivatives or contain features that qualify as embedded derivatives. The Company applies significant judgment to identify and evaluate complex financial instruments and these contracts and agreements to determine whether embedded derivatives exist. Embedded derivatives must be separately measured from the host contract if the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the instrument. Bifurcated embedded derivatives are recognized at fair value, with changes in fair value recognized in the consolidated statements of operations and comprehensive loss at each reporting period end. Bifurcated embedded derivatives are classified as a separate liability in the consolidated balance sheet.

The Company's derivative liabilities are related to the conversion features embedded in the Redeemable Convertible Preferred Stock. See Note 8 "Redeemable Convertible Preferred Stock" for more information.

[Common Stock Warrants](#)

Common Stock Warrants

The Company accounts for warrants for shares of the Company's common stock that are not indexed to its own stock as liabilities at fair value on the balance sheet. Liability-classified common stock warrants are subject to remeasurement to fair value as of any respective exercise date and as of each subsequent reporting period. Changes in fair value recorded in the Company's statement of operations and comprehensive loss. The Company's privately placed common stock warrants (including "Private Placement Warrants") are liability-classified instruments because they are not deemed indexed to the Company's own common stock.

[Government Grants](#)

Government Grants

The Company recognizes government grants once there is reasonable assurance to receive the grants and meet all the conditions specified in the grant agreement. Grants are recorded as income when the related expenses for which the grants are intended to compensate are recorded. Grants related to fixed assets are recorded as a reduction in the carrying amount of the related assets and are recognized in profit or loss over the life of a depreciable asset through reduced depreciation expense. Grants received in advance of the acquisition or construction of assets are recorded initially in deferred liability and then as a deduction in calculating the expense of the related fixed assets upon acquisition or construction of the assets.

[Recently Adopted Accounting Pronouncements and Recently Issued Accounting Pronouncements Not Yet Adopted](#)

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Segment Reporting Disclosures, which requires incremental segment information disclosure on an annual and interim basis. This amendment includes disclosure of significant segment expenses which are regularly provided to the CODM and included within each reported measure of segment profit or loss; other segment items by segment; description of its composition; reportable segment’s profit or loss and assets; additional measures of segment profit or loss if the CODM uses more than one measure of segment’s profit or loss in assessing segment performance, and the title and position of the entity’s CODM and how the CODM uses the reported profit or loss in assessing segment performance and determining resource allocation. The Company with a single reportable segment is required to provide disclosures under this amendment. The guidance is effective for fiscal years beginning with the Company’s annual financial statements as of and for the year ended December 31, 2024. The Company applies to its financial statements for interim periods thereafter. Early adoption is permitted, and should be applied retrospectively. The Company has adopted the guidance for the fiscal year ended December 31, 2024. See Note 17 “Segment Reporting” for the required disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires enhanced income tax disclosures. This amendment includes disclosures of specific categories in the rate reconciliation and additional information for reconciling items exceeding a quantitative threshold; income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes, and also disaggregated by individual jurisdictions exceeding a quantitative threshold; income (or loss) from continuing operations before income tax expenses (or benefit) disaggregated between domestic and foreign operations; expense (or benefit) from continuing operations disaggregated by federal, state and foreign. The guidance is effective for annual periods beginning with the Company’s fiscal year ended December 31, 2025. Early adoption is permitted and should be applied prospectively (with retrospective application permitted). The Company is evaluating the impact of the amendment and does not expect a material impact to the related financial statement disclosures.

In March 2024, the SEC issued its final rule that requires certain climate-related disclosures in annual reports, including governance, oversight, and risk management processes on material climate-related risks; material impact of climate risks on the Company’s strategy, business model, and outlook; material climate-related financial statements impacts due to severe weather events and other natural conditions. This SEC rule provides phased effective dates, starting with the Company’s annual reports beginning on or after January 1, 2025. The SEC rule is currently stayed pending the outcome of litigation, and the Company is evaluating the impact of the rule on its annual reports.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses, which requires disclosure of specified information about certain costs and expenses (such as purchase price, employee compensation, depreciation, and amortization) within the relevant expense captions presented on the face of the statements of operations. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted, and should be applied either prospectively or retrospectively. The Company is evaluating the impact of the amendment on the related financial statement disclosures.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its financial statements or notes thereto.

[Fair Value Measurement](#)

- **Level 1**—Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- **Level 3**—Inputs that are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use to develop the estimated fair value. Factors used to develop the estimated fair value are unobservable inputs that are not supported by market activity. The sensitivity of the measurement to changes in unobservable inputs may result in a significantly higher or lower measurement.

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES**
(Tables)

[Accounting Policies](#)

[\[Abstract\]](#)

[Schedule of Cash and Cash
Equivalents](#)

12 Months Ended

Dec. 31, 2024

The following table provides a reconciliation of cash, cash equivalents, and restricted cash to amounts shown in the statements of cash flows (in thousands):

	2024
Cash and cash equivalents	\$ 1,600
Restricted cash included in other current assets	
Restricted cash included in other noncurrent assets	
Total cash, cash equivalents, and restricted cash	\$ 1,600

[Schedule of Restricted Cash](#)

The following table provides a reconciliation of cash, cash equivalents, and restricted cash to amounts shown in the statements of cash flows (in thousands):

	2024
Cash and cash equivalents	\$ 1,600
Restricted cash included in other current assets	
Restricted cash included in other noncurrent assets	
Total cash, cash equivalents, and restricted cash	\$ 1,600

[Schedule of Property, Plant
and Equipment, Net](#)

The Company generally uses the following estimated useful lives for each asset category:

Asset Category	Life (years)
Machinery, tooling and vehicles	3 - 15
Computer equipment and software	3
Furniture and fixtures	5
Finance leases	Shorter of the lease term or the estimated useful life
Building and improvements	5 - 40
Leasehold improvements	Shorter of remaining lease term or the estimated useful life

Property, plant and equipment, net as of December 31, 2024 and 2023 was as follows (in thousands):

	December 2024
Land and land improvements	\$ 7
Building and improvements ⁽¹⁾	1,070
Machinery, tooling and vehicles ⁽²⁾⁽³⁾	1,720
Computer equipment and software	100
Leasehold improvements	200
Furniture and fixtures	50
Finance leases	80
Construction in progress	670
Total Property, plant and equipment	4,050
Less accumulated depreciation and amortization	(780)
Property, plant and equipment, net	\$ 3,270

⁽¹⁾ As of December 31, 2024 and 2023, \$127.5 million and \$120.2 million of capital expenditure support received from Ministry of Investment of Saudi Arabia ("MISA") was primarily for the AMP-2 building balance, respectively. See Note 2 "Summary of Significant Accounting Policies" and Note 16 "Related Party Transactions" for more information.

⁽²⁾Included \$39.5 million and \$32.5 million of service loaner vehicles as of December 31, 2024 and 2023, respectively.

⁽³⁾Included \$34.7 million and \$9.1 million of operating lease vehicles sold to rental companies as of December 31, 2024 and 2023, respectively.

Construction in progress consisted of the following (in thousands):

	December 2024
Machinery and tooling	\$ 56
Construction of AMP-1 and AMP-2 ⁽¹⁾	7
Leasehold improvements and other	3
Total construction in progress	\$ 67

⁽¹⁾ As of December 31, 2024 and 2023, \$67.3 million and \$12.1 million of capital expenditure support received from MISA was recorded primarily as a deduction to the AMP-2 facilities balance, respectively. See Note 2 “Summary of Significant Accounting Policies” and Note 16 “Related Party Transactions” for more information.

RESTRUCTURING (Tables)

12 Months Ended
Dec. 31, 2024

[Restructuring and Related Activities \[Abstract\]](#)
[Schedule of Restructuring Liabilities](#)

A summary of restructuring liabilities associated with the restructuring plans was as follows (in thousands):

	Year Ended
	2024
Restructuring liabilities - beginning of period	\$
Restructuring charges excluding non-cash items ⁽¹⁾⁽²⁾	21
Cash payments	(21)
Restructuring liabilities - end of period	\$

⁽¹⁾ Excluded non-cash items of \$1.5 million for the year ended December 31, 2024 related to the 2024 Restructuring Plan, which was net of accelerated stock-based compensation expense reversal of \$4.7 million related to previously recognized stock-based compensation expenses for unvested restricted stock awards.

⁽²⁾ Excluded non-cash items of \$1.4 million for the year ended December 31, 2023 related to the 2023 Restructuring Plan, which was net of accelerated stock-based compensation expense reversal of \$4.8 million related to previously recognized stock-based compensation expenses for unvested restricted stock awards.

Inventory as of December 31, 2024 and 2023 was as follows (in thousands):

	December 2024
Raw materials	\$ 16
Work in progress	3
Finished goods	21
Total Inventory	\$ 40

The Company generally uses the following estimated useful lives for each asset category:

Asset Category	Life (years)
Machinery, tooling and vehicles	3 - 15
Computer equipment and software	3
Furniture and fixtures	5
Finance leases	Shorter of the lease term or the estimated useful life
Building and improvements	5 - 40
Leasehold improvements	Shorter of remaining lease term or the estimated useful life

Property, plant and equipment, net as of December 31, 2024 and 2023 was as follows (in thousands):

	December 2024
Land and land improvements	\$ 7
Building and improvements ⁽¹⁾	1,07
Machinery, tooling and vehicles ⁽²⁾⁽³⁾	1,72
Computer equipment and software	10
Leasehold improvements	26
Furniture and fixtures	5
Finance leases	8
Construction in progress	67
Total Property, plant and equipment	4,05
Less accumulated depreciation and amortization	(78)
Property, plant and equipment, net	\$ 3,26

⁽¹⁾ As of December 31, 2024 and 2023, \$127.5 million and \$120.2 million of capital expenditure support received from Ministry of Investment of Saudi Arabia ("MISA") was primarily for the construction of the AMP-2 building balance, respectively. See Note 2 "Summary of Significant Accounting Policies" and Note 16 "Related Party Transactions" for more information.

⁽²⁾ Included \$39.5 million and \$32.5 million of service loaner vehicles as of December 31, 2024 and 2023, respectively.

⁽³⁾ Included \$34.7 million and \$9.1 million of operating lease vehicles sold to rental companies as of December 31, 2024 and 2023, respectively.

Construction in progress consisted of the following (in thousands):

	December 2024
Machinery and tooling	\$ 56
Construction of AMP-1 and AMP-2 ⁽¹⁾	7
Leasehold improvements and other	3
Total construction in progress	\$ 67

⁽¹⁾ As of December 31, 2024 and 2023, \$67.3 million and \$12.1 million of capital expenditure support received from MISA was recorded primarily as a deduction to the AMP-2 facilities balance, respectively. See Note 2 “Summary of Significant Accounting Policies” and Note 16 “Related Party Transactions” for more information.

Schedule of Other Current Liabilities

Other current liabilities as of December 31, 2024 and 2023 were as follows (in thousands):

	December 2024
Engineering, design, and testing accrual	\$ 5
Construction in progress	3
Accrued compensation	20
Accrued purchases ⁽¹⁾	3
Retail leasehold improvements accrual	
Third-party services accrual	2
Tooling liability	11
Short-term borrowings	12
Operating lease liabilities, current portion	3
Reserve for loss on firm inventory purchase commitments	11
Accrued warranty	3
Deferred revenue ⁽²⁾	1
Other current liabilities	22
Total other current liabilities	\$ 1,02

⁽¹⁾ Primarily represent accruals for inventory related purchases and transportation charges that had not been invoiced.

⁽²⁾ Represent deferred revenue from vehicle sales primarily related to OTA and remarketing activities.

Schedule of Other Long-Term Liabilities

Other long-term liabilities as of December 31, 2024 and 2023 were as follows (in thousands):

	December 2024
Operating lease liabilities, net of current portion	\$ 22
Other long-term liabilities ⁽¹⁾⁽²⁾	34
Total other long-term liabilities	\$ 57

⁽¹⁾ As of December 31, 2023, \$62.5 million of capital expenditure support received from MISA was recorded as deferred liability within other long-term liabilities in the consolidated “Summary of Significant Accounting Policies” and Note 16 “Related Party Transactions” for more information.

⁽²⁾ As of December 31, 2024 and 2023, \$112.7 million and \$107.8 million of deferred revenue was recorded within other long-term liabilities in the consolidated balance sheets, respectively, for strategic technology and supply arrangement, and integration and supply arrangements with Aston Martin Lagonda Global Holdings plc (together with its subsidiaries, “Aston Martin”) for more information.

Schedule of Accrued Warranty Activities

Accrued warranty activities consisted of the following (in thousands):

	Year 2024
Accrued warranty - beginning of period	\$ 4
Warranty costs incurred	(5)
Provision for warranty ⁽¹⁾	12
Accrued warranty - end of period ⁽²⁾	\$ 11

⁽¹⁾ Provision for warranty for the years ended December 31, 2024 and 2023 included estimated costs related to the recalls identified and/or special campaigns to repair or replace items. For the year ended December 31, 2024, the Company recorded \$46.1 million provision associated with a special warranty campaign.

⁽²⁾ Accrued warranty balance of \$36.8 million and \$22.7 million was recorded within other current liabilities, and \$75.7 million and \$23.4 million was recorded within other long-term liabilities on the balance sheets as of December 31, 2024 and 2023, respectively.

**FAIR VALUE
MEASUREMENTS AND
FINANCIAL
INSTRUMENTS (Tables)**

[Fair Value Disclosures](#)

[\[Abstract\]](#)

[Schedule of Financial Assets](#)

[Subject to Fair Value](#)

[Measurements on a Recurring](#)

[Basis by Level Within the Fair](#)

[Value Hierarchy](#)

12 Months Ended

Dec. 31, 2024

The following table sets forth the Company's financial assets subject to fair value measurements on a recurring basis by level within the fair value hierarchy as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024					
	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash and cash equivalents	
Cash	\$ 610,201	\$ —	\$ —	\$ 610,201	\$ 610,201	\$
Level 1:						
Money market funds	677,712	—	—	677,712	677,712	
U.S. Treasury securities	2,310,538	2,820	(531)	2,312,827	173,341	
Subtotal	2,988,250	2,820	(531)	2,990,539	851,053	
Level 2:						
Certificates of deposit	3,998	1	—	3,999	—	
Time deposits ⁽¹⁾	515,000	—	—	515,000	60,000	
Commercial paper	141,525	25	(4)	141,546	75,442	
Corporate debt securities	781,178	1,281	(553)	781,906	10,169	
Subtotal	1,441,701	1,307	(557)	1,442,451	145,611	
Total	\$ 5,040,152	\$ 4,127	\$ (1,088)	\$ 5,043,191	\$ 1,606,865	\$

⁽¹⁾ Included \$35.0 million of time deposit with GIB in short-term investments and long-term investments. GIB is a related party of the PIF, which is an affiliate of Ayar. See Note 16 "Related Parties" for more information.

	December 31, 2023					
	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash and cash equivalents	
Cash	\$ 516,673	\$ —	\$ —	\$ 516,673	\$ 516,673	\$
Level 1:						
Money market funds	698,702	—	—	698,702	698,702	
U.S. Treasury securities	2,033,711	2,480	(2,073)	2,034,118	104,572	
Subtotal	2,732,413	2,480	(2,073)	2,732,820	803,274	
Level 2:						
Certificates of deposit	105,993	97	(22)	106,068	—	
Time deposits	50,000	—	—	50,000	50,000	
Commercial paper	299,248	191	(8)	299,431	—	
Corporate debt securities	615,350	1,101	(669)	615,782	—	
Subtotal	1,070,591	1,389	(699)	1,071,281	50,000	
Total	\$ 4,319,677	\$ 3,869	\$ (2,772)	\$ 4,320,774	\$ 1,369,947	\$

[Schedule of Available-for-Sale](#)

[Securities by Contractual](#)

[Maturity](#)

The following table summarizes our available-for-sale securities by contractual maturity:

	Am
Within one year	\$
After one year through three years	
Total	\$

[Schedule of Reconciliation of Common Stock Warrant Liability Measured and Recorded at Fair Value on a Recurring Basis](#)

The following table presents a reconciliation of the common stock warrant liability measured and recorded at fair value on a recurring basis (in th

Fair value-beginning of period	\$
Change in fair value	
Fair value-end of period	\$

The following table presents a reconciliation of the derivative liabilities associated with the Redeemable Convertible Preferred Stock measured a
 a recurring basis (in thousands):

	Y
	I
Fair value-beginning of period	\$
Issuance	
Change in fair value	
Fair value-end of period	\$

DEBT (Tables)**12 Months Ended
Dec. 31, 2024**

[Debt Disclosure \[Abstract\]](#)
[Schedule of Convertible Notes](#)
[and Components of Interest](#)
[Expense](#)

The following table is a summary of the 2026 Notes as of December 31, 2024 and 2023 (in millions):

	December 31, 2024	December 31, 2023
Principal Amount	\$ 2,011	\$ 2,011
Unamortized Debt Discounts and Issuance Costs	(10)	(10)
Net Carrying Amount	<u>\$ 2,001</u>	<u>\$ 2,001</u>
Fair Value (Level 2)	\$ 1,571	\$ 1,571

The components of interest expense related to the 2026 Notes were as follows (in millions):

	Year Ended December 31, 2024	
	2024	2023
Contractual interest	\$ 25.2	\$ 25.2
Amortization of debt discounts and debt issuance costs	5.2	5.2
Interest expense	<u>\$ 30.4</u>	<u>\$ 30.4</u>

COMMON STOCK
WARRANT LIABILITY
(Tables)

12 Months Ended
Dec. 31, 2024

[Equity \[Abstract\]](#)
[Schedule of Valuation](#)
[Assumptions](#)

The fair value of the Private Placement Warrants that are not subject to the contingent forfeiture provisions was estimated using a Black-Scholes model. The fair value of the Private Placement Warrants that are not subject to the contingent forfeiture provisions was estimated using a Black-Scholes model was as follows:

	December 31, 2024
Fair value of Private Placement Warrants per share	\$ 0

The level 3 fair value inputs used in the Black-Scholes option pricing models were as follows:

	December 31, 2024
Volatility	95.0
Expected term (in years)	1.6
Risk-free rate	4.2
Dividend yield	—

The level 3 fair value inputs used in the valuation of the derivative liabilities associated with the Redeemable Convertible Preferred Stock were as follows:

	December 31, 2024
	Series A Derivative Liability
Volatility	40.0
Credit spread	17.9
Stock price	\$ 3.02
Term (in years)	4.2
Risk-free rate	4.3

REDEEMABLE
CONVERTIBLE
PREFERRED STOCK
(Tables)

12 Months Ended
Dec. 31, 2024

[Temporary Equity
Disclosure \[Abstract\]](#)
[Schedule of Significant Inputs
Used in the Valuation of the
Derivative Liability](#)

The fair value of the Private Placement Warrants that are not subject to the contingent forfeiture provisions was estimated using a Black-Scholes model as follows:

	December 31, 2024
Fair value of Private Placement Warrants per share	\$ 0

The level 3 fair value inputs used in the Black-Scholes option pricing models were as follows:

	December 31, 2024
Volatility	95.0
Expected term (in years)	1.6
Risk-free rate	4.2
Dividend yield	—

The level 3 fair value inputs used in the valuation of the derivative liabilities associated with the Redeemable Convertible Preferred Stock were as follows:

	December 31, 2024
	Series A Derivative Liability
Volatility	40.0
Credit spread	17.9
Stock price	\$ 3.02
Term (in years)	4.2
Risk-free rate	4.3

**STOCKHOLDERS’
EQUITY (Tables)**

**12 Months Ended
Dec. 31, 2024**

[Equity \[Abstract\]](#)
[Schedule of Common Stock
Reserved for Future Issuance](#)

The Company’s common stock reserved for future issuances as of December 31, 2024 was as follows:

Private Placement Warrants to purchase common stock
Stock options outstanding
Restricted stock units outstanding
Shares available for future grants under equity plans
If-converted common shares from convertible note
If-converted common shares from Series A redeemable convertible preferred stock
If-converted common shares from Series B redeemable convertible preferred stock
Total shares of common stock reserved

STOCK-BASED AWARDS
(Tables)

12 Months Ended
Dec. 31, 2024

[Share-Based Payment
Arrangement \[Abstract\]
Schedule of Stock Option
Activity](#)

A summary of stock option activity for the year ended December 31, 2024 was as follows:

	Outstanding Options		
	Number of Options	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Term
Balance as of December 31, 2023	32,911,135	\$ 1.99	5.88
Options granted	232,177	3.99	
Options exercised	(4,513,606)	1.08	
Options canceled	(1,735,603)	7.01	
Balance as of December 31, 2024	26,894,103	\$ 1.84	4.88
Options vested and exercisable as of December 31, 2024	24,696,617	\$ 1.37	4.88

[Schedule of Stock Option
Valuation Assumptions](#)

A summary of the weighted-average assumptions the Company utilized to record compensation expense for stock options for the years ended December 31, 2024 and 2023 was as follows:

	December 31, 2024
Volatility	8.00%
Expected term (in years)	5.88
Risk-free interest rate	4.50%
Expected dividends	0.00%

[Schedule of Restricted Stock
Units Activity](#)

A summary of RSUs activity for the year ended December 31, 2024 was as follows:

	Restricted Stock Units		
	Time-Based Shares	Performance-Based Shares	Total Shares
Balance as of December 31, 2023	54,699,739	9,305,825	64,005,564
Granted	94,696,162	14,188,690	108,884,852
Vested	(46,298,088)	(1,884,410)	(48,182,498)
Cancelled/Forfeited	(15,128,805)	(5,613,644)	(20,742,449)
Balance as of December 31, 2024	87,969,008	15,996,461	103,965,469

[Schedule of Performance-
Based RSUs](#)

The fair value of these performance-based RSUs was measured on the grant date, March 27, 2021, using a Monte Carlo simulation. The following assumptions were used:

Weighted average volatility	8.00%
Expected term (in years)	5.88
Risk-free interest rate	4.50%
Expected dividends	0.00%

[Schedule of Stock-Based
Compensation Expense](#)

Total employee and nonemployee stock-based compensation expense for the years ended December 31, 2024, 2023 and 2022, was classified in the following manner on the balance sheet and in the statement of operations and comprehensive loss as follows (in thousands):

	Year Ended Dec	
	2024	2023
Cost of revenue	\$ 4,335	\$
Research and development	172,190	13
Selling, general and administrative	110,827	11
Restructuring charges	(1,480)	(
Total	\$ 285,872	\$ 25

LEASES (Tables)

12 Months Ended
Dec. 31, 2024

[Leases \[Abstract\]](#)

[Schedule of Operating and Finance Leases](#)

The balances for the operating and finance leases where the Company is the lessee were presented as follows within the Company's consolidated balance sheet:

	December 31, 2024
Operating leases:	
Right-of-use assets	\$ 21,119
Other current liabilities	\$ 3,222
Other long-term liabilities	22,341
Total operating lease liabilities	\$ 25,563
Finance leases:	
Property, plant and equipment, net	\$ 8,888
Total finance lease assets	\$ 8,888
Finance lease liabilities, current portion	\$ 7,119
Finance lease liabilities, net of current portion	1,769
Total finance lease liabilities	\$ 8,888

[Schedule of Lease Cost](#)

The components of lease expense were as follows within the Company's consolidated statements of operations and comprehensive loss (in thousands):

	Year Ended December 31, 2024	
	2024	2023
Operating lease expense:		
Operating lease expense ⁽¹⁾	\$ 62,119	\$ 58,119
Variable lease expense	1,948	1,948
Finance lease expense:		
Amortization of leased assets	\$ 3,009	\$ 3,009
Interest on lease liabilities	4,665	4,665
Total finance lease expense	\$ 7,674	\$ 7,674
Total lease expense	\$ 71,741	\$ 66,741

⁽¹⁾ Excluded short-term leases, which were not material.

Other information related to leases where the Company is the lessee was as follows:

	December 31, 2024
Weighted-average remaining lease term (in years):	
Operating leases	11.5
Finance leases	5.5
Weighted-average discount rate:	
Operating leases	11.5%
Finance leases	5.5%

Supplemental cash flow information related to leases where the Company is the lessee was as follows (in thousands):

	Year Ended Dec	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 59,131	\$ 4
Operating cash flows from finance leases (interest payments)	5,261	
Financing cash flows from finance leases	3,166	
Leased assets obtained in exchange for new operating lease liabilities	23,111	3
Leased assets obtained in exchange for new finance lease liabilities	1,062	

[Schedule of Operating Lease Maturity](#)

As of December 31, 2024, the maturities of the Company's operating and finance lease liabilities (excluding short-term leases) were as follows (in thousands):

	Operating Lease Liabilities
2025	\$ 6
2026	6
2027	5
2028	5
2029	4
Thereafter	9
Total minimum lease payments	38
Less: Interest	(11)
Present value of lease obligations	26
Less: Current portion	(3)
Long-term portion of lease obligations	\$ 22

[Schedule of Finance Lease Maturity](#)

As of December 31, 2024, the maturities of the Company's operating and finance lease liabilities (excluding short-term leases) were as follows (in thousands):

	Operating Lease Liabilities
2025	\$ 6
2026	6
2027	5
2028	5
2029	4
Thereafter	9
Total minimum lease payments	38
Less: Interest	(11)
Present value of lease obligations	26
Less: Current portion	(3)
Long-term portion of lease obligations	\$ 22

**COMMITMENTS AND
CONTINGENCIES (Tables)**

**12 Months Ended
Dec. 31, 2024**

[Commitments and
Contingencies Disclosure
\[Abstract\]
Schedule of Estimated Future
Payments](#)

The estimated future payments having a remaining term in excess of one year were as follows (in thousands):

Years ended December 31,
2025
2026
2027
2028
2029
Thereafter
Total

INCOME TAXES (Tables)

12 Months Ended
Dec. 31, 2024

[Income Tax Disclosure](#)

[\[Abstract\]](#)

[Schedule of Components of](#)

[Loss before Provision for](#)

[Income Taxes](#)

The components of loss before provision for income taxes for the years ended December 31, 2024, 2023 and 2022, were as follows (in thousands):

	Year Ended Dec	
	2024	2023
Loss subject to domestic income taxes	\$ (2,699,739)	\$ (2,82
Loss subject to foreign income taxes	(13,004)	(
Loss before provision for income taxes	\$ (2,712,743)	\$ (2,82

[Schedule of Components of](#)

[Income Tax Expense \(Benefit\)](#)

The Company recorded provision for income taxes in connection with its domestic, state, and foreign subsidiaries for the years ended December 31, 2024, 2023 and 2022, respectively, as follows (in thousands):

	Year Ended Dec	
	2024	2023
Current		
Federal	\$ —	\$
State	—	
Foreign	1,339	
Total current tax expense	\$ 1,339	\$
Deferred		
Federal	\$ —	\$
State	—	
Foreign	(140)	
Total deferred tax expense	\$ (140)	\$
Total provision for income taxes	\$ 1,199	\$

[Schedule of Effective Income](#)

[Tax Rate Reconciliation](#)

The reconciliation of taxes at the federal statutory rate to our provision for income taxes for the years ended December 31, 2024, 2023 and 2022 v

	Year Ended Dec	
	2024	2023
Statutory federal income tax rate	21.0%	2
Stock-based compensation	(1.6)	
Change in fair value of warrant liability	1.5	
Tax-exempt interest	—	
Nondeductible expenses	0.6	
Tax credits	1.2	
Change in valuation allowance	(22.7)	(
Provision for income taxes	—%	

[Schedule of Components of](#)

[Deferred Tax Assets and](#)

[Liabilities](#)

Significant components of the Company's deferred taxes as of December 31, 2024 and 2023, were as follows (in thousand

	2024
Deferred tax assets:	
Net operating loss carryforwards	\$ 1,60
Tax credit carryforwards	19
Stock-based compensation expense	
Capitalization of research and development costs	4
Accruals and reserves	23
Lease liability	8
Inventory	46
Other	6
Total deferred tax assets	3,08
Valuation allowance	(2,90
Total deferred tax assets, net of valuation allowance	18
Deferred tax liabilities:	
Depreciation	(7
Right-of-use assets	(7
Tax accounting method change	(3
Total deferred tax liabilities	(18
Deferred tax assets (liabilities), net of valuation allowance	\$

[Schedule of Unrecognized Tax Benefits](#)

The following table summarizes the activity related to unrecognized tax benefits for the years ended December 31, 2024, 2023 and 2022 (in thous

	December	
	2024	2023
Unrecognized benefit—beginning of period	\$ 140,767	\$ 10
Gross increases—prior-period tax positions	—	
Gross decreases—prior-period tax positions	(111,065)	
Gross increases—current-period tax positions	8,904	3
Gross decrease—current-period tax positions	—	
Statute lapse	(83)	
Unrecognized benefit—end of period	\$ 38,523	\$ 14

NET LOSS PER SHARE
(Tables)

12 Months Ended
Dec. 31, 2024

[Earnings Per Share](#)
[\[Abstract\]](#)

[Schedule of Basic and Diluted](#)
[Net Loss Per Share](#)
[Attributable to Common](#)
[Stockholders](#)

Basic and diluted net loss per share attributable to common stockholders are calculated as follows (in thousands, except share and per share amounts):

	Year Ended December 31,	
	2024	2023
Net loss	\$ (2,713,942)	\$ (2,821,552)
Accretion of redeemable convertible preferred stock (related party)	(347,610)	(347,610)
Net loss attributable to common stockholders, basic	(3,061,552)	(2,821,552)
Change in fair value of dilutive warrants	—	—
Net loss attributable to common stockholders, diluted	\$ (3,061,552)	\$ (2,821,552)
Weighted-average shares outstanding, basic	2,445,176,539	2,081,771,111
Private Placement Warrants using the treasury stock method	—	—
Weighted-average shares outstanding, diluted	2,445,176,539	2,081,771,111
Net loss per share:		
Basic	\$ (1.25)	\$ (1.35)
Diluted	\$ (1.25)	\$ (1.35)

[Schedule of Antidilutive](#)
[Securities Excluded from](#)
[Computation of Earnings Per](#)
[Share](#)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to common stockholders because including them would have had an anti-dilutive effect:

	December 31,	
	2024	2023
Excluded Securities		
Private Placement Warrants to purchase common stock	44,350,000	44,350,000
Options outstanding to purchase common stock	26,894,103	32,911,111
RSUs outstanding	96,985,937	57,121,111
Employee stock purchase plan	25,425,375	14,111,111
If-converted common shares from convertible note	36,737,785	36,737,785
If-converted common shares from Series A redeemable convertible preferred stock	297,567,387	297,567,387
If-converted common shares from Series B redeemable convertible preferred stock	177,103,144	177,103,144
Total	705,063,731	185,221,111

SEGMENT REPORTING
(Tables)

12 Months Ended
Dec. 31, 2024

[Segment Reporting](#)
[\[Abstract\]](#)

[Schedule of Revenue By](#)
[Geographic Area Based On](#)
[Sales Location](#)

The disaggregation of the Company's revenue by geographic area based on the sales location where the sales originated was as follows (in thousands):

	Year 2024
North America ⁽¹⁾	\$ 5,311.3
Middle East ⁽²⁾	1,191.1
Other international	
Total revenue	\$ 8,077.3

⁽¹⁾ United States revenue was \$587.3 million, \$511.3 million, and \$597.2 million for the years ended December 31, 2024, 2023, and 2022, respectively. No individual country outside the United States represented 10% or more of the total revenue for the year ended December 31, 2022.

⁽²⁾ Kingdom of Saudi Arabia revenue was \$191.1 million for the year ended December 31, 2024. Middle East represented 10% or more of the total revenue for the year ended December 31, 2023.

[Schedule of Segment Revenue,](#)
[Segment Profit or Loss, and](#)
[Significant Segment Expenses](#)

The following table included information about reported segment revenue, segment profit or loss, and significant segment expenses (in thousands):

	Year Ended December 31,	
	2024	2023
Revenue	\$ 807,832	\$ 597,200
Less:		
Cost of revenue - excluding LCNRV and provision for warranty	(993,154)	(931,154)
Cost of revenue - LCNRV	(617,446)	(921,446)
Cost of revenue - provision for warranty	(120,343)	(71,343)
Research and development expenses	(1,176,453)	(931,453)
Selling, general, and administrative expenses	(900,952)	(791,952)
Restructuring charges	(20,304)	(21,304)
Change in fair value of common stock warrant liability	34,150	8,150
Change in fair value of equity securities	(43,057)	(43,057)
Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)	155,350	
Interest income	213,026	213,026
Interest expense	(32,923)	(32,923)
Other income (expense), net	(18,469)	(18,469)
Provision for income taxes	(1,199)	
Segment net loss	(2,713,942)	(2,821,942)
Consolidated net loss	\$ (2,713,942)	\$ (2,821,942)

[Schedule of Long-Lived](#)
[Assets by Geographic Areas](#)

The long-lived assets by geographic area were as follows (in thousands):

	December 31, 2024
United States	\$ 3,311.3
Foreign	1,191.1
Total long-lived assets	\$ 3,402.4

DESCRIPTION OF BUSINESS - BS/IS, SIFD, ABL Credit Facility and GIB Facility Agreement (Details) \$ in Thousands, ر.س. in Millions	12 Months Ended										
	Dec. 31, 2024 USD (\$)	Dec. 31, 2023 USD (\$)	Dec. 31, 2022 USD (\$) facility	Mar. 31, 2023 USD (\$)	Mar. 12, 2023 USD (\$)	Mar. 12, 2023 SAR (ر.س.)	Jun. 30, 2022 USD (\$)	Apr. 29, 2022 USD (\$) facility	Apr. 29, 2022 SAR (ر.س.) facility	Feb. 27, 2022 USD (\$)	Feb. 27, 2022 SAR (ر.س.)
Debt Instrument [Line Items]											
Net loss	\$	\$	\$								
	(2,713,942)	(2,828,420)	(1,304,460)								
Accumulated deficit	\$	\$									
	(12,912,694)	(10,198,752)									
SIDE											
Debt Instrument [Line Items]											
Principal Amount			\$							\$	ر.س.
			1,400,000							1,400,000	5,190
ABL Credit Facility Revolving Credit Facility Line of Credit											
Debt Instrument [Line Items]											
Debt instrument, term			5 years								
Maximum borrowing capacity			\$				\$				
			1,000,000				1,000,000				
GIB Facility Agreement Revolving Credit Facility Line of Credit											
Debt Instrument [Line Items]											
Maximum borrowing capacity			\$				\$		ر.س.		
			266,100				266,100		1,000		
Number of facilities facility			2				2		2		
GIB Facility Agreement Bridge Loan Line of Credit											
Debt Instrument [Line Items]											
Maximum borrowing capacity			\$				\$		ر.س.		
			173,000				173,000		650		
GIB Facility Agreement Working Capital Facility Line of Credit											
Debt Instrument [Line Items]											
Maximum borrowing capacity			\$				\$		ر.س.		
			93,100				93,100		350		
2023 GIB Credit Facility Revolving Credit Facility Line of Credit											
Debt Instrument [Line Items]											
Maximum borrowing capacity			\$	\$		ر.س.					
			266,100	266,100		1,000					

DESCRIPTION OF BUSINESS - 2023 Amended GIB Facility Agreement and 2025 Amended GIB Facility Agreement (Details) - Revolving Credit Facility - Line of Credit \$ in Millions, ر.س in Billions	1 Months Ended							
	Feb. 24, 2025 USD (\$)	Mar. 12, 2023 USD (\$)	Apr. 29, 2022 USD (\$)	Mar. 31, 2023 USD (\$)	Feb. 24, 2025 SAR (ر.س)	Mar. 12, 2023 SAR (ر.س)	Dec. 31, 2022 USD (\$)	Apr. 29, 2022 SAR (ر.س)
GIB Facility Agreement Debt Instrument [Line Items] Maximum borrowing capacity			\$ 266.1				\$ 266.1	1.0 ر.س
GIB Facility Agreement Maximum Debt Instrument [Line Items] Debt instrument, term			12 months					
2025 GIB Credit Facility Subsequent Event Debt Instrument [Line Items] Maximum borrowing capacity			\$ 506.7		1.9 ر.س			
Interest rate	1.40%							
2025 GIB Credit Facility Subsequent Event Maximum Debt Instrument [Line Items] Debt instrument, term			12 months					
2023 GIB Credit Facility Debt Instrument [Line Items] Maximum borrowing capacity		\$ 266.1		\$ 266.1		1.0 ر.س		
Interest rate	1.40%			1.40%				
2023 GIB Credit Facility Maximum Debt Instrument [Line Items] Debt instrument, term			12 months					

DESCRIPTION OF BUSINESS - 2022 Equity Distribution Agreement and Subscription Agreement (Details) - USD (\$) \$ in Millions	1 Months Ended	12 Months Ended			
	Dec. 31, 2022	Dec. 31, 2024	Dec. 31, 2022	Nov. 30, 2022	Nov. 08, 2022
Equity Distribution Agreement					
Debt Instrument [Line Items]					
Consideration to be received on agreement				\$ 600.0	\$ 600.0
Net proceeds received	\$ 594.3		\$ 594.3		
Remaining number of shares available (in shares)		0			
2022 Subscription Agreement Ayar					
Debt Instrument [Line Items]					
Consideration to be received on agreement				\$ 915.0	\$ 915.0
Net proceeds received	\$ 915.0		\$ 915.0		

DESCRIPTION OF BUSINESS - 2023 Underwriting and Subscription Agreement (Details) - USD (\$) \$ in Billions	1 Months Ended	
	Jun. 30, 2023	May 31, 2023

[Underwriting Agreement](#)

[Debt Instrument \[Line Items\]](#)

Net proceeds received	\$ 1.2	
---------------------------------------	--------	--

[2023 Subscription Agreement | Ayar](#)

[Debt Instrument \[Line Items\]](#)

Consideration to be received on agreement		\$ 1.8
---	--	--------

Net proceeds received	\$ 1.8	
---------------------------------------	--------	--

**DESCRIPTION OF
BUSINESS - Series A and
Series B Redeemable
Convertible Preferred Stock
(Details) - USD (\$)
\$ / shares in Units, \$ in
Millions**

1 Months Ended

**Aug. 31, Mar. 31, Dec. 31,
2024 2024 2024**

Debt Instrument [Line Items]

Convertible preferred stock, par value (in dollars per share) \$ 0.0001

Ayar | Redeemable Convertible Preferred Stock | Series A Redeemable
Convertible Preferred Stock

Debt Instrument [Line Items]

Number of shares issued (in shares) 100,000

Convertible preferred stock, par value (in dollars per share) \$ 0.0001

Consideration to be received on agreement \$ 1,000.0

Net proceeds received \$ 997.6

Ayar | Redeemable Convertible Preferred Stock | Series B Redeemable
Convertible Preferred Stock

Debt Instrument [Line Items]

Number of shares issued (in shares) 75,000

Convertible preferred stock, par value (in dollars per share) \$ 0.0001

Consideration to be received on agreement \$ 750.0

Net proceeds received \$ 749.4

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES**
- Narrative (Details)
\$ in Thousands

12 Months Ended
Dec. 31,
2024 Dec. 31, Dec. 31,
USD (\$) 2023 2022
segment USD (\$) USD (\$)
obligation

Revenue, Major Customer [Line Items]

Number of operating segments | segment

1

Number of reportable segments | segment

1

Impairment Long Lived Asset Held For Use Statement of Income or Comprehensive Income Extensible Enumeration Not Disclosed Flag

impairment
loss

Impairment of long-lived assets

\$ 0 \$
15,300 \$ 0

Number of performance obligations | obligation

2

Basic vehicle warranty term

4 years

Revenue

\$ 807,832 595,271 608,181

Maximum amount of future payments

401,100 101,100

Supplier recovery

50,000

Advertising expense

49,800 35,300 0

Vehicle Sales With RVG

Revenue, Major Customer [Line Items]

Revenue

442,700 190,900 \$
31,100

RVG, liabilities

58,000 0

Vehicle Sales With OTA and Remarketing

Revenue, Major Customer [Line Items]

Deferred revenue

53,300 28,700

Vehicle Sales With OTA and Remarketing | Other current liabilities

Revenue, Major Customer [Line Items]

Deferred revenue

18,500 7,700

Vehicle Sales With OTA and Remarketing | Other Noncurrent Liabilities

Revenue, Major Customer [Line Items]

Deferred revenue

\$ 34,800 \$
21,000

Electric Vehicle Purchase Agreement | Customer Concentration Risk | Accounts Receivable | Government of Saudi Arabia

Revenue, Major Customer [Line Items]

Concentration risk (as a percent)

51.70% 68.50%

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES**
- Schedule of Cash, Cash
Equivalents and Restricted
Cash (Details) - USD (\$)
\$ in Thousands

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022 Dec. 31, 2021

Accounting Policies [Abstract]

<u>Cash and cash equivalents</u>	\$ 1,606,865	\$ 1,369,947		
<u>Restricted cash included in other current assets</u>	14	1,560		
<u>Restricted cash included in other noncurrent assets</u>	173	0		
<u>Total cash, cash equivalents, and restricted cash</u>	\$ 1,607,052	\$ 1,371,507	\$ 1,737,320	\$ 6,298,020

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES** **Dec. 31, 2024**
**- Schedule of Property, Plant
and Equipment (Details)**

[Machinery, tooling and vehicles | Minimum](#)

[**Property, Plant and Equipment \[Line Items\]**](#)

[Property, plant and equipment, useful life](#) 3 years

[Machinery, tooling and vehicles | Maximum](#)

[**Property, Plant and Equipment \[Line Items\]**](#)

[Property, plant and equipment, useful life](#) 15 years

[Computer equipment and software](#)

[**Property, Plant and Equipment \[Line Items\]**](#)

[Property, plant and equipment, useful life](#) 3 years

[Furniture and fixtures](#)

[**Property, Plant and Equipment \[Line Items\]**](#)

[Property, plant and equipment, useful life](#) 5 years

[Building and improvements | Minimum](#)

[**Property, Plant and Equipment \[Line Items\]**](#)

[Property, plant and equipment, useful life](#) 5 years

[Building and improvements | Maximum](#)

[**Property, Plant and Equipment \[Line Items\]**](#)

[Property, plant and equipment, useful life](#) 40 years

RESTRUCTURING -
Narrative (Details) - USD (\$)
\$ in Thousands

12 Months Ended
Dec. 31, Dec. 31, Dec. 31,
2024 2023 2022

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Restructuring charges</u>	\$ 20,304	\$ 24,546	\$ 0
<u>2024 Restructuring Plan</u>			

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Restructuring charges</u>	\$ 20,300
<u>2023 Restructuring Plan</u>	

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Restructuring charges</u>	\$ 24,500
------------------------------	-----------

RESTRUCTURING -
Schedule of Restructuring
Liabilities (Details) - USD (\$)
\$ in Thousands

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Restructuring Reserve [Roll Forward]

<u>Restructuring liabilities - beginning of period</u>	\$ 54	\$ 0	
<u>Restructuring charges excluding non-cash items</u>	21,784	25,989	
<u>Cash payments</u>	(21,571)	(25,935)	
<u>Restructuring liabilities - end of period</u>	267	54	\$ 0
<u>Stock-based compensation expense reversal</u>	(285,872)	(257,283)	\$ (423,500)

2024 Restructuring Plan

Restructuring Reserve [Roll Forward]

<u>Non-cash items, net</u>	1,500		
<u>Accelerated stock-based compensation expense</u>	3,200		

2023 Restructuring Plan

Restructuring Reserve [Roll Forward]

<u>Non-cash items, net</u>		1,400	
<u>Accelerated stock-based compensation expense</u>		3,400	

Unvested Restricted Stock Award | 2024 Restructuring Plan

Restructuring Reserve [Roll Forward]

<u>Stock-based compensation expense reversal</u>	\$ 4,700		
--	----------	--	--

Unvested Restricted Stock Award | 2023 Restructuring Plan

Restructuring Reserve [Roll Forward]

<u>Stock-based compensation expense reversal</u>		\$ 4,800	
--	--	----------	--

BALANCE SHEETS
COMPONENTS - Schedule
of Inventory (Details) - USD
(\$)

Dec. 31,
2024

Dec. 31,
2023

\$ in Thousands

Organization, Consolidation and Presentation of Financial Statements

[Abstract]

<u>Raw materials</u>	\$ 160,532	\$ 210,283
<u>Work in progress</u>	36,628	53,227
<u>Finished goods</u>	210,614	432,726
<u>Total Inventory</u>	\$ 407,774	\$ 696,236

BALANCE SHEETS
COMPONENTS - Narrative
 (Details) - USD (\$)
 \$ in Thousands

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Inventory [Line Items]

<u>Inventory and firm purchase commitments write-downs</u>	\$ 617,400	\$ 926,900	\$ 569,500
<u>Depreciation and amortization</u>	\$ 295,337	\$ 233,531	\$ 186,583

BALANCE SHEETS
COMPONENTS - Schedule
of Property, Plant and
Equipment, Net (Details)
\$ in Thousands, ر.س in
Millions

12 Months Ended

Dec. 31, 2024 USD (\$)	Dec. 31, 2023 USD (\$)	Dec. 31, 2023 SAR (ر.س)	Dec. 31, 2022 USD (\$)	Dec. 31, 2022 SAR (ر.س)
------------------------------	------------------------------	----------------------------------	------------------------------	----------------------------------

Property, Plant and Equipment [Line Items]

Total Property, plant and equipment

\$	\$
4,050,560	3,312,268
(787,948)	(501,401)
3,262,612	2,810,867

Less accumulated depreciation and amortization

Property, plant and equipment, net

MISA | Government Grant | Related Party

Property, Plant and Equipment [Line Items]

Related party transaction, amount of transaction

97,500	366 ر.س	\$ 97,300	366 ر.س
--------	---------	-----------	---------

Land and land improvements

Property, Plant and Equipment [Line Items]

Property, plant, and equipment

70,967	69,718
--------	--------

Building and improvements

Property, Plant and Equipment [Line Items]

Property, plant, and equipment

1,075,349	576,097
-----------	---------

Machinery, tooling and vehicles

Property, Plant and Equipment [Line Items]

Property, plant, and equipment

1,720,517	1,045,485
-----------	-----------

Service Loaner Vehicles

Property, Plant and Equipment [Line Items]

Property, plant, and equipment

39,500	32,500
--------	--------

Operating Lease Vehicles

Property, Plant and Equipment [Line Items]

Property, plant, and equipment

34,700	9,100
--------	-------

Computer equipment and software

Property, Plant and Equipment [Line Items]

Property, plant, and equipment

105,012	74,336
---------	--------

Leasehold improvements

Property, Plant and Equipment [Line Items]

Property, plant, and equipment

268,091	221,619
---------	---------

Furniture and fixtures

Property, Plant and Equipment [Line Items]

Property, plant, and equipment

51,238	45,315
--------	--------

Finance leases

Property, Plant and Equipment [Line Items]

Finance leases

86,852	94,285
--------	--------

Construction in progress

Property, Plant and Equipment [Line Items]

Property, plant, and equipment

672,534	1,185,413
---------	-----------

[AMP-2 Building Balance | MISA | Government Grant |](#)
[Related Party](#)
[Property, Plant and Equipment \[Line Items\]](#)
[Related party transaction, amount of transaction](#)

\$	\$
(127,500)	(120,200)

BALANCE SHEETS
COMPONENTS - Schedule
of Construction in Progress
(Details)
\$ in Thousands, ر.س in
Millions

12 Months Ended

Dec. 31, 2024 USD (\$)	Dec. 31, 2023 USD (\$)	Dec. 31, 2023 SAR (ر.س)	Dec. 31, 2022 USD (\$)	Dec. 31, 2022 SAR (ر.س)
------------------------------	------------------------------	----------------------------------	------------------------------	----------------------------------

[MISA | Government Grant | Related Party](#)

[Property, Plant and Equipment \[Line Items\]](#)

[Related party transaction, amount of transaction](#)

\$ 97,500 366 ر.س \$ 97,300 366 ر.س

[Construction in progress](#)

[Property, Plant and Equipment \[Line Items\]](#)

[Total construction in progress](#)

\$ 672,534 1,185,413

[Machinery and tooling](#)

[Property, Plant and Equipment \[Line Items\]](#)

[Total construction in progress](#)

561,858 728,751

[Construction of AMP-1 and AMP-2](#)

[Property, Plant and Equipment \[Line Items\]](#)

[Total construction in progress](#)

78,254 430,878

[AMP-2 Construction In Progress Balance | MISA |](#)

[Government Grant | Related Party](#)

[Property, Plant and Equipment \[Line Items\]](#)

[Related party transaction, amount of transaction](#)

(67,300) (12,100) \$
(33,300)

[Leasehold improvements and other](#)

[Property, Plant and Equipment \[Line Items\]](#)

[Total construction in progress](#)

\$ 32,422 \$ 25,784

BALANCE SHEETS
COMPONENTS - Schedule
of Other Current Liabilities
(Details) - USD (\$)
\$ in Thousands

Dec. 31,
2024 **Dec. 31,**
2023

Organization, Consolidation and Presentation of Financial Statements

[Abstract]

<u>Engineering, design, and testing accrual</u>	\$ 53,666	\$ 42,176
<u>Construction in progress</u>	39,043	156,414
<u>Accrued compensation</u>	201,880	92,494
<u>Accrued purchases</u>	31,318	44,957
<u>Retail leasehold improvements accrual</u>	3,589	6,005
<u>Third-party services accrual</u>	26,353	41,478
<u>Tooling liability</u>	110,249	49,925
<u>Short-term borrowings</u>	126,417	72,533
<u>Operating lease liabilities, current portion</u>	35,596	28,431
<u>Reserve for loss on firm inventory purchase commitments</u>	119,672	143,566
<u>Accrued warranty</u>	36,752	22,677
<u>Deferred revenue</u>	18,473	7,714
<u>Other current liabilities</u>	221,663	183,114
<u>Total other current liabilities</u>	\$ 1,024,671	\$ 891,484

BALANCE SHEETS
COMPONENTS - Schedule
of Other Long-Term
Liabilities (Details)
\$ in Thousands, ر.س. in
Millions

Property, Plant and Equipment [Line Items]
Operating lease liabilities, net of current portion

12 Months Ended				
Dec. 31, 2024 USD (\$)	Dec. 31, 2023 USD (\$)	Dec. 31, 2023 SAR (ر.س.)	Dec. 31, 2022 USD (\$)	Dec. 31, 2022 SAR (ر.س.)

\$ \$
229,835 244,122
342,965 280,217
572,800 524,339

Other long-term liabilities
Total other long-term liabilities
Related Party

Property, Plant and Equipment [Line Items]

Total other long-term liabilities

121,136 178,311

MISA | Government Grant | Related Party

Property, Plant and Equipment [Line Items]

Related party transaction, amount of transaction

97,500 ر.س. \$ ر.س.
366 97,300 366

MISA | Government Grant | Related Party | Other Noncurrent Liabilities

Property, Plant and Equipment [Line Items]

Related party transaction, amount of transaction

\$
64,000

MISA | Government Grant | Related Party | AMP-2 Fixed Asset And
AMP-2 Construction In Progress Balance

Property, Plant and Equipment [Line Items]

Related party transaction, amount of transaction

97,500 (35,000)

MISA | Government Grant | Related Party | AMP-2 Fixed Asset And
AMP-2 Construction In Progress Balance | Other Noncurrent Liabilities

Property, Plant and Equipment [Line Items]

Related party transaction, amount of transaction

62,500

Aston Martin Lagonda Global Holdings plc | Strategic Technology
Arrangement | Related Party

Property, Plant and Equipment [Line Items]

Total other long-term liabilities

\$ \$
112,700 107,800

BALANCE SHEETS
COMPONENTS - Schedule
of Accrued Warranty
Activities (Details) - USD (\$)
\$ in Thousands

12 Months Ended

Dec. 31, Dec. 31,
2024 2023

Movement in Standard and Extended Product Warranty Accrual, Increase (Decrease) [Roll Forward]

<u>Accrued warranty - beginning of period</u>	\$ 46,076	\$ 22,949
<u>Warranty costs incurred</u>	(53,941)	(50,923)
<u>Provision for warranty</u>	120,343	74,050
<u>Accrued warranty - end of period</u>	112,478	46,076
<u>Special Warranty Campaign</u>		

Movement in Standard and Extended Product Warranty Accrual, Increase (Decrease) [Roll Forward]

<u>Provision for warranty</u>	46,100	
<u>Other current liabilities</u>		

Movement in Standard and Extended Product Warranty Accrual, Increase (Decrease) [Roll Forward]

<u>Accrued warranty - beginning of period</u>	22,700	
<u>Accrued warranty - end of period</u>	36,800	22,700
<u>Other long-term liabilities</u>		

Movement in Standard and Extended Product Warranty Accrual, Increase (Decrease) [Roll Forward]

<u>Accrued warranty - beginning of period</u>	23,400	
<u>Accrued warranty - end of period</u>	\$ 75,700	\$ 23,400

**FAIR VALUE
MEASUREMENTS AND
FINANCIAL
INSTRUMENTS - Schedule
of Financial Assets Subject
to Fair Value Measurements
on a Recurring Basis by
Level Within the Fair Value
Hierarchy (Details) - USD (\$)
\$ in Thousands**

**Dec. 31, Dec. 31,
2024 2023**

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis
[Line Items]**

<u>Cash and cash equivalents, amortized cost</u>	\$	\$
	1,606,865	1,369,947
<u>Short-term investments</u>	2,424,103	2,489,798
<u>Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)</u>	1,012,223	461,029

Related Party

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis
[Line Items]**

<u>Short-term investments</u>	15,000	0
<u>Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)</u>	20,000	0

Fair Value, Recurring

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis
[Line Items]**

<u>Cash and cash equivalents, amortized cost</u>	1,606,865	1,369,947
<u>Gross Unrealized Gains</u>	4,127	3,869
<u>Gross Unrealized Losses</u>	(1,088)	(2,772)
<u>Short-term investments</u>	2,424,103	2,489,798
<u>Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)</u>	1,012,223	461,029
<u>Total, amortized cost</u>	5,040,152	4,319,677
<u>Total, estimated fair value</u>	5,043,191	4,320,774

Fair Value, Recurring | Cash

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis
[Line Items]**

<u>Cash and cash equivalents, amortized cost</u>	610,201	516,673
<u>Cash, estimated fair value</u>	610,201	516,673
<u>Short-term investments</u>	0	0
<u>Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)</u>	0	0

Fair Value, Recurring | Level 1:

**Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis
[Line Items]**

Cash and cash equivalents, amortized cost	851,053	803,274
Amortized cost	2,988,250	2,732,413
Gross Unrealized Gains	2,820	2,480
Gross Unrealized Losses	(531)	(2,073)
Estimated Fair Value	2,990,539	2,732,820
Short-term investments	1,605,369	1,638,537
Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	534,117	291,009
Fair Value, Recurring Level 2:		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Cash and cash equivalents, amortized cost	145,611	50,000
Amortized cost	1,441,701	1,070,591
Gross Unrealized Gains	1,307	1,389
Gross Unrealized Losses	(557)	(699)
Estimated Fair Value	1,442,451	1,071,281
Short-term investments	818,734	851,261
Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	478,106	170,020
Fair Value, Recurring Money market funds Level 1:		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Cash and cash equivalents, amortized cost	677,712	698,702
Amortized cost	677,712	698,702
Gross Unrealized Gains	0	0
Gross Unrealized Losses	0	0
Estimated Fair Value	677,712	698,702
Short-term investments	0	0
Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	0	0
Fair Value, Recurring U.S. Treasury securities Level 1:		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Cash and cash equivalents, amortized cost	173,341	104,572
Amortized cost	2,310,538	2,033,711
Gross Unrealized Gains	2,820	2,480
Gross Unrealized Losses	(531)	(2,073)
Estimated Fair Value	2,312,827	2,034,118
Short-term investments	1,605,369	1,638,537
Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	534,117	291,009
Fair Value, Recurring Certificates of deposit Level 2:		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Cash and cash equivalents, amortized cost	0	0

<u>Amortized cost</u>	3,998	105,993
<u>Gross Unrealized Gains</u>	1	97
<u>Gross Unrealized Losses</u>	0	(22)
<u>Estimated Fair Value</u>	3,999	106,068
<u>Short-term investments</u>	3,999	106,068
<u>Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)</u>	0	0
<u>Fair Value, Recurring Time deposits Level 2:</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Cash and cash equivalents, amortized cost</u>	60,000	50,000
<u>Amortized cost</u>	515,000	50,000
<u>Gross Unrealized Gains</u>	0	0
<u>Gross Unrealized Losses</u>	0	0
<u>Estimated Fair Value</u>	515,000	50,000
<u>Short-term investments</u>	435,000	0
<u>Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)</u>	20,000	0
<u>Fair Value, Recurring Time deposits Level 2: Related Party</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Estimated Fair Value</u>	35,000	
<u>Fair Value, Recurring Commercial paper Level 2:</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Cash and cash equivalents, amortized cost</u>	75,442	0
<u>Amortized cost</u>	141,525	299,248
<u>Gross Unrealized Gains</u>	25	191
<u>Gross Unrealized Losses</u>	(4)	(8)
<u>Estimated Fair Value</u>	141,546	299,431
<u>Short-term investments</u>	66,104	299,431
<u>Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)</u>	0	0
<u>Fair Value, Recurring Corporate debt securities Level 2:</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Cash and cash equivalents, amortized cost</u>	10,169	0
<u>Amortized cost</u>	781,178	615,350
<u>Gross Unrealized Gains</u>	1,281	1,101
<u>Gross Unrealized Losses</u>	(553)	(669)
<u>Estimated Fair Value</u>	781,906	615,782
<u>Short-term investments</u>	313,631	445,762
<u>Long-term investments (including \$20,000 and nil associated with a related party as of December 31, 2024 and 2023, respectively)</u>	\$ 458,106	\$ 170,020

FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS - Narrative (Details) - USD (\$)	12 Months Ended		Dec. 31, 2022	Nov. 06, 2023
	Dec. 31, 2024	Dec. 31, 2023		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Realized gain (loss)	\$ 0	\$ 0	\$ 0	
Accrued interest	\$ 19,600,000	\$ 11,100,000		
Debt Securities, Available-for-Sale, Accrued Interest, after Allowance for Credit Loss, Statement of Financial Position [Extensible Enumeration]	Other current assets (including \$34,503 and nil associated with a related party as of December 31, 2024 and 2023, respectively)	Other current assets (including \$34,503 and nil associated with a related party as of December 31, 2024 and 2023, respectively)		
Allowance for credit losses, excluding accrued interest	\$ 0	\$ 0		
Unrealized gain (loss)	(43,057,000)	5,999,000	\$ 0	
Strategic Technology Arrangement, Technology Access Fees Related Party				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Unrealized gain (loss)	(43,100,000)	6,000,000.0		
Equity Securities Strategic Technology Arrangement, Technology Access Fees Related Party				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Unrealized foreign currency gain (loss)	(600,000)	2,300,000		
Aston Martin Lagonda Global Holdings plc Strategic Technology Arrangement, Technology Access Fees Related Party				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				

<u>Number of shares received (in shares)</u>			28,352,273
<u>Fair value amount</u>	\$ 37,800,000	\$ 81,500,000	\$ 73,200,000

**FAIR VALUE
 MEASUREMENTS AND
 FINANCIAL
 INSTRUMENTS - Schedule Dec. 31, 2024**
of Available-for-Sale USD (\$)
Securities by Contractual
Maturity (Details)
\$ in Thousands

Amortized cost

Within one year \$ 2,422,138

After one year through three years 1,011,184

Total 3,433,322

Estimated Fair Value

Within one year 2,424,103

After one year through three years 1,012,223

Total \$ 3,436,326

**FAIR VALUE
MEASUREMENTS AND
FINANCIAL
INSTRUMENTS - Schedule
of Reconciliation of Common
Stock Warrant Liability
Measured and Recorded at
Fair Value on a Recurring
Basis (Details) - USD (\$)
\$ in Thousands**

12 Months Ended

**Dec. 31, Dec. 31,
2024 2023**

Common Stock Warrant Liability

Level 3 Liabilities [Roll Forward]

<u>Fair value-beginning of period</u>	\$ 53,664	\$ 140,590
<u>Change in fair value</u>	(34,150)	(86,926)
<u>Fair value-end of period</u>	19,514	53,664

Derivative Financial Instruments, Liabilities | Series A Redeemable Convertible Preferred Stock

Level 3 Liabilities [Roll Forward]

<u>Fair value-beginning of period</u>	0	
<u>Issuance</u>	497,100	
<u>Change in fair value</u>	(88,300)	
<u>Fair value-end of period</u>	408,800	0

Derivative Financial Instruments, Liabilities | Series B Redeemable Convertible Preferred Stock

Level 3 Liabilities [Roll Forward]

<u>Fair value-beginning of period</u>	0	
<u>Issuance</u>	297,675	
<u>Change in fair value</u>	(67,050)	
<u>Fair value-end of period</u>	\$ 230,625	\$ 0

DEBT - 2026 Notes (Details) - 1.25% Convertible Senior Notes, Due December 2026 \$ / shares in Units, \$ in Millions	1 Months Ended Dec. 31, 2021 USD (\$) day \$ / shares	Dec. 31, 2024 USD (\$)	Dec. 31, 2023 USD (\$)
<u>Debt Instrument [Line Items]</u>			
<u>Principal Amount \$</u>		\$ 2,012.5	\$ 2,012.5
<u>Debt instrument, convertible, conversion ratio</u>	0.0182548		
<u>Debt instrument, initial conversion price (in dollars per share) \$ / shares</u>	\$ 54.78		
<u>Debt instrument, convertible, threshold percentage of stock price (percent)</u>	130.00%		
<u>Debt instrument, convertible, threshold trading days</u>	20		
<u>Redemption Option One</u>			
<u>Debt Instrument [Line Items]</u>			
<u>Debt instrument, convertible, threshold percentage of stock price (percent)</u>	130.00%		
<u>Debt instrument, convertible, threshold trading days</u>	20		
<u>Debt instrument, convertible, threshold consecutive trading days</u>	30		
<u>Redemption Option Two</u>			
<u>Debt Instrument [Line Items]</u>			
<u>Debt instrument, convertible, threshold percentage of stock price (percent)</u>	98.00%		
<u>Debt instrument, convertible, threshold consecutive trading days</u>	10		
<u>Debt instrument, convertible, redemption period, number of consecutive business days</u>	5		
<u>Convertible Debt</u>			
<u>Debt Instrument [Line Items]</u>			
<u>Principal Amount \$</u>	\$ 2,012.5		
<u>Interest rate</u>	1.25%		
<u>Debt instrument, issuance price percentage</u>	99.50%		
<u>Issuance discount and debt issuance costs \$</u>	\$ 1,986.6		
<u>Debt instrument, redemption price, percentage of principal amount redeemed</u>	100.00%		
<u>Debt instrument, effective interest rate</u>		1.50%	

**DEBT - Schedule of
Convertible Notes (Details) -
1.25% Convertible Senior
Notes, Due December 2026 -**

Dec. 31, 2024 Dec. 31, 2023

USD (\$)

\$ in Millions

Debt Instrument, Redemption [Line Items]

<u>Principal Amount</u>	\$ 2,012.5	\$ 2,012.5
<u>Unamortized Debt Discounts and Issuance Costs</u>	(10.3)	(15.5)
<u>Net Carrying Amount</u>	2,002.2	1,997.0

Level 2:

Debt Instrument, Redemption [Line Items]

<u>Fair Value (Level 2)</u>	\$ 1,579.8	\$ 1,061.6
-----------------------------	------------	------------

**DEBT - Schedule of
Components of Interest
Expense (Details) - 1.25%
Convertible Senior Notes,
Due December 2026 -
Convertible Debt - USD (\$)
\$ in Millions**

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Debt Instrument, Redemption [Line Items]

<u>Contractual interest</u>	\$ 25.2	\$ 25.2	\$ 25.2
<u>Amortization of debt discounts and debt issuance costs</u>	5.2	5.2	5.0
<u>Interest expense</u>	\$ 30.4	\$ 30.4	\$ 30.2

DEBT - SIDF Loan Agreement (Details) - SIDF in Millions ر.س	Feb. 27, 2022 USD (\$)	Feb. 27, 2022 SAR (ر.س)	Dec. 31, 2024 USD (\$)	Dec. 31, 2023 USD (\$)	Dec. 31, 2022 USD (\$)	Feb. 27, 2022 SAR (ر.س)
Debt Instrument [Line Items]						
Principal Amount	\$ 1,400,000,000				\$ 1,400,000,000	5,190 ر.س
Outstanding amounts			\$ 0	\$ 0		
Minimum						
Debt Instrument [Line Items]						
Debt instrument, periodic payment, principal	6,700,000	25 ر.س				
Service fees	110,400,000					415
Maximum						
Debt Instrument [Line Items]						
Debt instrument, periodic payment, principal	93,100,000	350 ر.س				
Service fees	\$ 471,100,000					1,770 ر.س

DEBT - GIB Facility Agreement (Details) \$ in Thousands, ر.س in Millions	1 Months Ended		12 Months Ended									
	Mar. 12, 2023 USD (\$)	Apr. 29, 2022 USD (\$) facility	Mar. 31, 2023 USD (\$)	Dec. 31, 2024 USD (\$)	Dec. 31, 2024 SAR (ر.س)	Dec. 31, 2023 USD (\$)	Dec. 31, 2023 SAR (ر.س)	Dec. 31, 2022 USD (\$) facility	Dec. 31, 2024 SAR (ر.س)	Dec. 31, 2023 SAR (ر.س)	Mar. 12, 2023 SAR (ر.س)	Apr. 29, 2022 SAR (ر.س) facility
Debt Instrument [Line Items]												
Short-term borrowings				\$ 126,417		\$ 72,533						
Revolving Credit Facility GIB Facility Agreement Line of Credit												
Debt Instrument [Line Items]												
Interest expense								\$ 0				
Revolving Credit Facility GIB Facility Agreement Line of Credit												
Debt Instrument [Line Items]												
Number of facilities facility		2						2				2
Maximum borrowing capacity		\$ 266,100						\$ 266,100				ر.س 1,000
Revolving Credit Facility GIB Facility Agreement Line of Credit Maximum												
Debt Instrument [Line Items]												
Debt instrument, term		12 months										
Revolving Credit Facility 2023 GIB Credit Facility Line of Credit												
Debt Instrument [Line Items]												
Debt instrument, fee				immaterial	immaterial	immaterial	immaterial	immaterial				
Short-term borrowings				\$ 126,400		\$ 72,500			ر.س 475	ر.س 272		
Debt, weighted average interest rate (as a percent)				7.04%		7.49%			7.04%	7.49%		
Interest expense				\$ 4,900	18 ر.س	\$ 2,200	8 ر.س					
Revolving Credit Facility 2023 GIB Credit Facility Line of Credit												
Debt Instrument [Line Items]												
Maximum borrowing capacity	\$ 266,100		\$ 266,100									ر.س 1,000
Interest rate	1.40%		1.40%									
Remaining borrowing capacity				\$ 139,200		\$ 193,900			ر.س 523	ر.س 727		

[Revolving Credit Facility |
2023 GIB Credit Facility |
Line of Credit | Maximum](#)
**Debt Instrument [Line
Items]**

[Debt instrument, term](#) 12
months

[Bridge Loan | GIB Facility
Agreement | Line of Credit](#)
**Debt Instrument [Line
Items]**

Maximum borrowing capacity	\$		
	173,000	\$ 173,000	650
Interest rate	1.25%		

[Bridge Loan | 2023 GIB Credit
Facility | Line of Credit](#)
**Debt Instrument [Line
Items]**

[Commitment fee percentage](#) 0.15%

[Working Capital Facility | GIB
Facility Agreement | Line of
Credit](#)

**Debt Instrument [Line
Items]**

Maximum borrowing capacity	\$		
	93,100	\$ 93,100	ر.س 350
Interest rate	1.70%		

[Working Capital Facility | GIB
Facility Agreement | Line of
Credit | Maximum](#)

**Debt Instrument [Line
Items]**

[Debt instrument, term](#) 12
months

[Working Capital Facility |
2023 GIB Credit Facility |
Line of Credit](#)

**Debt Instrument [Line
Items]**

[Commitment fee percentage](#) 0.15%

**DEBT - ABL Credit Facility
(Details) - USD (\$)**

**1 Months
Ended
Jun. 30, 2022** **12 Months Ended
Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022**

Debt Instrument [Line Items]

Cash and cash equivalents

\$ \$
1,606,865,000 1,369,947,000

Revolving Credit Facility | ABL Credit Facility |
Line of Credit

Debt Instrument [Line Items]

Maximum borrowing capacity

\$ \$
1,000,000,000.0 1,000,000,000

Additional borrowing capacity

\$ 500,000,000.0

Commitment fee percentage

0.25%

Outstanding amounts

0 0

Remaining borrowing capacity

354,900,000 413,400,000

Cash and cash equivalents

191,100,000 144,000,000.0

Issuance costs

\$ 6,300,000

Deferred issuance costs and commitment fee

3,700,000 3,700,000 \$ 2,100,000

Letter of Credit | ABL Credit Facility | Line of
Credit

Debt Instrument [Line Items]

Maximum borrowing capacity

350,000,000.0

Letters of credit outstanding

\$ 56,900,000 \$ 45,400,000

Swingline Loan Subfacility | ABL Credit Facility |
Line of Credit

Debt Instrument [Line Items]

Maximum borrowing capacity

\$ 100,000,000.0

**DEBT - DDTL Credit
Facility (Details) - DDTL
Credit Facility - USD (\$)**

1 Months Ended 12 Months Ended
Aug. 31, 2024 Dec. 31, 2024

[Secured Debt | Delayed Draw Term Loan \(DDTL\)](#)

[Debt Instrument \[Line Items\]](#)

[Maximum borrowing capacity](#) \$ 750,000,000

[Commitment fee percentage](#) 0.50%

[Revolving Credit Facility | Line of Credit](#)

[Debt Instrument \[Line Items\]](#)

[Outstanding amounts](#) \$ 0

[Issuance costs](#) \$ 6,200,000

[Deferred issuance costs and commitment fee](#) \$ 2,100,000

COMMON STOCK WARRANT LIABILITY - Narrative (Details) - USD (\$) \$ / shares in Units, \$ in Thousands	12 Months Ended			
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Jul. 23, 2021
Class of Warrant or Right [Line Items]				
Recognized gain (loss) from change in fair value of private placement warrant liability	\$ 34,150	\$ 86,926	\$ 1,254,218	
Private Placement Warrants to purchase common stock				
Class of Warrant or Right [Line Items]				
Number of warrants (in shares)				44,350,000
Warrant exercise price (in dollars per share)				\$ 11.50
Warrant liability	19,500	53,700		\$ 812,000
Recognized gain (loss) from change in fair value of private placement warrant liability	\$ 34,200	\$ 86,900	\$ 1,254,200	

**COMMON STOCK
WARRANT LIABILITY -
Schedule of Fair Value of
Private Placement Warrants
(Details) - \$ / shares**

Dec. 31, 2024 Dec. 31, 2023

Fair value of Private Placement Warrants per share

Class of Warrant or Right [Line Items]

<u>Fair value of Private Placement Warrants per share (in dollars per share)</u>	\$ 0.44	\$ 1.21
--	---------	---------

**COMMON STOCK
WARRANT LIABILITY -
Schedule of Level 3 Fair
Value Inputs (Details) - Level
3**

Dec. 31, 2024

Dec. 31, 2023

Volatility

Class of Warrant or Right [Line Items]

Warrant measurement input	0.950	0.850
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Expected term (in years)

Class of Warrant or Right [Line Items]

Expected term (in years)	1 year 7 months 6 days	2 years 7 months 6 days
--------------------------	------------------------	-------------------------

Risk-free rate

Class of Warrant or Right [Line Items]

Warrant measurement input	0.042	0.041
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Dividend yield

Class of Warrant or Right [Line Items]

Warrant measurement input	0	0
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REDEEMABLE CONVERTIBLE PREFERRED STOCK - Narrative (Details) \$ / shares in Units, \$ in Thousands	1 Months Ended	12 Months Ended				
	Aug. 31, 2024 USD (\$) shares	Mar. 31, 2024 USD (\$) shares	Dec. 31, 2024 USD (\$) day \$ / shares	Dec. 31, 2023 USD (\$)	Dec. 31, 2022 USD (\$)	Dec. 31, 2021 USD (\$)
Temporary Equity [Line Items]						
Derivative liabilities associated with redeemable convertible preferred stock (related party)			\$ 639,425	\$ 0		
Accretion of redeemable convertible preferred stock (related party)			347,610			
Redeemable convertible preferred stock, (related party)			1,299,842	0	\$ 0	\$ 0
Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)			155,350	\$ 0	\$ 0	
Ayar Redeemable Convertible Preferred Stock Subscription Agreement						
Temporary Equity [Line Items]						
Derivative liabilities associated with redeemable convertible preferred stock (related party)			639,400			
Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)			155,400			
Ayar Redeemable Convertible Preferred Stock Series A Redeemable Convertible Preferred Stock						
Temporary Equity [Line Items]						
Number of shares issued (in shares) shares		100,000				
Consideration to be received on agreement		\$				
		1,000,000				
Gross proceeds received		1,000,000				
Convertible preferred stock, liquidation preference amount		\$				
		1,138,800				
Voting cap calculation denominator (in dollars per share) \$ / shares		\$ 2.77				
Initial conversion price (in dollars per share) \$ / shares		\$ 3.5952				
Issuance costs		2,400				
Derivative liabilities associated with redeemable convertible preferred stock (related party)		\$ 497,100	\$ 408,800			
Accretion of redeemable convertible preferred stock (related party)			229,500			
Redeemable convertible preferred stock, (related party)			730,000			
Ayar Redeemable Convertible Preferred Stock Series B Redeemable Convertible Preferred Stock						
Temporary Equity [Line Items]						
Number of shares issued (in shares) shares	75,000					

<u>Consideration to be received on agreement</u>	\$	
	750,000	
<u>Gross proceeds received</u>	750,000	
<u>Convertible preferred stock, liquidation preference amount</u>		\$ 800,400
<u>Voting cap calculation denominator (in dollars per share) \$ / shares</u>		\$ 3.12
<u>Initial conversion price (in dollars per share) \$ / shares</u>		\$ 4.3799
<u>Issuance costs</u>	600	
<u>Derivative liabilities associated with redeemable convertible preferred stock (related party)</u>	\$ 297,700	\$ 230,600
<u>Accretion of redeemable convertible preferred stock (related party)</u>		118,100
<u>Redeemable convertible preferred stock, (related party)</u>		\$ 569,800
<u>Ayar Redeemable Convertible Preferred Stock Redeemable Convertible Preferred Stock Subscription Agreement</u>		
<u>Temporary Equity [Line Items]</u>		
<u>Initial value (in dollars per share) \$ / shares</u>		\$ 10,000
<u>Dividend rate, percentage</u>		9.00%
<u>Shares issued on initial date outstanding threshold</u>		10.00%
<u>Percentage of shares owned threshold</u>		50.00%
<u>Certain adjustments, conversion price (in dollars per share) \$ / shares</u>		\$ 5.50
<u>Threshold percentage of stock price trigger</u>		200.00%
<u>Trading days threshold day</u>		20
<u>Consecutive trading days threshold day</u>		30
<u>Liquidity conditions satisfied, threshold trading days day</u>		15
<u>Average daily VWAP, period</u>		5 days
<u>Optional redemption, average daily VWAP period</u>		20 days
<u>Callable term</u>		5 years

**REDEEMABLE
CONVERTIBLE
PREFERRED STOCK -
Schedule of Significant
Inputs Used in the Valuation
of the Derivative Liability
(Details) - Level 3 - Ayar -
Redeemable Convertible
Preferred Stock**

12 Months Ended

Dec. 31, 2024

[Series A Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Term \(in years\)](#)

4 years 2 months 12
days

[Series B Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Term \(in years\)](#)

4 years 7 months 6
days

[Volatility | Series A Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Derivative liability, measurement input](#)

0.400

[Volatility | Series B Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Derivative liability, measurement input](#)

0.400

[Credit spread | Series A Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Derivative liability, measurement input](#)

0.179

[Credit spread | Series B Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Derivative liability, measurement input](#)

0.179

[Fair value of Series E convertible preferred share | Series A Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Derivative liability, measurement input](#)

3.02

[Fair value of Series E convertible preferred share | Series B Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Derivative liability, measurement input](#)

3.02

[Risk-free rate | Series A Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Derivative liability, measurement input](#)

0.043

[Risk-free rate | Series B Redeemable Convertible Preferred Stock](#)

[Derivative \[Line Items\]](#)

[Derivative liability, measurement input](#)

0.044

STOCKHOLDERS' EQUITY - Preferred Stock	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
Narrative (Details) - \$ / shares				

Class of Stock [Line Items]

Convertible preferred stock, shares authorized (in shares)	10,000,000			
Convertible preferred stock, par value (in dollars per share)	\$ 0.0001			
Convertible preferred stock, shares outstanding (in shares)	175,000	0	0	0

Series A Redeemable Convertible Preferred Stock

Class of Stock [Line Items]

Convertible preferred stock, shares authorized (in shares)	10,000,000	10,000,000
Convertible preferred stock, par value (in dollars per share)	\$ 0.0001	\$ 0.0001
Convertible preferred stock, shares issued (in shares)	100,000	0
Convertible preferred stock, shares outstanding (in shares)	100,000	0

Series B Redeemable Convertible Preferred Stock

Class of Stock [Line Items]

Convertible preferred stock, shares authorized (in shares)	10,000,000	10,000,000
Convertible preferred stock, par value (in dollars per share)	\$ 0.0001	\$ 0.0001
Convertible preferred stock, shares issued (in shares)	75,000	0
Convertible preferred stock, shares outstanding (in shares)	75,000	0

STOCKHOLDERS' EQUITY - Common Stock Narrative (Details) - USD (\$) \$ / shares in Units, \$ in Millions							1 Months Ended			12 Months Ended			
	Oct. 31, 2024	Oct. 18, 2024	Oct. 17, 2024	Oct. 16, 2024	May 31, 2023	Oct. 31, 2024	Jun. 30, 2023	May 31, 2023	Dec. 31, 2022	Dec. 31, 2024	Dec. 31, 2022	Nov. 30, 2022	Nov. 08, 2022
Equity Distribution Agreement													
Class of Stock [Line Items]													
Consideration to be received on agreement												\$ 600.0	\$ 600.0
Number of shares issued (in shares)											56,203,334		
Weighted average price (in dollars per share)									\$ 10.68		\$ 10.68		
Net proceeds received									\$ 594.3		\$ 594.3		
Commissions and other issuance cost											\$ 5.7		
Remaining number of shares available (in shares)										0			
2022 Subscription Agreement Ayar													
Class of Stock [Line Items]													
Consideration to be received on agreement												\$ 915.0	\$ 915.0
Number of shares issued (in shares)									85,712,679		85,712,679		
Weighted average price (in dollars per share)									\$ 10.68		\$ 10.68		
Net proceeds received									\$ 915.0		\$ 915.0		
2023 Subscription Agreement Ayar													
Class of Stock [Line Items]													
Consideration to be received on agreement					\$ 1,800.0			\$ 1,800.0					
Number of shares issued (in shares)								265,693,703					
Weighted average price (in dollars per share)					\$ 6.83			\$ 6.83					
Net proceeds received							\$ 1,800.0						
Commissions and other issuance cost							2.0						
2024 Underwriting Agreement													
Class of Stock [Line Items]													
Net proceeds received						\$ 718.4							
2024 Underwriting Agreement The Underwriter													
Class of Stock [Line Items]													
Number of shares issued (in shares)				262,446,931									
Weighted average price (in dollars per share)		\$ 2.59											
Net proceeds received		\$ 718.4											
Commissions and other issuance cost		\$ 0.6											
Sale of stock, additional number of shares issued in transaction (in shares)			15,037,594										
2024 Subscription Agreement Ayar													
Class of Stock [Line Items]													
Number of shares issued (in shares)				374,717,927		374,717,927							

Weighted average price (in dollars per share)	\$ 2.59		\$ 2.59
Net proceeds received	\$ 1,025.7		\$ 1,025.7
Commissions and other issuance cost	\$ 0.8		
Sale of stock, additional number of shares issued in transaction (in shares)			21,470,459
2023 Underwriting Agreement			
Class of Stock [Line Items]			
Consideration to be received on agreement		\$ 1,200.0	\$ 1,200.0
Number of shares issued (in shares)		173,544,948	
Weighted average price (in dollars per share)		\$ 6.83	\$ 6.83
Net proceeds received			1,200.0
Commissions and other issuance cost			\$ 1.1
2024 Subscription Agreement, Over-Allotment Option Ayar			
Class of Stock [Line Items]			
Sale of stock, additional number of shares issued in transaction (in shares)		21,470,459	

STOCKHOLDERS'
EQUITY - Treasury Stock
Narrative (Details) - \$ /
shares

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2021

Class of Stock [Line Items]

<u>Shares repurchased (in shares)</u>	0	0	857,825
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<u>Shares repurchased, repurchase price (in dollars per share)</u>			\$ 24.15
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Employees

Class of Stock [Line Items]

<u>Shares repurchased (in shares)</u>			712,742
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Board of Directors of Atieva

Class of Stock [Line Items]

<u>Shares repurchased (in shares)</u>			145,083
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**STOCKHOLDERS'
EQUITY - Schedule of
Common Stock Reserved for
Future Issuance (Details)**

**Dec. 31, 2024
shares**

Class of Stock [Line Items]

Total shares of common stock reserved (in shares) 731,814,872

Private Placement Warrants to purchase common stock

Class of Stock [Line Items]

Total shares of common stock reserved (in shares) 44,350,000

Stock options outstanding

Class of Stock [Line Items]

Total shares of common stock reserved (in shares) 26,894,103

Restricted stock units outstanding

Class of Stock [Line Items]

Total shares of common stock reserved (in shares) 103,965,469

Shares available for future grants under equity plans

Class of Stock [Line Items]

Total shares of common stock reserved (in shares) 45,196,984

If-converted common shares from convertible note

Class of Stock [Line Items]

Total shares of common stock reserved (in shares) 36,737,785

If-converted common shares from Series A redeemable convertible preferred stock

Class of Stock [Line Items]

Total shares of common stock reserved (in shares) 297,567,387

If-converted common shares from Series B redeemable convertible preferred stock

Class of Stock [Line Items]

Total shares of common stock reserved (in shares) 177,103,144

STOCK-BASED AWARDS - Narrative (Details) \$ / shares in Units, \$ in Thousands	12 Months Ended				
	Dec. 05, 2021 installment shares	Dec. 31, 2024 USD (\$) \$ / shares shares	Dec. 31, 2023 USD (\$) shares	Dec. 31, 2022 USD (\$) tranche shares	Dec. 31, 2021 tranche
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]					
Weighted-average grant date fair value for options granted (in dollars per share) \$ / shares		\$ 1.80			
Options exercised, aggregate intrinsic value		\$ 8,400	\$ 50,100	\$ 475,500	
Fair value of options granted during the period		400	17,400	0	
Fair value of options vested during the period		4,900	5,400	5,500	
Stock-based compensation expense		285,872	257,283	\$ 423,500	
Stock-based compensation expense capitalized		\$ 45,700	\$ 43,300		
2021 Incentive Plan					
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]					
Number of shares available for grant (in shares) shares		45,196,984			
Chief Executive Officer					
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]					
Shares withheld for tax withholding obligation (in shares) shares		1,900,000	1,900,000	9,400,000	
Options					
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]					
Award vesting period		4 years			
Unamortized share-based compensation expense		\$ 7,100			
Unamortized share-based compensation, recognition period		2 years 6 months			
Options Minimum					
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]					
Award expiration period		7 years			
Options Maximum					
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]					
Award expiration period		10 years			
Options Tranche 1					
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]					
Vesting percentage		25.00%			
Options Tranche 2					

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Award vesting period 3 years

Time-Based Shares

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Award vesting period 4 years

Granted (in shares) | shares 94,696,162

Unamortized share-based compensation expense \$ 331,100

Unamortized share-based compensation, recognition period 1 year 7 months 6 days

Awards vested (in shares) | shares 46,298,088

Nonvested awards (in shares) | shares 87,969,008 54,699,739

Fair value of RSU vested during the period \$ 140,800 \$ 121,100 \$ 190,900

Time-Based Shares | Tranche 1

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Award vesting period 375 days

Vesting percentage 25.00%

Time-Based Shares | Chief Executive Officer

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Granted (in shares) | shares 13,834,748

Number of vesting installments | installment 16

Performance-Based Shares

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Granted (in shares) | shares 14,188,690

Unamortized share-based compensation expense \$ 30,100

Unamortized share-based compensation, recognition period 1 year 1 month 6 days

Awards vested (in shares) | shares 1,884,410

Stock-based compensation expense \$ 26,100 \$ 7,900 0

Nonvested awards (in shares) | shares 15,996,461 9,305,825

Fair value of RSU vested during the period \$ 5,300 \$ 0 \$ 0

Service period 3 years

Share-based compensation arrangement by share-based payment award, award granted, percentage of target 100.00%

Performance-Based Shares | Minimum

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Share-based compensation arrangement by share-based payment award, percentage of grants earnable 0.00%

Performance-Based Shares | Maximum

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Share-based compensation arrangement by share-based payment award, percentage of grants earnable

150.00%

Performance-Based Shares | Chief Executive Officer

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Award expiration period

5 years

Performance measurement period

6

months

Number of vesting installments with performance conditions met | tranche

4

Number of vesting installments | tranche

5

5

Awards vested (in shares) | shares

13,934,271

Stock-based compensation expense

\$ 85,400

Fair value of RSU vested during the period

\$ 0

\$ 0

315,300

Performance-Based Shares | Chief Executive Officer | Award Tranche Five

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Stock-based compensation expense

\$ 8,200

Nonvested awards (in shares) | shares

2,090,140

**STOCK-BASED AWARDS -
Schedule of Stock Option
Activity (Details) - USD (\$)
\$ / shares in Units, \$ in
Thousands**

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023

Number of Options

<u>Balance - beginning of period (in shares)</u>	32,911,135	
<u>Options granted (in shares)</u>	232,177	
<u>Options exercised (in shares)</u>	(4,513,606)	
<u>Options canceled (in shares)</u>	(1,735,603)	
<u>Balance - end of period (in shares)</u>	26,894,103	32,911,135
<u>Options vested and exercisable, number of options (in shares)</u>	24,696,617	

Weighted Average Exercise Price

<u>Balance - beginning of period (in dollars per share)</u>	\$ 1.99	
<u>Options granted (in dollars per share)</u>	3.99	
<u>Options exercised (in dollars per share)</u>	1.08	
<u>Options canceled (in dollars per share)</u>	7.01	
<u>Balance - end of period (in dollars per share)</u>	1.84	\$ 1.99
<u>Options vested and exercisable, weighted average exercise price (in dollars per share)</u>	\$ 1.37	

Additional Disclosures

<u>Options outstanding, weighted average remaining contractual term</u>	4 years 4 months 24 days	5 years 6 months
<u>Options outstanding, intrinsic value</u>	\$ 48,886	\$ 91,785
<u>Options vested and exercisable, weighted average remaining contractual term</u>	4 years 2 months 12 days	
<u>Options vested and exercisable, intrinsic value</u>	\$ 48,883	

**STOCK-BASED AWARDS -
Schedule of Stock Option
and Performance-Based
RSUs Valuation
Assumptions (Details)**

12 Months Ended

	Mar. 27, 2021	Dec. 31, 2024	Dec. 31, 2023
<u>Options</u>			
<u>Share-based Compensation Arrangement by Share-based Payment Award [Line Items]</u>			
<u>Volatility</u>	85.00%		83.90%
<u>Expected term (in years)</u>	5 years 2 months 12 days		5 years
<u>Risk-free interest rate</u>	4.30%		4.10%
<u>Expected dividends</u>	0.00%		0.00%
<u>Performance-Based Shares</u>			
<u>Share-based Compensation Arrangement by Share-based Payment Award [Line Items]</u>			
<u>Weighted average volatility</u>	60.00%		
<u>Expected term (in years)</u>	5 years		
<u>Risk-free interest rate</u>	0.90%		
<u>Expected dividends</u>	0.00%		

**STOCK-BASED AWARDS -
Schedule of Restricted Stock
Units Activity (Details)**

**12 Months Ended
Dec. 31, 2024
\$ / shares
shares**

Restricted stock units outstanding

Shares

<u>Balance at beginning of period (in shares)</u>	64,005,564
<u>Granted (in shares)</u>	108,884,852
<u>Vested (in shares)</u>	(48,182,498)
<u>Cancelled/forfeited (in shares)</u>	(20,742,449)
<u>Balance at end of period (in shares)</u>	103,965,469

Weighted-Average Grant-Date Fair Value

<u>Balance at beginning of period (in dollars per share) \$ / shares</u>	\$ 10.90
<u>Granted (in dollars per share) \$ / shares</u>	2.86
<u>Vested (in dollars per share) \$ / shares</u>	7.73
<u>Cancelled/forfeited (in dollars per share) \$ / shares</u>	6.48
<u>Balance at end of period (in dollars per share) \$ / shares</u>	\$ 4.83

Time-Based Shares

Shares

<u>Balance at beginning of period (in shares)</u>	54,699,739
<u>Granted (in shares)</u>	94,696,162
<u>Vested (in shares)</u>	(46,298,088)
<u>Cancelled/forfeited (in shares)</u>	(15,128,805)
<u>Balance at end of period (in shares)</u>	87,969,008

Performance-Based Shares

Shares

<u>Balance at beginning of period (in shares)</u>	9,305,825
<u>Granted (in shares)</u>	14,188,690
<u>Vested (in shares)</u>	(1,884,410)
<u>Cancelled/forfeited (in shares)</u>	(5,613,644)
<u>Balance at end of period (in shares)</u>	15,996,461

**STOCK-BASED AWARDS -
Employee Stock Purchase
Plan (Narrative) (Details) -
Employee Stock
\$ / shares in Units, \$ in
Millions**

**Share-based Compensation Arrangement by Share-based
Payment Award [Line Items]**

Consecutive offering period

Number of purchase periods | period

Purchase period

Percentage of purchase price of common stock

Number of award resets | award_reset

Modification charges

Share-based compensation expense, number of shares issued (in
shares) | shares

Share-based compensation expense, weighted-average price (in
dollars per share) | \$ / shares

Unrecognized share-based compensation expense

Unamortized share-based compensation, recognition period

12 Months Ended		
Dec. 31, 2024	Dec. 31,	Dec. 31,
USD (\$)	2023	2022
award_reset	USD (\$)	USD (\$)
period	award_reset	award_reset
\$ / shares	\$ / shares	\$ / shares
shares	shares	shares
24 months		
4		
6 months		
85.00%		
2	2	2
\$ 17.8	\$ 23.2	\$ 19.9
8,976,458	4,748,875	2,106,158
\$ 2.14	\$ 5.02	\$ 11.66
\$ 31.4		
1 year 10 months		
24 days		

**STOCK-BASED AWARDS -
Schedule of Stock-Based
Compensation Expense
(Details) - USD (\$)
\$ in Thousands**

12 Months Ended

**Dec. 31, Dec. 31, Dec. 31,
2024 2023 2022**

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

<u>Stock-based compensation expense</u>	\$ 285,872	\$ 257,283	\$ 423,500
<u>Cost of revenue</u>			

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

<u>Stock-based compensation expense</u>	4,335	3,590	41,753
<u>Research and development</u>			

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

<u>Stock-based compensation expense</u>	172,190	137,703	151,549
<u>Selling, general and administrative</u>			

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

<u>Stock-based compensation expense</u>	110,827	117,433	230,198
<u>Restructuring charges</u>			

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

<u>Stock-based compensation expense</u>	\$ (1,480)	\$ (1,443)	\$ 0
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LEASES - Narrative (Details) - USD (\$) \$ in Thousands	1 Months Ended		12 Months Ended	
	Aug. 31, 2022	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
<u>Lessee, Lease, Description [Line Items]</u>				
<u>Finance lease ROU asset</u>		\$ 82,823	\$ 85,055	
<u>Liabilities finance lease</u>		82,884	85,855	
<u>Proceeds from failed sale-leaseback transaction</u>	\$ 31,700	0	0	\$ 31,700
<u>Other long-term liabilities</u>		572,800	524,339	
<u>Lease not yet commenced, undiscounted amount</u>		41,100		
<u>Failed Sale Leaseback</u>				
<u>Lessee, Lease, Description [Line Items]</u>				
<u>Other long-term liabilities</u>		31,700	31,700	
<u>Casa Grande, Arizona</u>				
<u>Lessee, Lease, Description [Line Items]</u>				
<u>Lease term</u>	4 years			
<u>Finance lease ROU asset</u>		79,300	79,300	
<u>Liabilities finance lease</u>		\$ 80,000	\$ 80,600	

**LEASES - Schedule of
Operating and Finance
Leases (Details) - USD (\$)
\$ in Thousands**

Dec. 31, 2024

Dec. 31, 2023

Operating leases:

<u>Right-of-use assets</u>	\$ 211,886	\$ 221,508
<u>Operating lease, liability, current, statement of financial position [Extensible Enumeration]</u>	Other current liabilities (including \$126,417 and \$92,258 associated with related parties as of December 31, 2024 and 2023, respectively)	Other current liabilities (including \$126,417 and \$92,258 associated with related parties as of December 31, 2024 and 2023, respectively)
<u>Other current liabilities</u>	\$ 35,596	\$ 28,431
<u>Operating lease, liability, noncurrent, statement of financial position [Extensible Enumeration]</u>	Other long-term liabilities (including \$121,136 and \$178,311 associated with related parties as of December 31, 2024 and 2023, respectively)	Other long-term liabilities (including \$121,136 and \$178,311 associated with related parties as of December 31, 2024 and 2023, respectively)
<u>Other long-term liabilities</u>	\$ 229,835	\$ 244,122
<u>Total operating lease liabilities</u>	\$ 265,431	\$ 272,553

Finance leases:

<u>Finance lease, right-of-use asset, statement of financial position [Extensible Enumeration]</u>	Property, plant and equipment, net	Property, plant and equipment, net
<u>Total finance lease assets</u>	\$ 82,823	\$ 85,055
<u>Finance lease liabilities, current portion</u>	6,788	8,202
<u>Finance lease liabilities, net of current portion</u>	76,096	77,653
<u>Total finance lease liabilities</u>	\$ 82,884	\$ 85,855

LEASES - Schedule of
Components of Lease
Expense (Details) - USD (\$) **Dec. 31, 2024** **Dec. 31, 2023** **Dec. 31, 2022**
\$ in Thousands

Operating lease expense:

<u>Operating lease expense</u>	\$ 62,119	\$ 55,307	\$ 44,617
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<u>Variable lease expense</u>	1,948	1,770	1,712
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Finance lease expense:

<u>Amortization of leased assets</u>	3,009	5,252	4,812
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<u>Interest on lease liabilities</u>	4,665	4,867	2,453
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<u>Total finance lease expense</u>	7,674	10,119	7,265
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<u>Total lease expense</u>	\$ 71,741	\$ 67,196	\$ 53,594
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**LEASES - Schedule of Other
Information Related to
Leases (Details)**

Dec. 31, 2024

Dec. 31, 2023

Weighted-average remaining lease term (in years):

Operating leases

6 years 2 months 12 days 6 years 9 months 18 days

Finance leases

1 year 7 months 6 days 2 years 7 months 6 days

Weighted-average discount rate:

Operating leases

11.87%

11.01%

Finance leases

5.73%

5.59%

**LEASES - Schedule of
Supplemental Cash Flow
Information (Details) - USD
(\$)**

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

\$ in Thousands

Leases [Abstract]

<u>Operating cash flows from operating leases</u>	\$ 59,131	\$ 44,965	\$ 15,482
<u>Operating cash flows from finance leases (interest payments)</u>	5,261	5,430	509
<u>Financing cash flows from finance leases</u>	3,166	5,425	4,977
<u>Leased assets obtained in exchange for new operating lease liabilities</u>	23,111	32,558	73,502
<u>Leased assets obtained in exchange for new finance lease liabilities</u>	\$ 1,062	\$ 0	\$ 84,392

**LEASES - Schedule of
Operating and Finance
Lease Liability Maturity
(Details) - USD (\$)
\$ in Thousands**

Dec. 31, 2024 Dec. 31, 2023

Operating Leases

<u>2025</u>	\$ 64,308	
<u>2026</u>	66,035	
<u>2027</u>	57,530	
<u>2028</u>	53,923	
<u>2029</u>	47,570	
<u>Thereafter</u>	93,101	
<u>Total minimum lease payments</u>	382,467	
<u>Less: Interest</u>	(117,036)	
<u>Total operating lease liabilities</u>	265,431	\$ 272,553
<u>Less: Current portion</u>	(35,596)	(28,431)
<u>Other long-term liabilities</u>	229,835	244,122

Finance Leases

<u>2025</u>	6,953	
<u>2026</u>	82,822	
<u>2027</u>	371	
<u>2028</u>	39	
<u>2029</u>	8	
<u>Thereafter</u>	0	
<u>Total minimum lease payments</u>	90,193	
<u>Less: Interest</u>	(7,309)	
<u>Total finance lease liabilities</u>	82,884	85,855
<u>Less: Current portion</u>	(6,788)	(8,202)
<u>Finance lease liabilities, net of current portion</u>	\$ 76,096	\$ 77,653

**COMMITMENTS AND
CONTINGENCIES -
Narrative (Details)
\$ in Thousands**

**1 Months
Ended**

May 31, 2022 **Apr. 29, 2022** **Apr. 01, 2022** **Apr. 18, 2021** **Feb. 23, 2022** **Dec. 31, 2024** **Dec. 31, 2023**
lawsuit lawsuit lawsuit lawsuit lawsuit USD (\$) USD (\$)

Loss Contingencies [Line Items]

Purchase obligation | \$

\$
2,739,611

Individual Actions

Loss Contingencies [Line Items]

Number of lawsuits | lawsuit

2

Putative Class Actions

Loss Contingencies [Line Items]

Number of lawsuits | lawsuit

2

2

2

Shareholder Derivative Actions

Loss Contingencies [Line Items]

Number of lawsuits | lawsuit

2

Number of claims consolidated | lawsuit

2

Indemnification Agreement

Loss Contingencies [Line Items]

Estimate of possible loss | \$

72,600 \$ 56,300

Capital Addition Purchase Commitments

Loss Contingencies [Line Items]

Contractual obligation | \$

1,037,100 \$
270,200

Battery Cells | Panasonic Energy Co., Ltd.
and Certain of Its Affiliates

Loss Contingencies [Line Items]

Purchase obligation | \$

\$
2,700,000

**COMMITMENTS AND
CONTINGENCIES -
Schedule of Estimated
Future Payments (Details)
\$ in Thousands**

**Dec. 31, 2024
USD (\$)**

[Commitments and Contingencies Disclosure \[Abstract\]](#)

<u>2025</u>	\$ 220,781
<u>2026</u>	277,988
<u>2027</u>	379,113
<u>2028</u>	465,102
<u>2029</u>	458,595
<u>Thereafter</u>	938,032
<u>Total</u>	\$ 2,739,611

**INCOME TAXES - Schedule
of Components of Loss
before Provision for Income
Taxes (Details) - USD (\$)
\$ in Thousands**

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Income Tax Disclosure [Abstract]

<u>Loss subject to domestic income taxes</u>	\$ (2,699,739)	\$ (2,825,820)	\$ (1,306,245)
<u>Loss subject to foreign income taxes</u>	(13,004)	(1,574)	2,164
<u>Loss before provision for income taxes</u>	\$ (2,712,743)	\$ (2,827,394)	\$ (1,304,081)

INCOME TAXES - Schedule of Components of Income Tax Expense (Benefit) (Details) - USD (\$) \$ in Thousands	12 Months Ended		
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Current			
<u>Federal</u>	\$ 0	\$ 0	\$ 0
<u>State</u>	0	24	14
<u>Foreign</u>	1,339	1,002	365
<u>Total current tax expense</u>	1,339	1,026	379
Deferred			
<u>Federal</u>	0	0	0
<u>State</u>	0	0	0
<u>Foreign</u>	(140)	0	0
<u>Total deferred tax expense</u>	(140)	0	0
<u>Total provision for income taxes</u>	\$ 1,199	\$ 1,026	\$ 379

**INCOME TAXES - Schedule
of Effective Income Tax Rate
Reconciliation (Details)**

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Income Tax Disclosure [Abstract]

<u>Statutory federal income tax rate</u>	21.00%	21.00%	21.00%
<u>Stock-based compensation</u>	(1.60%)	(1.50%)	(0.60%)
<u>Change in fair value of warrant liability</u>	1.50%	0.60%	20.20%
<u>Tax-exempt interest</u>	0.00%	0.00%	0.40%
<u>Nondeductible expenses</u>	0.60%	(1.50%)	0.40%
<u>Tax credits</u>	1.20%	0.70%	1.40%
<u>Change in valuation allowance</u>	(22.70%)	(19.30%)	(42.80%)
<u>Provision for income taxes</u>	0.00%	0.00%	0.00%

**INCOME TAXES - Schedule
of Components of Deferred
Tax Assets and Liabilities
(Details) - USD (\$)
\$ in Thousands**

Dec. 31, 2024 Dec. 31, 2023

Deferred tax assets:

<u>Net operating loss carryforwards</u>	\$ 1,605,236	\$ 1,240,197
<u>Tax credit carryforwards</u>	192,810	139,672
<u>Stock-based compensation expense</u>	7,347	12,322
<u>Capitalization of research and development costs</u>	443,311	333,958
<u>Accruals and reserves</u>	232,487	215,087
<u>Lease liability</u>	84,604	88,407
<u>Inventory</u>	461,127	271,784
<u>Other</u>	60,935	21,815
<u>Total deferred tax assets</u>	3,087,857	2,323,242
<u>Valuation allowance</u>	(2,904,865)	(2,137,851)
<u>Total deferred tax assets, net of valuation allowance</u>	182,992	185,391

Deferred tax liabilities:

<u>Depreciation</u>	(72,023)	(49,754)
<u>Right-of-use assets</u>	(70,890)	(74,565)
<u>Tax accounting method change</u>	(39,939)	(61,072)
<u>Total deferred tax liabilities</u>	(182,852)	(185,391)
<u>Deferred tax assets (liabilities), net of valuation allowance</u>	\$ 140	\$ 0

INCOME TAXES - Narrative (Details) - USD (\$) \$ in Thousands	12 Months Ended				
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2016
<u>Income Tax Contingency [Line Items]</u>					
<u>Valuation allowance</u>	\$	\$			
	2,904,865	2,137,851			
<u>Increase valuation allowance for deferred tax assets</u>	767,000	763,600			
<u>Unrecognized tax benefits</u>	38,523	140,767	\$ 105,234	\$ 72,330	
<u>Unrecognized tax benefits that would impact effective tax rate</u>	900	\$ 1,100	\$ 600		
<u>Federal</u>					
<u>Income Tax Contingency [Line Items]</u>					
<u>Operating loss carryforwards</u>	5,766,100				
<u>Operating loss carryforwards, amount nullified by ownership change</u>					\$ 12,000
<u>Research and development tax credit carryforward nullified by ownership change</u>					\$ 3,000
<u>Federal Research Tax Credit Carryforward</u>					
<u>Income Tax Contingency [Line Items]</u>					
<u>Tax credit carryforward, amount</u>	151,800				
<u>State</u>					
<u>Income Tax Contingency [Line Items]</u>					
<u>Operating loss carryforwards</u>	5,142,400				
<u>State Research Tax Credit Carryforward</u>					
<u>Income Tax Contingency [Line Items]</u>					
<u>Tax credit carryforward, amount</u>	78,600				
<u>Foreign</u>					
<u>Income Tax Contingency [Line Items]</u>					
<u>Operating loss carryforwards</u>	\$ 19,100				

**INCOME TAXES - Schedule
of Unrecognized Tax Benefits**
(Details) - USD (\$)
\$ in Thousands

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Unrecognized Tax Benefits [Roll Forward]

<u>Unrecognized benefit—beginning of period</u>	\$ 140,767	\$ 105,234	\$ 72,330
<u>Gross increases—prior-period tax positions</u>	0	539	0
<u>Gross decreases—prior-period tax positions</u>	(111,065)	(581)	0
<u>Gross increases—current-period tax positions</u>	8,904	35,575	32,916
<u>Gross decrease—current-period tax positions</u>	0	0	0
<u>Statute lapse</u>	(83)	0	(12)
<u>Unrecognized benefit—end of period</u>	\$ 38,523	\$ 140,767	\$ 105,234

**NET LOSS PER SHARE -
Schedule of Basic and
Diluted Net Loss Per Share
Attributable to Common
Stockholders (Details) - USD
(\$)
\$ / shares in Units, \$ in
Thousands**

12 Months Ended

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Earnings Per Share [Abstract]

<u>Net loss</u>	\$ (2,713,942)	\$ (2,828,420)	\$ (1,304,460)
<u>Accretion of redeemable convertible preferred stock (related party)</u>	(347,610)	0	0
<u>Net loss attributable to common stockholders, basic</u>	(3,061,552)	(2,828,420)	(1,304,460)
<u>Change in fair value of dilutive warrants</u>	0	0	(1,254,218)
<u>Net loss attributable to common stockholders, diluted</u>	\$ (3,061,552)	\$ (2,828,420)	\$ (2,558,678)
<u>Weighted-average shares outstanding, basic (in shares)</u>	2,445,176,539	2,081,772,622	1,678,346,079
<u>Private Placement Warrants using the treasury stock method (in shares)</u>	0	0	14,912,529
<u>Weighted-average shares outstanding, diluted (in shares)</u>	2,445,176,539	2,081,772,622	1,693,258,608
<u>Net loss per share - basic (in dollars per share)</u>	\$ (1.25)	\$ (1.36)	\$ (0.78)
<u>Net loss per share - diluted (in dollars per share)</u>	\$ (1.25)	\$ (1.36)	\$ (1.51)

**NET LOSS PER SHARE -
Schedule of Antidilutive
Securities Excluded from
Computation of Earnings
Per Share (Details) - shares**

12 Months Ended

**Dec. 31,
2024** **Dec. 31,
2023** **Dec. 31,
2022**

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from computation amount (in shares) 705,063,731 185,235,513 126,145,618
Private Placement Warrants to purchase common stock

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from computation amount (in shares) 44,350,000 44,350,000 0
Options outstanding to purchase common stock

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from computation amount (in shares) 26,894,103 32,911,135 39,011,116
RSUs outstanding

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from computation amount (in shares) 96,985,937 57,124,659 38,570,298
Employee stock purchase plan

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from computation amount (in shares) 25,425,375 14,111,934 11,826,419
If-converted common shares from convertible note

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from computation amount (in shares) 36,737,785 36,737,785 36,737,785
If-converted common shares from Series A redeemable convertible preferred stock

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from computation amount (in shares) 297,567,387 0
If-converted common shares from Series B redeemable convertible preferred stock

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from computation amount (in shares) 177,103,144 0

**NET LOSS PER SHARE -
Narrative (Details) - shares**

12 Months Ended
Dec. 31, Dec. 31, Dec. 31,
2024 2023 2022

Restricted stock units outstanding

**Antidilutive Securities Excluded from Computation of Earnings Per
Share [Line Items]**

Number of underlying shares contingently issuable (in shares)

6,979,532 6,880,905 2,090,140

**EMPLOYEE BENEFIT
PLAN (Details) - USD (\$)**

12 Months Ended
Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Retirement Benefits [Abstract]

Contributions employees may elect to contribute (percent) 100.00%

Company matching contribution \$ 0 \$ 0 \$ 0

**RELATED PARTY
TRANSACTIONS - Leases
(Details) - USD (\$)
\$ in Thousands**

Dec. 31, 2024 Dec. 31, 2023 Jul. 31, 2023 Feb. 28, 2022

Related Party Transaction [Line Items]

<u>Right-of-use assets</u>	\$ 211,886	\$ 221,508
<u>Operating lease, liability</u>	265,431	272,553

KAEC Lease Agreement | Related Party

Related Party Transaction [Line Items]

<u>Lease initial term (in years)</u>		25 years
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<u>Right-of-use assets</u>	4,200	4,500
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<u>Operating lease, liability</u>	6,100	5,700
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KAFD Lease Agreement | Related Party

Related Party Transaction [Line Items]

<u>Lease initial term (in years)</u>		6 years
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<u>Right-of-use assets</u>	2,000	2,300
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<u>Operating lease, liability</u>	\$ 2,400	\$ 2,300
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**RELATED PARTY
TRANSACTIONS - SIDF
Loan Agreement (Details) -
SIDF**

Dec. 31, 2022 Feb. 27, 2022 Feb. 27, 2022
USD (\$) USD (\$) SAR (ر.س)

ر.س in Millions, \$ in Billions

Related Party Transaction [Line Items]

Principal Amount \$ 1.4 \$ 1.4 5,190 ر.س

SIDF Loan Agreement | Related Party

Related Party Transaction [Line Items]

Principal Amount \$ 1.4 5,190 ر.س

RELATED PARTY TRANSACTIONS - MISA Agreements (Details) - MISA - Related Party ري.س in Millions, \$ in Millions	1 Months Ended	12 Months Ended				
	Feb. 28, 2022	Dec. 31, 2024 USD (\$)	Dec. 31, 2023 USD (\$)	Dec. 31, 2023 SAR (ري.س)	Dec. 31, 2022 USD (\$)	Dec. 31, 2022 SAR (ري.س)
MISA Agreement - AMP-2						
Related Party Transaction [Line Items]						
Period for suspension of funding, operation commencement	30 months					
Period for suspension of funding, attainment of agreed scope of operations	55 months					
Government Grant						
Related Party Transaction [Line Items]						
Related party transaction, amount of transaction		\$ 97.5	ري.س 366	\$ 97.3	ري.س 366	
Government Grant Other Noncurrent Liabilities						
Related Party Transaction [Line Items]						
Related party transaction, amount of transaction				64.0		
Government Grant Other Noncurrent Assets						
Related Party Transaction [Line Items]						
Related party transaction, amount of transaction		64.0				
Government Grant AMP-2 Construction In Progress Balance						
Related Party Transaction [Line Items]						
Related party transaction, amount of transaction		\$ (67.3)	(12.1)	\$ (33.3)		
Government Grant AMP-2 Fixed Asset And AMP-2 Construction In Progress Balance						
Related Party Transaction [Line Items]						
Related party transaction, amount of transaction		\$ 97.5	(35.0)			
Government Grant AMP-2 Fixed Asset And AMP-2 Construction In Progress Balance Other Noncurrent Liabilities						
Related Party Transaction [Line Items]						
Related party transaction, amount of transaction		\$ 62.5				

**RELATED PARTY
TRANSACTIONS - GIB
Facility Agreement (Details)
- Line of Credit
\$ in Millions, ر.س in Billions**

Mar. 12, 2023 USD (\$)	Mar. 12, 2023 SAR (ر.س)	Dec. 31, 2022 USD (\$) facility	Apr. 29, 2022 USD (\$) facility	Apr. 29, 2022 SAR (ر.س) facility
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[GIB Facility Agreement | Revolving Credit Facility](#)

[Related Party Transaction \[Line Items\]](#)

[Number of facilities](#)

2 2 2

[Maximum borrowing capacity](#)

\$ 266.1 \$ 266.1 1.0 ر.س

[GIB Facility Agreement | Related Party](#)

[Related Party Transaction \[Line Items\]](#)

[Number of facilities](#)

2 2

[Maximum borrowing capacity](#)

\$ 266.1 1.0 ر.س

[2023 Amended GIB Facility Agreement | Revolving
Credit Facility](#)

[Related Party Transaction \[Line Items\]](#)

[Maximum borrowing capacity](#)

\$ 266.1 1.0 ر.س

**RELATED PARTY
TRANSACTIONS -
Construction Service
Contract (Details)
\$ in Thousands, ر.س in
Millions**

12 Months Ended

Dec. 31, 2024 USD (\$)	Dec. 31, 2024 SAR (ر.س)	Dec. 31, 2023 USD (\$)	Dec. 31, 2023 SAR (ر.س)	Dec. 31, 2024 SAR (ر.س)	Dec. 31, 2023 SAR (ر.س)
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Related Party Transaction [Line Items]

<u>Other current assets</u>	\$		\$ 79,670		
	270,218				
<u>Accounts payable</u>	133,832		108,724		

Related Party

Related Party Transaction [Line Items]

<u>Other current assets</u>	34,503		0		
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Al Bawani Company Limited | Construction Service
Contract | Related Party

Related Party Transaction [Line Items]

<u>Related party transaction, amount of transaction</u>	230,300 ر.س	865.2	118,600 ر.س	444.6	
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<u>Other current assets</u>	\$ 34,500			ر.س 129.6	
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<u>Accounts payable</u>		\$ 19,700			ر.س 74.0
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**RELATED PARTY
TRANSACTIONS - 2022**

**Subscription Agreements
(Details) - Ayar - 2022**

**Subscription Agreement -
USD (\$)**

**\$ / shares in Units, \$ in
Millions**

1 Months Ended 12 Months Ended

Dec. 31, 2022

Dec. 31, 2022

Nov. 30, 2022

Nov. 08, 2022

Related Party Transaction [Line Items]

Consideration to be received on agreement

\$ 915.0

\$ 915.0

Number of shares issued (in shares)

85,712,679

85,712,679

Weighted average price (in dollars per share)

\$ 10.68

\$ 10.68

Net proceeds received

\$ 915.0

\$ 915.0

**RELATED PARTY
TRANSACTIONS - 2023**

1 Months Ended

**Subscription Agreement
(Details) - Ayar - 2023**

**Subscription Agreement -
USD (\$)**

Jun. 30, 2023 May 31, 2023

**\$ / shares in Units, \$ in
Millions**

Related Party Transaction [Line Items]

Number of shares issued (in shares) 265,693,703

Weighted average price (in dollars per share) \$ 6.83

Consideration to be received on agreement \$ 1,800.0

Net proceeds received \$ 1,800.0

Commissions and other issuance cost \$ 2.0

**RELATED PARTY
TRANSACTIONS - 2024**
**Subscription Agreement and
Redeemable Convertible
Preferred Stock (Details) -
Ayar - USD (\$)**
**\$ / shares in Units, \$ in
Millions**

1 Months Ended

**Oct. 31, Oct. 16, Oct. 31, Aug. 31, Mar. 31,
2024 2024 2024 2024 2024**

[2024 Subscription Agreement](#)

[Related Party Transaction \[Line Items\]](#)

[Number of shares issued \(in shares\)](#)

374,717,927 374,717,927

[Net proceeds received](#)

\$
1,025.7 \$ 1,025.7

[Sale of stock, additional number of shares issued in
transaction \(in shares\)](#)

21,470,459

[Weighted average price \(in dollars per share\)](#)

\$ 2.59 \$ 2.59

[Commissions and other issuance cost](#)

\$ 0.8

[Redeemable Convertible Preferred Stock | Series A](#)

[Redeemable Convertible Preferred Stock](#)

[Related Party Transaction \[Line Items\]](#)

[Number of shares issued \(in shares\)](#)

100,000

[Consideration to be received on agreement](#)

\$
1,000.0

[Net proceeds received](#)

997.6

[Issuance costs](#)

\$ 2.4

[Redeemable Convertible Preferred Stock | Series B](#)

[Redeemable Convertible Preferred Stock](#)

[Related Party Transaction \[Line Items\]](#)

[Number of shares issued \(in shares\)](#)

75,000

[Consideration to be received on agreement](#)

\$ 750.0

[Net proceeds received](#)

749.4

[Issuance costs](#)

\$ 0.6

**RELATED PARTY
TRANSACTIONS - Human
Resources Development
Fund Joint Cooperation
Agreement (Details)
\$ in Thousands, ر.س in
Millions**

12 Months Ended

Related Party Transaction [Line Items]

Other current liabilities

	Dec. Dec. 31, 2024 USD (\$)	Dec. 31, 2023 SAR (ر.س)	Dec. 31, 2023 USD (ر.س)	Mar. 31, 2024 USD (ر.س)	Mar. 31, 2024 SAR (ر.س)
	\$	\$			
	1,024,671	891,484			

Related Party

Related Party Transaction [Line Items]

Other current liabilities

	126,417	92,258
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**Human Resources Development Fund | Human Resources
Development Fund Training Reimbursement Agreement |
Related Party**

Related Party Transaction [Line Items]

Related party transaction, maximum reimbursement receivable

\$ ر.س
7,800 29.3

Other current liabilities

	0	1,800
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Proceeds From Related Party Reimbursement

	\$ 2,900 ر.س 10.9	\$ 2,300 ر.س 8.8
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RELATED PARTY TRANSACTIONS - EV Purchase Agreement (Details) \$ in Thousands, ر.س in Millions	1 Months Ended	12 Months Ended						
	Aug. 31, 2023 vehicle	Dec. 31, 2024 USD (\$)	Dec. 31, 2024 SAR (ر.س)	Dec. 31, 2023 USD (\$)	Dec. 31, 2023 SAR (ر.س)	Dec. 31, 2022 USD (\$)	Dec. 31, 2024 SAR (ر.س)	Dec. 31, 2023 SAR (ر.س)
<u>Related Party Transaction [Line Items]</u>								
<u>Revenue</u>		\$		\$		\$		
		807,832		595,271		608,181		
<u>Accounts receivable, net</u>		112,025		51,822				
<u>Related Party</u>								
<u>Related Party Transaction [Line Items]</u>								
<u>Revenue</u>		174,204		43,714		\$ 0		
<u>Accounts receivable, net</u>		57,909		35,526				
<u>Electric Vehicle Purchase Agreement</u>								
<u>Related Party Transaction [Line Items]</u>								
<u>Number of vehicles committed vehicle</u>	100,000							
<u>Number of vehicles committed, minimum vehicle</u>	50,000							
<u>Number of vehicles committed, additional vehicle</u>	50,000							
<u>Number of years</u>	10							
	years							
<u>Minimum vehicle purchase reduction period</u>	6							
	months							
<u>Electric Vehicle Purchase Agreement Government</u>								
<u>of Saudi Arabia EV Purchase Agreement Related</u>								
<u>Party</u>								
<u>Related Party Transaction [Line Items]</u>								
<u>Revenue</u>		174,200 ر.س	654.6	43,700 ر.س	163.9			
<u>Accounts receivable, net</u>		\$		\$			ر.س	ر.س
		57,900		35,500			217.6	133.2

**RELATED PARTY
TRANSACTIONS -
Implementation Agreement
with Aston Martin (Details) -
USD (\$)
\$ in Thousands**

**14 Months
Ended**

**Nov. 06, Dec. 31, Dec. 31,
2023 2024 2023**

Related Party Transaction [Line Items]

<u>Accounts receivable, net</u>	\$ 112,025	\$ 51,822
<u>Other long-term liabilities</u>	572,800	524,339

Related Party

Related Party Transaction [Line Items]

<u>Accounts receivable, net</u>	57,909	35,526
<u>Other long-term liabilities</u>	121,136	178,311

Strategic Technology Arrangement | Related Party | Aston Martin Lagonda
Global Holdings plc

Related Party Transaction [Line Items]

<u>Minimum amount committed</u>	\$ 225,000
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Aston Martin Lagonda Global Holdings plc | Strategic Technology
Arrangement | Related Party

Related Party Transaction [Line Items]

<u>Other long-term liabilities</u>	112,700	107,800
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Aston Martin Lagonda Global Holdings plc | Strategic Technology
Arrangement, Technology Access Fees | Related Party

Related Party Transaction [Line Items]

<u>Number of shares received (in shares)</u>	28,352,273
<u>Initial installment</u>	\$ 33,000
<u>Fair value amount</u>	73,200 37,800 \$ 81,500
<u>Remaining amount</u>	\$ 99,000
<u>Payment term</u>	3 years

Aston Martin Lagonda Global Holdings plc | Strategic Technology
Arrangement, Service Fees | Related Party

Related Party Transaction [Line Items]

<u>Amounts due from purchaser</u>	\$ 10,000
<u>Payment term</u>	3 years

Aston Martin Lagonda Global Holdings plc | Strategic Technology
Arrangement, Integration Service Fees | Related Party

Related Party Transaction [Line Items]

<u>Related party transaction, amount of transaction</u>	5,800
<u>Accounts receivable, net</u>	\$ 0

**RELATED PARTY
TRANSACTIONS - DDTL
Credit Facility (Details) -
Secured Debt - DDTL Credit
Facility - Delayed Draw
Term Loan (DDTL)**

1 Months Ended

**Aug. 31, 2024
USD (\$)**

Related Party Transaction [Line Items]

Maximum borrowing capacity \$ 750,000,000

Debt instrument, term 5 years

RELATED PARTY
TRANSACTIONS - Time
Deposit (Details) - Level 2: -
Fair Value, Recurring - USD **Dec. 31, 2024** **Dec. 31, 2023**
(\$)
\$ in Thousands

Related Party Transaction [Line Items]

<u>Debt securities, available-for-sale</u>	\$ 1,442,451	\$ 1,071,281
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Time deposits

Related Party Transaction [Line Items]

<u>Debt securities, available-for-sale</u>	515,000	\$ 50,000
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Time deposits | Related Party

Related Party Transaction [Line Items]

<u>Debt securities, available-for-sale</u>	35,000
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GIB | Time deposits | Related Party

Related Party Transaction [Line Items]

<u>Debt securities, available-for-sale</u>	\$ 35,000
--	-----------

SEGMENT REPORTING - Narrative (Details) \$ in Millions	12 Months Ended		
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
	USD (\$) segment	USD (\$)	USD (\$)

[Segment Reporting \[Abstract\]](#)

Number of reportable segments segment	1		
Depreciation and amortization expenses \$	\$ 295.3	\$ 233.5	\$ 186.6

**SEGMENT REPORTING -
Schedule of Revenue By
Geographic Area Based On
Sales Location (Details) -
USD (\$)
\$ in Thousands**

12 Months Ended

	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
<u>Revenues from External Customers and Long-Lived Assets [Line Items]</u>			
<u>Revenue</u>	\$ 807,832	\$ 595,271	\$ 608,181
<u>North America</u>			
<u>Revenues from External Customers and Long-Lived Assets [Line Items]</u>			
<u>Revenue</u>	598,022	521,991	
<u>Middle East</u>			
<u>Revenues from External Customers and Long-Lived Assets [Line Items]</u>			
<u>Revenue</u>	194,052	58,993	
<u>Other international</u>			
<u>Revenues from External Customers and Long-Lived Assets [Line Items]</u>			
<u>Revenue</u>	15,758	14,287	
<u>United States</u>			
<u>Revenues from External Customers and Long-Lived Assets [Line Items]</u>			
<u>Revenue</u>	587,300	\$ 511,300	\$ 597,200
<u>SAUDI ARABIA</u>			
<u>Revenues from External Customers and Long-Lived Assets [Line Items]</u>			
<u>Revenue</u>	\$ 191,100		

**SEGMENT REPORTING -
Schedule of Segment
Revenue, Segment Profit or
Loss, and Significant
Segment Expenses (Details) -
USD (\$)
\$ in Thousands**

12 Months Ended

**Dec. 31,
2024 Dec. 31,
2023 Dec. 31,
2022**

Segment Reporting Information [Line Items]

<u>Revenue</u>	\$ 807,832	\$ 595,271	\$ 608,181
<u>Cost of revenue</u>	(1,730,943)	(1,936,066)	(1,646,086)
<u>Research and development</u>	(1,176,453)	(937,012)	(821,512)
<u>Selling, general and administrative</u>	(900,952)	(797,235)	(734,574)
<u>Restructuring charges</u>	(20,304)	(24,546)	0
<u>Change in fair value of common stock warrant liability</u>	34,150	86,926	1,254,218
<u>Change in fair value of equity securities of a related party</u>	(43,057)	5,999	0
<u>Change in fair value of derivative liabilities associated with redeemable convertible preferred stock (related party)</u>	155,350	0	0
<u>Interest income</u>	213,026	204,274	56,756
<u>Interest expense</u>	(32,923)	(24,915)	(30,596)
<u>Other income (expense), net</u>	(18,469)	(90)	9,532
<u>Provision for income taxes</u>	(1,199)	(1,026)	(379)
<u>Net loss</u>	(2,713,942)	(2,828,420)	(1,304,460)

Reportable Segment

Segment Reporting Information [Line Items]

<u>Revenue</u>	807,832	595,271	608,181
<u>Research and development</u>	(1,176,453)	(937,012)	(821,512)
<u>Selling, general and administrative</u>	(900,952)	(797,235)	(734,574)
<u>Restructuring charges</u>	(20,304)	(24,546)	0
<u>Change in fair value of common stock warrant liability</u>	34,150	86,926	1,254,218
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<u>Other income (expense), net</u>	(18,469)	(90)	9,532
<u>Provision for income taxes</u>	(1,199)	(1,026)	(379)
<u>Net loss</u>	(2,713,942)	(2,828,420)	(1,304,460)

Cost of revenue - excluding LCNRV and provision for warranty | Reportable Segment

Segment Reporting Information [Line Items]

<u>Cost of revenue</u>	(993,154)	(935,118)	(1,043,383)
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LCNRV | Reportable Segment

Segment Reporting Information [Line Items]

<u>Cost of revenue</u>	(617,446)	(926,898)	(569,479)
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[Warranty Provision | Reportable Segment](#)
[Segment Reporting Information \[Line Items\]](#)
[Cost of revenue](#)

\$ (120,343)\$ (74,050) \$ (33,224)

**SEGMENT REPORTING -
Schedule of Long-Lived
Assets by Geographic Areas
(Details) - USD (\$)
\$ in Thousands**

Dec. 31, 2024 Dec. 31, 2023

Revenues from External Customers and Long-Lived Assets [Line Items]

<u>Long-lived assets</u>	\$ 3,474,498	\$ 3,032,375
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United States

Revenues from External Customers and Long-Lived Assets [Line Items]

<u>Long-lived assets</u>	3,314,720	2,950,154
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Foreign

Revenues from External Customers and Long-Lived Assets [Line Items]

<u>Long-lived assets</u>	\$ 159,778	\$ 82,221
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SUBSEQUENT EVENTS
(Details) - Revolving Credit
Facility - Line of Credit
\$ in Millions, ر.س in Billions

Feb. 24, 2025 USD (\$)	Feb. 24, 2025 SAR (ر.س)	Mar. 12, 2023 USD (\$)	Mar. 12, 2023 SAR (ر.س)
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[2025 GIB Credit Facility | Subsequent Event](#)

[Subsequent Event \[Line Items\]](#)

[Maximum borrowing capacity](#)

\$ 506.7	1.9 ر.س
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[Interest rate](#)

1.40%

[Commitment fee percentage](#)

0.25%

[2025 GIB Credit Facility | Subsequent Event |](#)

[Maximum](#)

[Subsequent Event \[Line Items\]](#)

[Debt instrument, term](#)

12 months

[2023 Amended GIB Facility Agreement](#)

[Subsequent Event \[Line Items\]](#)

[Maximum borrowing capacity](#)

\$ 266.1	1.0 ر.س
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[illegible]