

# Findings & Conditions Register

Converts technical and operating evidence into investment-relevant findings, explicit conditions, accountable actions and closure evidence.

|  | Finding                                           | State       | Classification                  | Business / economic implication                                                                                                        | Required action                                                                                               | Closure evidence                                                                     |
|--|---------------------------------------------------|-------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|  | External dependency excluded from scaling proof   | Conditional | Execution Dependency            | Complete customer journey is not yet demonstrated at underwriting volume. Potential vendor cost, remediation and growth-timing impact. | Model calls at underwriting volume; obtain capacity/commercial terms; run representative end-to-end test.     | Capacity terms plus successful representative test within agreed service objectives. |
|  | Cloud credits distort current cost-to-serve       | Conditional | Recurring Cost Correction       | Current \$5/customer assumption does not establish hold-period margin. \$600K annual credits expire after Year 1.                      | Rebuild Years 1-5 cost-to-serve including credit expiry, workload, commitments, staffing and remediation.     | Finance-approved evidence-adjusted technology curve incorporated into deal model.    |
|  | Full AI cost per accepted outcome not established | Unresolved  | AI Option                       | Technical feasibility does not yet establish scalable AI operating economics.                                                          | Calculate full cost per accepted outcome including inference, tooling, human review, retries and recovery.    | Reconciled accepted-outcome cost at representative quality and workload.             |
|  | AI ARR commercially unsubstantiated               | Unresolved  | AI Option                       | 10 illustrative pilots but no paid production contract. \$1M AI ARR is not substantiated for the technology-supported base case.       | Obtain paid production evidence, accepted pricing, repeat use and/or committed expansion.                     | Agreed commercial evidence demonstrating repeat paid production use.                 |
|  | Engineering execution capacity not substantiated  | Unresolved  | Unresolved Condition            | Timing of scaling, product and remediation work remains uncertain; possible headcount, sequencing and time-to-value impact.            | Inspect resource-loaded roadmap; trace one feature and one severe incident; identify key-person dependencies. | Evidence-backed capacity assessment with own dependencies and timing.                |
|  | Material asset rights and transferability pending | Unresolved  | Ownership / Transfer Constraint | Unresolved rights gaps could create closing conditions or post-close operating dependencies.                                           | Complete specialist review of IP, licenses, data/model rights and critical vendor terms.                      | Specialist confirmation or explicit remediation/condition for material exceptions.   |

## Finding Discipline

|                        | CONTROL                                                                                     |
|------------------------|---------------------------------------------------------------------------------------------|
| Observation            | What was actually observed within the stated perimeter.                                     |
| Evidence               | What substantiates the observation, what contradicts it, and what remains missing.          |
| Mechanism              | Why the condition occurs; distinguish demonstrated mechanism from hypothesis.               |
| Business implication   | Which operating or underwriting assumption changes.                                         |
| Economic implication   | Cost, capital, margin, timing, capacity or upside; state when not responsibly quantifiable. |
| Classification + state | Investment meaning plus Supported / Conditional / Unsupported / Unresolved.                 |
| Required action        | Who must do what and by when.                                                               |
| Closure evidence       | The evidence that proves the underlying condition changed.                                  |

## Closure Rule

A finding closes when the required evidence demonstrates that the underlying condition has changed. Completion of an action item alone is not closure. Residual uncertainty remains explicit and may be accepted by the investor rather than silently removed.