

**H1-2024 SUPPLY CHAIN RISK OVERVIEW FOR NVIDIA**

Increase in Electronic Cargo Thefts vs H1-2023

**36%**

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Average Loss Value of Electronics

**\$699,000**

Criminals are targetting high-value loads.

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Average Cargo Thefts per Day

**4.34**

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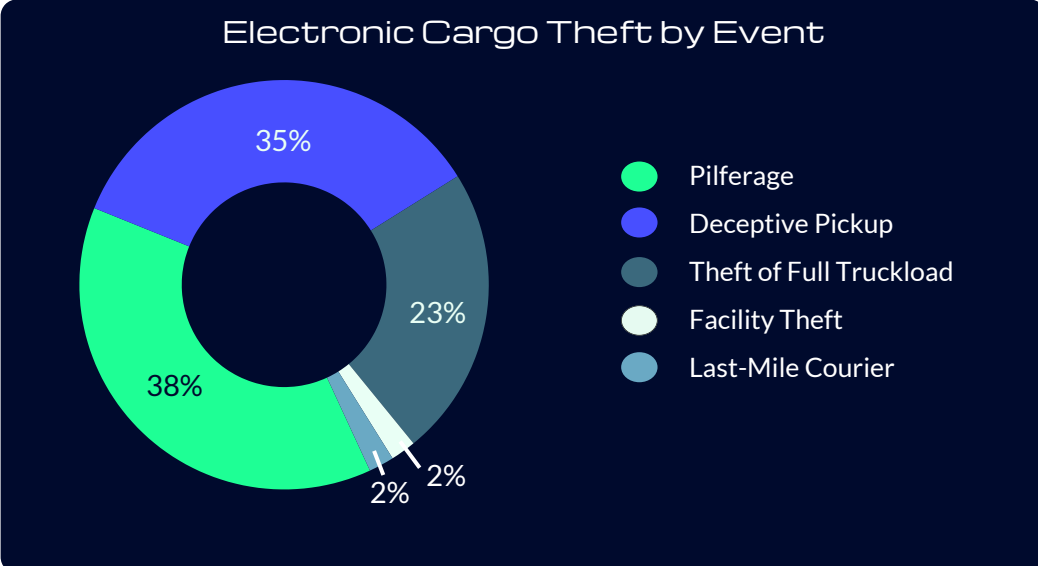
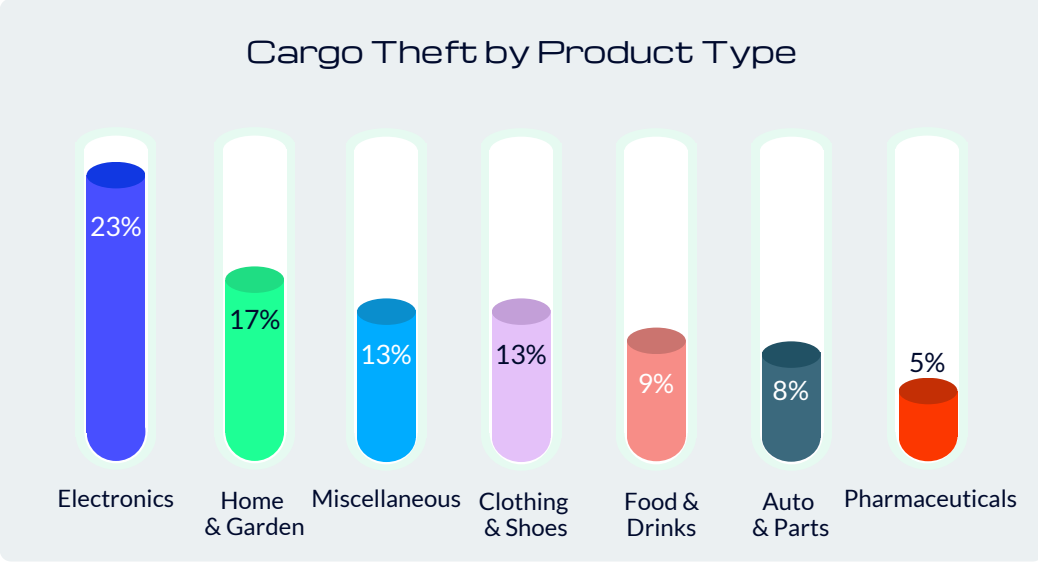
Total Recorded Cargo Thefts

**787**

**Risk Management Program ROI**

A \$1 spend with Overhaul returns an \$8 cost saving for Tech industry customers.

- Why Nvidia Goods are Targets**
- High demand - Nvidia products are always in high demand, making them attractive targets for theft
  - Portability - Nvidia products are small and easy to transport, facilitating theft and resale
  - Resale value - stolen electronics, especially Nvidia products, can be sold at high prices on the grey/black market, providing substantial profit for thieves



**In-transit Cybersecurity Concerns**

Nvidia faces significant challenges in its operations, there is a looming threat that foreign adversaries could potentially infiltrate Nvidia's supply chain, introducing risks of contamination to chips destined for the U.S. federal government. This kind of security breach could compromise the integrity of devices critical to national infrastructure and security.

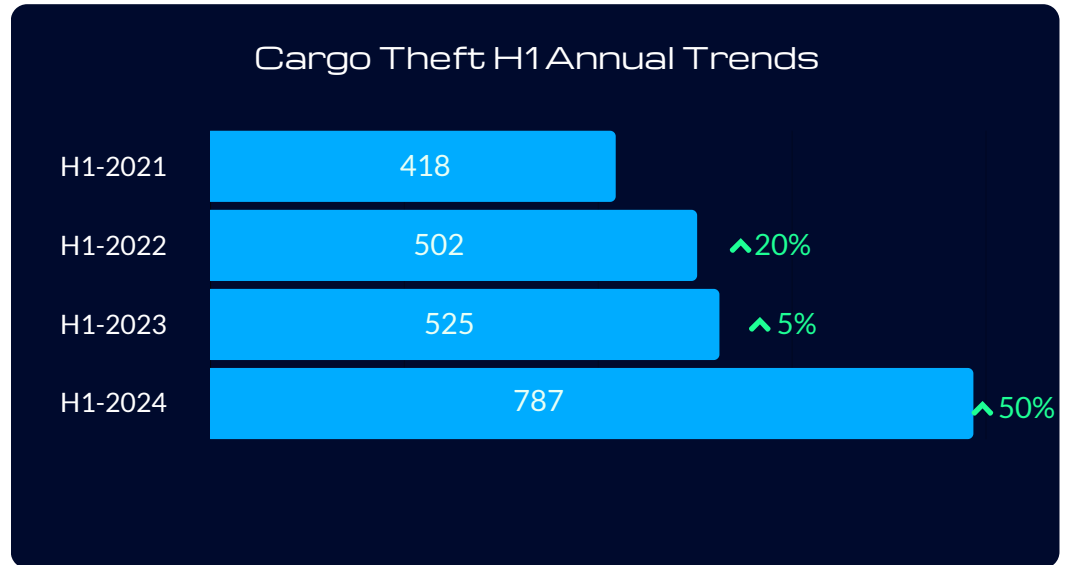
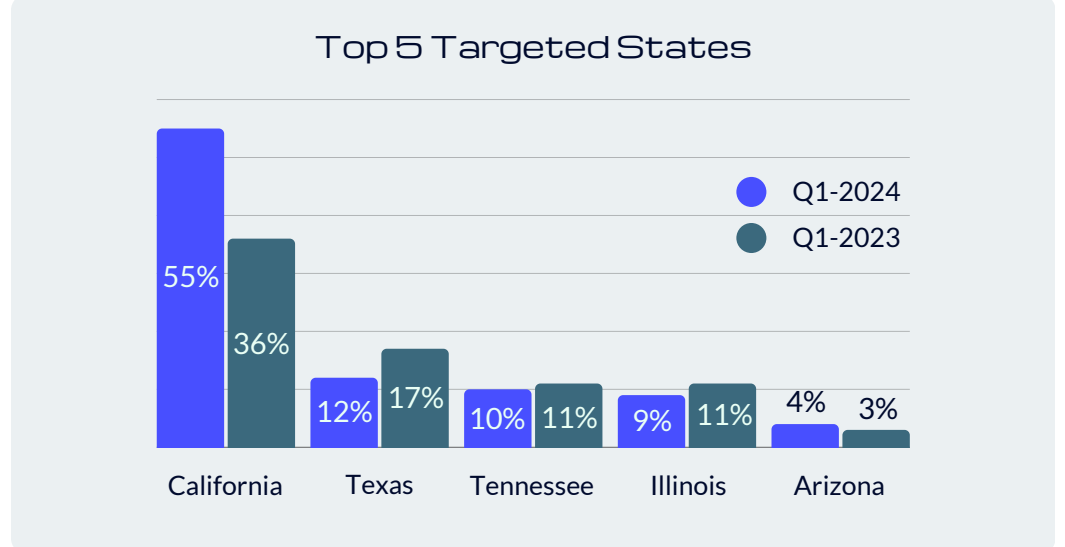
Overhaul's expertise in securing complex supply chains offers robust surveillance and monitoring capabilities that can detect and counteract any unauthorized or malicious activities, ensuring that Nvidia's products remain secure and trustworthy throughout their distribution journey.

**Highlight - Recovery Case**

**Stanton, California | Electronics | March, 24**

Overhaul's recovery team recently played a crucial role in the successful recovery of a shipment of electronics in Southern California. The shipment was detected by Overhaul as deviating from its established route and heading towards SOCAL, where it stopped at a warehouse in Stanton, CA. The Overhaul Law Enforcement Team was immediately activated and contacted the California Highway Patrol for assistance.

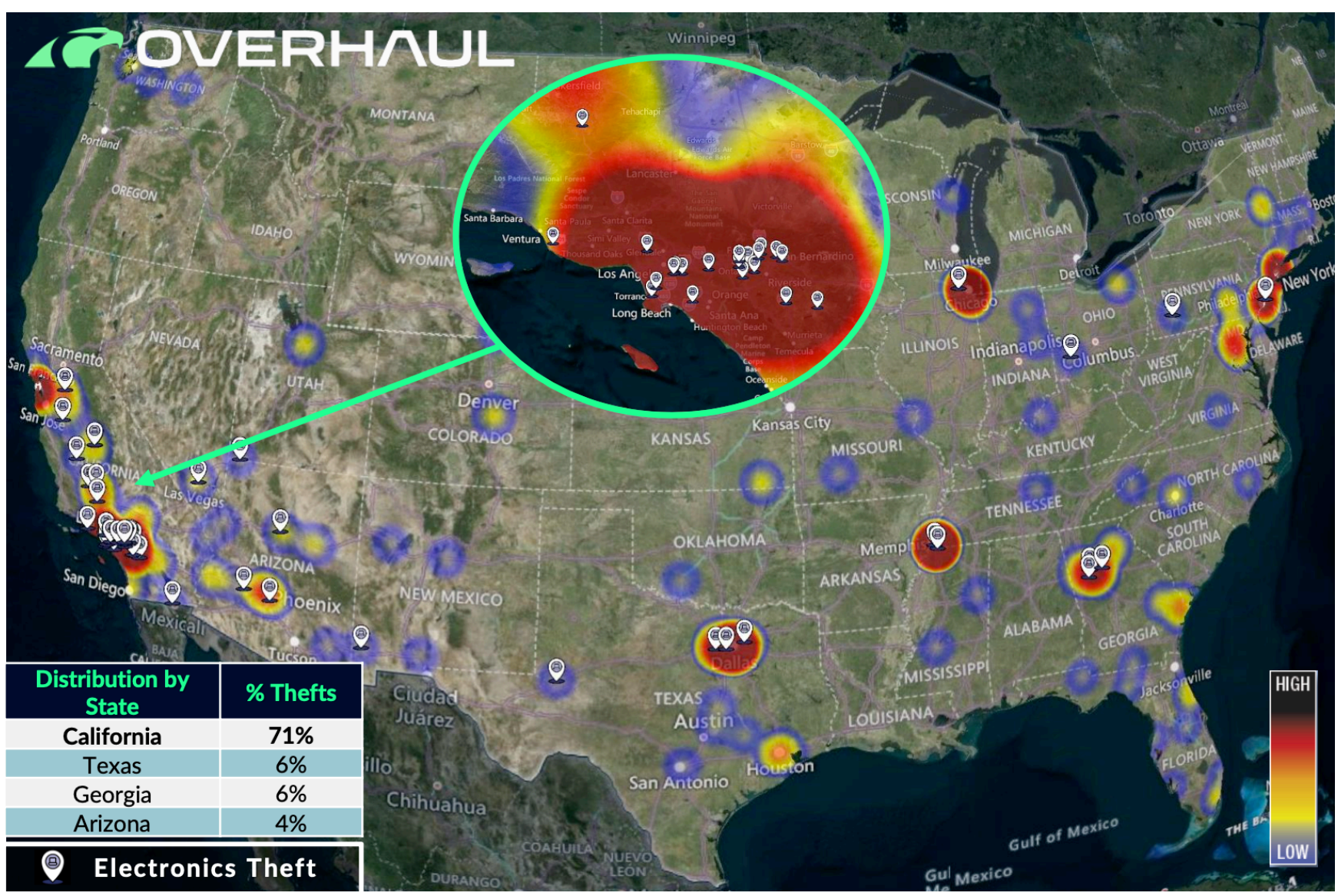
Upon arrival, the officers witnessed electronics being unloaded at the location. However, they were unable to enter the warehouse without a warrant. (Follow to the right)



**Recovery Case Continued**

The next morning, the California Highway Patrol had the warehouse under surveillance and observed a tractor-trailer arrive and more unknown product being unloaded. Once they obtained the warrant, they locked down the warehouse and detained all suspects.

Upon inspection of the trailer, it was discovered that it was empty and the suspects were in the process of loading the electronics into the newly arrived tractor-trailer. Thanks to the quick actions of the Overhaul team the cargo was secured and taken back to its origin, preventing any potential loss for the client. This successful recovery is a testament to the effectiveness of Overhaul's logistics risk management software and services in preventing cargo theft and other issues while in transit.



**Nvidia - Distribution channels**

**Riskiest Lanes in the U.S.**

- Torrance, CA - Phoenix, AZ. represents 32% of cargo theft
- Torrance, Ca. - Albuquerque, NM. represents 31% of cargo theft
- Torrance, CA - Sacramento, CA. represents 22% of cargo theft

**Nvidia distribution providers' locations:**

- Arrow Electronics - Centennial, Colorado
- Ingram Micro, Inc - Irvine, California
- General Procurement, Inc. - Irvine, California

Key distribution providers for Nvidia are exposed to the riskiest transportation lanes and states in the U.S., increasing the potential for theft. This vulnerability could lead to a decline in brand reputation and a decrease in profits.

**What Overhaul provides to diminish this risk:**

- 80 percent reduction in theft attempts
- 96 percent recovery rate of stolen goods

**Overhaul Intelligence:**

- The logistics industry in the US is experiencing a significant rise in fraudulent activities, with multiple groups using diverse tactics to steal high-value cargo. The theft ranges from straightforward stealing to complex schemes like false documentation and identity theft
- Overhaul has intelligence on organized crime groups targeting cargo across the US

**Q1-2024 CARGO THEFT TRENDS - US**

Increase in Total Cargo Thefts vs Q1-2023

**38%**

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Average Loss Value

**\$210,597**

Criminals are targetting high-value loads.

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Average Cargo Thefts per Day

**4.12**

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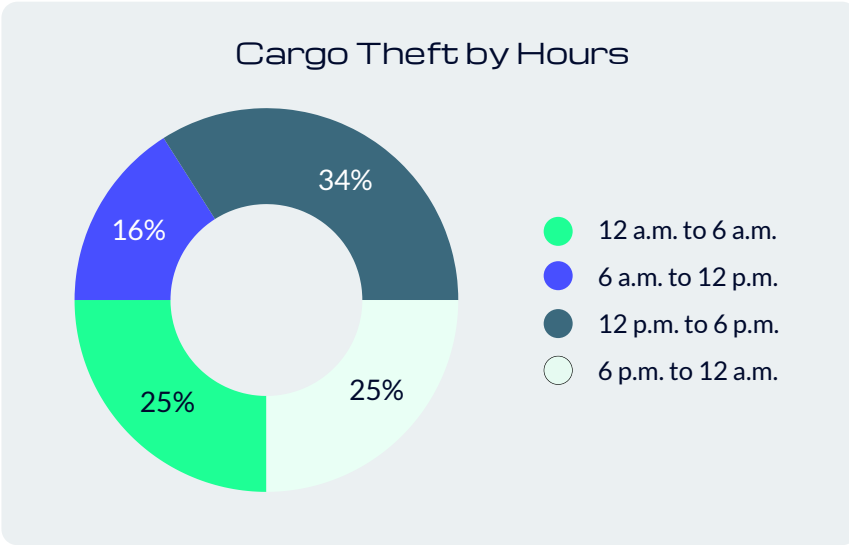
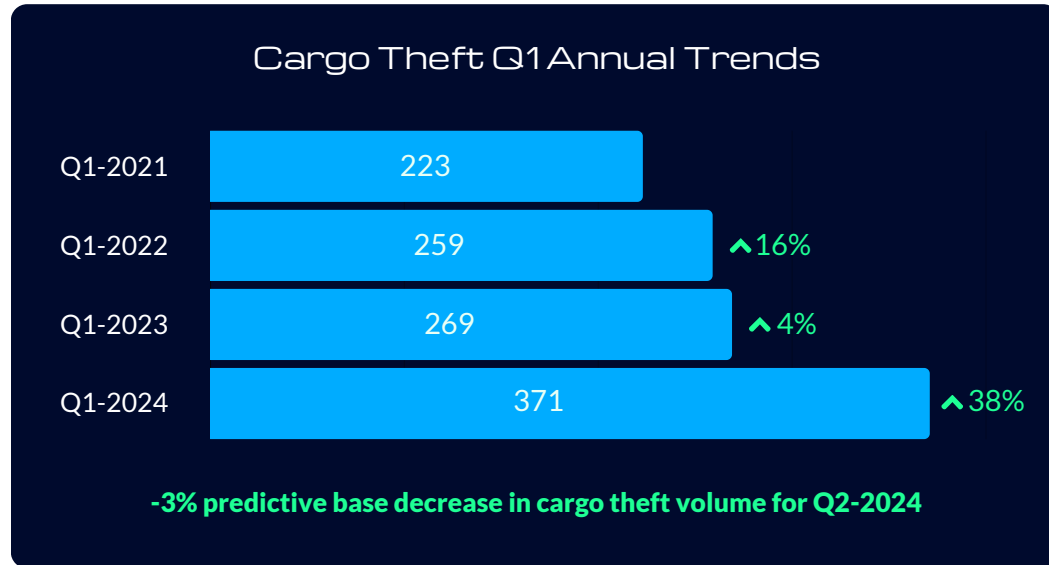
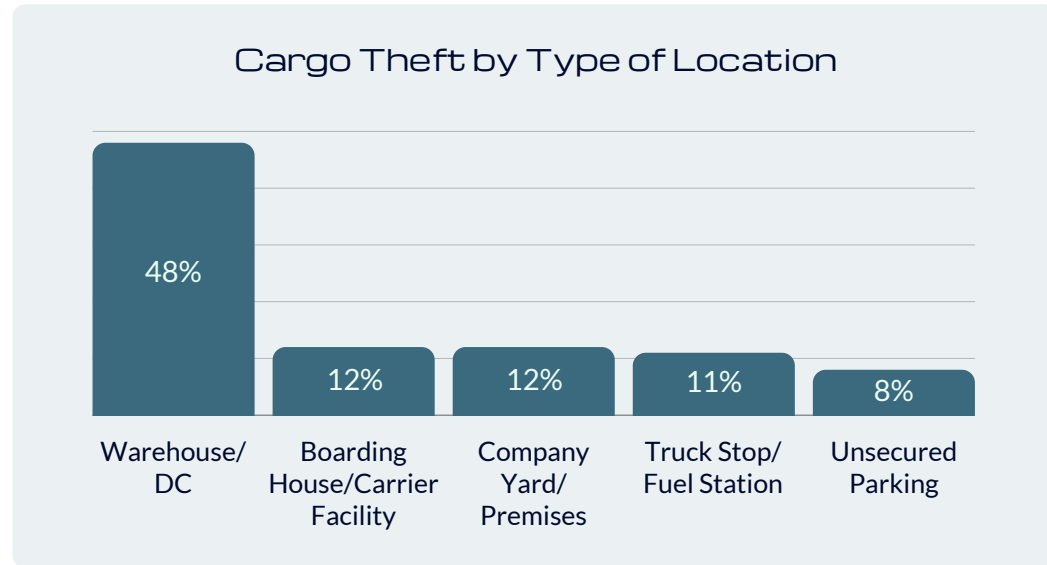
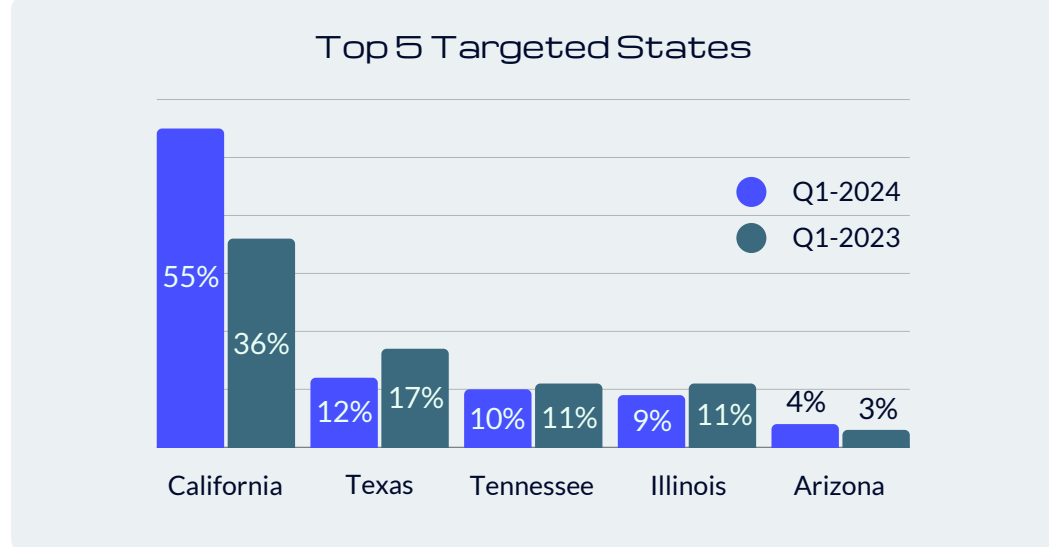
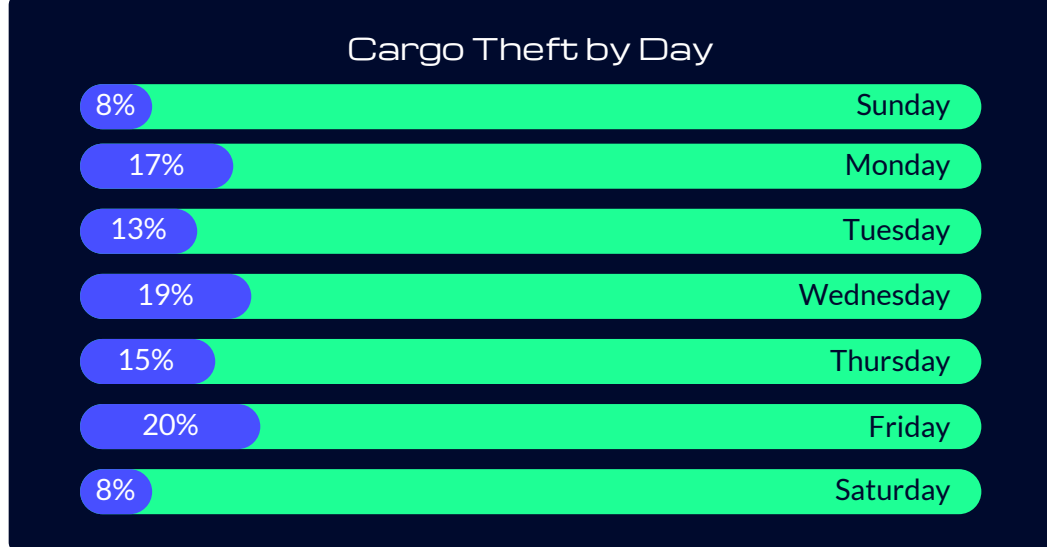
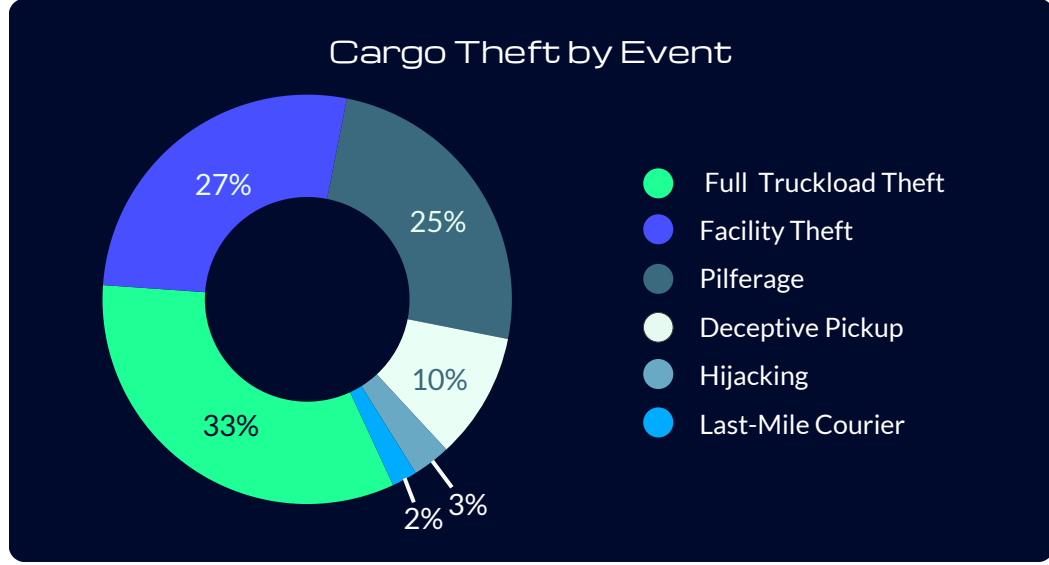
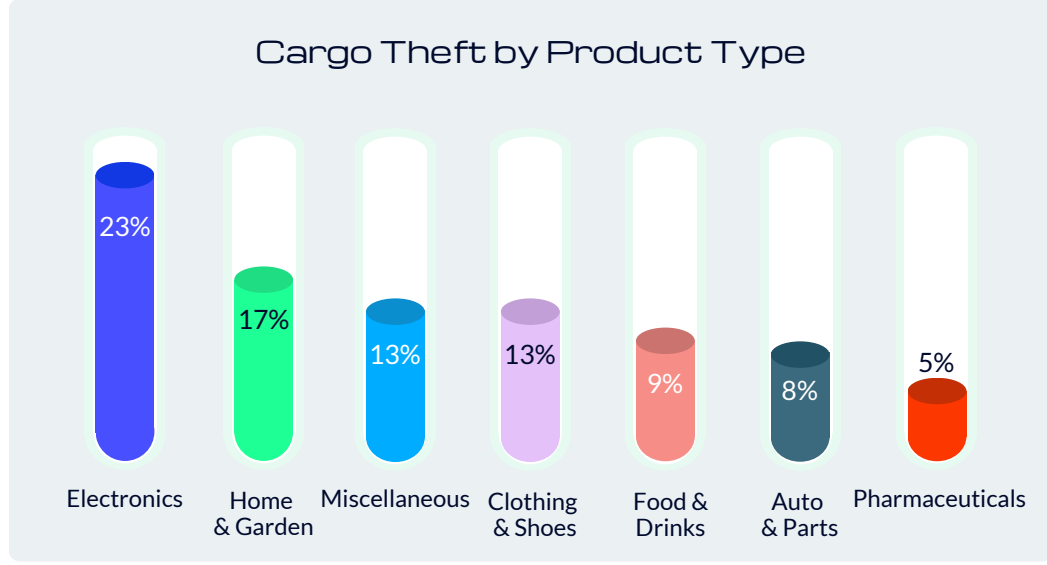
Total Recorded Cargo Thefts

**371**

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Average Cargo Thefts per Month

**124**



### Highlight - Recovery Case

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Overhaul's GSOC and LE Connect recently played a crucial role in the successful recovery of a shipment of electronics in Southern California. The shipment was detected by Overhaul's GSOC as deviating from its established route and heading towards SOCAL, where it stopped at a warehouse in Stanton, CA. The LE Connect Team was immediately activated and contacted the California Highway Patrol for assistance.

Upon arrival, the officers witnessed electronics being unloaded at the location. However, they were unable to enter the warehouse without a warrant.

The next morning, the California Highway Patrol had the warehouse under surveillance and observed a tractor-trailer arrive and more unknown product being unloaded. Once they obtained the warrant, they locked down the warehouse and detained all suspects.

Upon inspection of the trailer, it was discovered that it was empty and the suspects were in the process of loading the electronics into the newly arrived tractor-trailer. Thanks to the quick actions of Overhaul's GSOC and LE Connect, the cargo was secured and taken back to its origin, preventing any potential loss for the client. This successful recovery is a testament to the effectiveness of Overhaul's logistics risk management software and services in preventing cargo theft and other issues while in transit.

