

## Risk Factors Comparison 2025-02-28 to 2024-03-11 Form: 10-K

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The risks described below should be carefully considered before making an investment decision. These are the risk factors that we consider to be material, but they are not the only risk factors that should be considered in making an investment decision. This Form 10-K also contains Forward-Looking Statements that involve risks and uncertainties. See the "Cautionary Notice Regarding Forward-Looking Information," above. Our business, consolidated financial condition and consolidated results of operations could be materially adversely affected by any of the risk factors described below, under "Cautionary Notice Regarding Forward-Looking Information" or with respect to specific Forward-Looking Statements presented herein. The trading price of our securities could decline due to any of these risks, and investors in our securities may lose all or part of their investment. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially adversely affect our business in the future. Except as required by the federal securities law, we undertake no obligation to update or revise any risk factor, whether as a result of new information, future events or otherwise. STRATEGIC RISKS We conduct business in a highly competitive industry. Our business operates in a globally competitive industry, with relatively low barriers to entry. We compete principally on the basis of product performance, quality, reliability, depth of product line, customer service, technological innovation, design, delivery time and price. The industry in which we operate has become increasingly concentrated and globalized in recent years and our major competitors, many of which are larger than Bel, have significant financial resources and technological capabilities. Our intellectual property rights may not be adequately protected under the current state of the law. Our efforts to protect our intellectual property rights through patent, copyright, trademark and trade secret laws in the United States and in other countries may not prevent misappropriation, and our failure or inability to protect our proprietary rights could materially adversely affect our business, financial condition, operating results and future prospects. A third party could, without authorization, copy or otherwise appropriate our proprietary information. Our agreements with employees and others who participate in development activities could be breached, we may not have adequate remedies for any breach, and our trade secrets may otherwise become known or independently developed by competitors. Our acquisitions may not produce the anticipated results. A significant portion of our growth has been attributable to acquisitions. We cannot assure that we will identify or successfully complete transactions with suitable acquisition candidates in the future. If an acquired business fails to operate as anticipated or cannot be successfully integrated with our other businesses, our results of operations, enterprise value, market value and prospects could all be materially and adversely affected. Integration of new acquisitions into our consolidated operations may result in lower average operating results for the group as a whole, and may divert management's focus from the ongoing operations of the Company during the integration period. Our strategy also focuses on the reduction of selling, general and administrative expenses through the integration or elimination of redundant sales facilities and administrative functions at acquired companies. If we are unable to achieve our expectations with respect to our acquisitions, such inability could have a material and adverse effect on our results of operations. If the acquisitions fail to perform up to our expectations, or if there is a weakening of economic conditions, we could be required to record impairment charges on the goodwill **and / or other assets** associated with our acquisitions. **We may encounter unanticipated difficulties following our November 2024 acquisition of our 80 %- owned Enercon subsidiary, including if we are unable to integrate the Enercon business successfully, or if we fail to realize the expected benefits and synergies of the acquisition within the expected time period (if at all). In addition, our business may be disrupted if our intended acquisition of the remaining 20 % stake in Enercon is not completed for any reason. In November 2024, we completed our acquisition of our 80 % interest in Enercon. The success of our recently- closed Enercon acquisition will depend, in significant part, on our ability to successfully integrate the acquired business, establish and maintain good relationships with new and existing customers, suppliers, and other business partners, grow the revenue of the consolidated company and realize the anticipated strategic benefits and synergies. The combination of businesses is a complex, costly and time- consuming process. As a result, while we have devoted significant management attention and resources prior to closing in preparation for integration, we expect to continue to devote significant management attention and resources now that the acquisition has closed in order to complete the integration of business practices and operations. We may encounter unanticipated difficulties or delays with the integration process, or may incur unexpected or higher than expected expenditures associated with the integration process and matters related to the acquisition. The integration process may disrupt Bel' s legacy and acquired businesses and, if implemented ineffectively, would impair the realization of the full expected benefits. The anticipated opportunities in terms of potential growth and expansion offered by, and the anticipated benefits of, the Enercon acquisition may not be realized fully or at all, or may take longer to realize than we expect. Actual operating, strategic and revenue opportunities, if achieved at all, may be less significant than we expect or may take longer to achieve than anticipated. If we are not able to achieve these objectives and realize the anticipated benefits and synergies expected from the Enercon acquisition within a reasonable time, our business, financial condition and operating results may be materially adversely affected. Pursuant to the transaction documents governing the Enercon acquisition, Bel may acquire the remaining 20 % stake in Enercon and has the current intention to so purchase such remaining interest by early 2027 in accordance with the terms and subject to the conditions of the shareholders' agreement, which was entered into at the November 14, 2024 closing on the initial 80 % interest. The purchase of the remaining 20 % interest in Enercon is subject to the put- call mechanism set forth in the shareholders' agreement and the other terms and conditions thereof. There can be no assurances that we will complete the acquisition of the**

remaining 20 % interest in Enercon by early 2027 as intended, or at all. Any failure to complete our intended acquisition of the remaining 20 % interest may disrupt our plans, operations, and relationships with customers, suppliers, distributors, business partners and regulators, can cause potential difficulties in employee retention, and can have a material adverse effect on our business and results of operations . We are dependent on our ability to develop new products. Our future operating results are dependent, in part, on our ability to develop, produce and market new and more technologically advanced products. There are numerous risks inherent in this process, including the risks that we will be unable to anticipate the direction of technological change or that we will be unable to timely develop and bring to market new products and applications to meet customers' changing needs. OPERATIONAL RISKS Our global operations and demand for our products face risks related to public health crises, including potential future outbreaks, epidemics or pandemics such as the coronavirus. Any outbreaks of contagious diseases and other adverse public health developments in countries where we operate could have a material and adverse effect on our business, consolidated financial condition and consolidated results of operations. Over the past three years, our business was impacted by temporary facility closures, shelter-in-place orders and challenges related to travel restrictions imposed by the local governmental authorities as a result of COVID-19, a health epidemic, including precautionary measures during the coronavirus pandemic . Our suppliers, customers and our customers' contract manufacturers have experienced similar challenges from time to time throughout the pandemic. Any As the status of the COVID pandemic and its effects continue to evolve, additional facilities could become negatively impacted. COVID remains a potential supply continuity risk due to the unknown nature of future outbreaks including, health epidemics or pandemics could result in similar measures, which may materially adversely affect our financial results. We may experience labor unrest. As we periodically implement transfers of certain of our operations, we may experience strikes or other types of labor unrest as a result of the emergence lay-offs or termination of employees in higher labor cost countries. Our manufacturing facilities in the United Kingdom and Mexico are represented by labor unions and substantially all of our factory workers in the PRC are represented by government-sponsored unions. We may experience labor shortages. Government, economic, social and labor policies in the PRC may cause shortages of factory labor in areas where we have some of our products manufactured. Further COVID-virus variants, availability of labor in the PRC is cyclical and is significantly affected by the migration of workers in relation to the annual Lunar New Year holiday . The If we are required to manufacture more of these products outside of the PRC as a result of such shortages, our margins will likely be materially adversely affected. A shortage of availability or an increase in the cost of raw materials, components and other resources may adversely impact our ability to procure these items at cost effective prices and thus may negatively impact profit margins. Our access to parts or materials, and our ability to contract with suppliers, may be limited or prohibited from time to time by trade restrictions or other legal or regulatory enactments. Additionally, inflationary pressures could result in higher input costs and materially adversely affect our financial results. Our results of operations may be materially adversely impacted by difficulties in obtaining raw materials, supplies, power, labor, natural resources and any other items needed for the production of our products, as well as by the effects of quality deviations in raw materials and the effects of significant fluctuations in the prices of existing inventories and purchase commitments for these materials. Many of these materials and components are produced by a limited number of suppliers and their availability to us may be constrained by supplier capacity. Any material disruption could materially adversely affect our financial results. Additionally, our access to parts or materials, and our ability to contract with suppliers utilized previously, may be limited or prohibited from time to time by trade restrictions or other legal or regulatory enactments. We anticipate continued downward pressure on our Power sales given trade restrictions on one of our former suppliers previously utilized for this segment, which had historically supported approximately \$ 3 to \$ 4 million per quarter of our sales into the consumer end market. We are currently evaluating alternative manufacturing options for the components previously supplied by this manufacturer. To the extent to our suppliers in the PRC are negatively impacted by new or amended regulations, any such negative implications could adversely impact our supply chain, including in the form of increased costs, disruptions, shortages or unavailability of product or component parts, and / or other deleterious consequences, which COVID-19 will impact could materially adversely affect our business and operating results. In addition, inflationary pressures could result in higher input costs, including those related to our consolidated financial raw materials, labor, freight, utilities, healthcare and other expenses. Our future operating results will depend , in part, on our continued ability to manage future developments which are highly uncertain and cannot be predicted at the these time fluctuations through pricing actions, cost savings initiatives and sourcing decisions, and any negative impact of inflation could materially adversely affect our financial results the filing of this Annual Report on Form 10-K. See "Overview- Key Factors Affecting our Business -Potential Future Impacts of COVID-19" in Item 7 of this Annual Report on Form 10- K for a discussion of how pricing and availability of materials is current-currently and potential future impacts impacting of COVID upon our business. Demand in Enercon's end markets can be cyclical We may experience labor unrest. As we periodically implement transfers of certain of our operations, impacting the demand we may experience strikes or for its other types of labor unrest as a result of lay-offs or termination of employees in higher labor cost countries. Our manufacturing facilities in the United Kingdom and Mexico are represented by labor unions and substantially all of our factory workers in the PRC are represented by government-sponsored unions. We may experience labor shortages. Government, economic, social and labor policies in the PRC may cause shortages of factory labor in areas where we have some of our products manufactured. Further, availability of labor in the PRC is cyclical and Enercon's business could is significantly affected by the migration of workers in relation to the annual Lunar New Year holiday. If we are required to manufacture more of these products outside of the PRC as a result of such shortages, our margins will likely be materially adversely affected by reductions in defense spending . A shortage Our majority 80 %- owned subsidiary Enercon is a leading supplier of availability or highly customized power conversion an and increase in the cost networking solutions to

aerospace and defense markets globally. For full fiscal year 2024, approximately 93 % and 7 % of raw Enercon's revenue was attributable to the defense and aerospace end markets, respectively. Demand in Enercon's end-use markets can be sensitive to general economic conditions, competitive influences, and fluctuations in inventory levels throughout the supply chain. Enercon's sales are sensitive to the market conditions present in the industries in which the ultimate consumers of its products operate, which in some cases have been highly cyclical and subject to substantial downturns. As a result of the high correlation to government spending on defense and budgeting, Enercon has experienced, and in the future, it may experience, significant fluctuations in sales and results of operations with respect to a substantial portion of our total product offering, and such fluctuations could be material and adverse to our overall financial condition, components results of operations and liquidity. Because certain of Enercon's products are used in a variety of land, air and sea defense applications, Enercon derives a substantial portion of its revenue from the defense industry. For full fiscal year 2024, approximately 93 % of Enercon's revenue was derived from customers in the defense industry. Although many of the programs under which Enercon sells products to prime U. S. and Israeli government contractors extend several years, they are subject to annual funding through governmental appropriations. While spending authorizations for defense-related programs by the U. S. and Israeli governments have increased in recent years, these spending levels may not be sustainable and could significantly decline. Future levels of expenditures, authorizations, and appropriations for programs Enercon supports may decrease or shift to programs in areas where Enercon does not currently provide services. Changes in spending authorizations, appropriations, and budgetary priorities could also occur due to a shift in the number, and intensity, of potential and ongoing conflicts, shifts in spending priorities from national defense as a result of competing demands for government funds, or other resources may adversely impact factors. Enercon's business prospects, financial condition or operating results ability to procure these items at cost effective prices and thus may negatively impact profit margins. Additionally, inflationary pressures could result in higher input costs and materially adversely affect our financial results. Our results of operations may be materially adversely impacted harmed among other causes by the following: (1) budgetary constraints affecting U. S. difficulties in obtaining raw materials, supplies, power, labor, natural resources and any / or Israeli government spending generally, or specific departments or agencies in particular, and changes in available funding; (2) changes in government programs or requirements; and (3) a prolonged government shutdown and other potential delays items needed for the production of our products, as well as by the effects of quality deviations in raw materials and the appropriations effects of significant fluctuations in the prices process of existing inventories and purchase commitments for these materials. Many of these materials and components are produced by a limited number of suppliers and their availability to us may be constrained by supplier capacity. Any material disruption could materially adversely affect our financial results. In addition, inflationary pressures could result in higher input costs, including those related to our raw materials, labor, freight, utilities, healthcare and other expenses. Our future operating results will depend, in part, on our continued ability to manage these fluctuations through pricing actions, cost savings initiatives and sourcing decisions, and any negative impact of inflation could materially adversely affect our financial results. See "Overview- Key Factors Affecting our Business" in Item 7 of this Annual Report on Form 10-K for a discussion of how pricing and availability of materials is currently impacting our business. We have substantial manufacturing operations located in the PRC, which exposes us to significant risks that could materially and adversely affect our business, operations, consolidated financial condition and consolidated results of operations. The majority of Bel's Magnetic Solutions manufacturing capacity and supplier base is located in the PRC, as is a portion of Bel's Power Solutions and Protection group. As of December 31, 2023-2024, 50-41 % of our associates, 74-62 % of our owned or leased manufacturing facilities (by square footage) and 24-7.3 % of our Company's tangible assets were all located in the PRC. Our Company's presence and operations in the PRC expose us to significant risks that could materially and adversely affect our Company and our business, operations, financial position and results of operations. For example, our significant operational presence in the PRC exposes us to foreign currency exchange risk. Our PRC-based manufacturing associates' salaries, and other labor and overhead costs, associated with our PRC operations are paid in the Chinese renminbi. As a result, the cost of our operations and our consolidated operating results may be adversely impacted by the effects of fluctuations in the applicable exchange rate for the renminbi as compared to the U. S. dollar. Our significant labor force based within the PRC subjects us to risks associated with staffing and managing this substantial complement of factory workers and other associates who are important to our Company's operations and success. As noted above, factory workers in the PRC are represented by government-sponsored unions, and are participants in a cyclical labor market that may become subject to shortages including as a result of PRC government policies. See "We may experience labor unrest" and "We may experience labor shortages" above. Wage rates in the PRC have been increasing in recent years as PRC government-mandated increases in the minimum wage rate have caused an increase in our overall pay scale for our PRC workers. The PRC government has broad authority and discretion to regulate the economy, manufacturing, industry, and the technology sector, among other areas generally. As a result, our activities and operations in the PRC as well as those of our PRC-based suppliers are subject to extensive local government regulation. Additionally, the PRC government has implemented policies from time to time to regulate economic expansion. It exercises significant control over its economic growth through the allocation of resources, setting monetary policy and providing preferential treatment to particular industries or companies. Any additional new regulations or the amendment of previously implemented regulations could require us to change our business plans, increase our costs, or limit our ability to manufacture and sell products domestically and / or otherwise restrict or curtail our operations in the PRC. To the extent our suppliers in the PRC are negatively impacted by new or amended regulations, any such negative implications could adversely impact our supply chain, including in the form of increased costs, disruptions, shortages or unavailability of product or component parts, and / or other deleterious consequences, which could materially adversely affect our business and operating results. Our significant manufacturing operations in the PRC may expose us to other risks. Risks inherent in our PRC operations include the following:

• changes in import, export, transportation regulations and tariffs, and risks associated with boycotts and embargoes; • changes in, or impositions of, legislative or regulatory requirements or restrictions, including tax and trade laws in the U. S. and in the PRC, and government action to restrict our ability to sell to customers where sales of products may require export licenses; • transportation delays and other supply chain issues; • changes in tax regulations in the U. S. and / or the PRC, including restrictions and / or taxes applicable to the transfer or repatriation of funds; • international political relationships, including the relationship between the U. S. and the PRC; • epidemics and illnesses (including COVID, any new variants that may emerge, and any future health crises) within the PRC that affect the areas in which we operate and manufacture our products; • economic, social and political instability; • longer accounts receivable collection cycles and difficulties in collecting accounts receivable; • less effective protection of intellectual property and contractual arrangements, and risks associated with enforcing contracts and legal rights and remedies generally; • uncertainties associated with the PRC legal system, which is based on civil law, can involve protected proceedings involving substantial judicial discretion, and is based in part on PRC government policies and internal rules, some of which are not published on a timely basis, or at all, and may have retroactive effect; • risks arising out of any changes in governmental and economic policy and the potential for adverse developments arising out of any political or economic instability related to Hong Kong or Taiwan; • the potential for political unrest, expropriation, nationalization, revolution, war or acts of terrorism; and • risks associated with the concentration of a substantial portion of our manufacturing capacity and supplier base in the PRC, including potential trade restrictions placed on PRC suppliers by the U. S. government.

In addition to the risks associated with our PRC operations described above, the global nature of our operations generally subjects us to additional risks. We conduct operations in 14-15 countries, and outside of the United States (and the PRC), our largest manufacturing operations and associate populations are located within Mexico, Slovakia, the Dominican Republic, Israel, India and the United Kingdom. Please see the Risk Factor Factors appearing below under the caption captions, " We may face risks related to conducting business in Israel" and " The global nature of our operations exposes us to numerous risks that could materially adversely affect our consolidated financial condition and consolidated results of operations. " We may face risks related to conducting business in Israel. Following our November 2024 acquisition of Enercon, we may be subject to, and possibly adversely affected by, risks related to conducting business in Israel. Enercon, in which we acquired an 80 % stake at the November 2024 closing and intend to acquire the remaining 20 % interest by early 2027, is based in Netanya, Israel with additional facilities in New Hampshire, U. S. and Haryana, India. Enercon has approximately 300 employees located in Israel. Companies based in or operating in, or having a significant number of employees located in Israel, may be more susceptible to political and economic instability. Political, economic and military conditions in Israel may directly affect their business. Since the establishment of the State of Israel in 1948, a number of armed conflicts have occurred between Israel and its neighbors. In October 2023, Hamas conducted several terrorist attacks in Israel resulting in ongoing war across the country, forcing the closure of many businesses in Israel for several days. In addition, there continues to be hostilities between Israel and Hezbollah in Lebanon and Hamas in the Gaza Strip, both of which resulted in rockets being fired into Israel, causing casualties and disruption of economic activities. In early 2023, there were a number of changes proposed to the political system in Israel by the current government which, if implemented as planned, could lead to large- scale protests and additional uncertainty, negatively impacting the operating environment in Israel. Uprisings in various countries in the Middle East over the last few years have also affected the political stability of those countries and have led to a decline in the regional security situation. Such instability may also lead to deterioration in the political and trade relationships that exist between Israel and these countries. Any armed conflicts, terrorist activities or political instability involving Israel or other countries in the region, as well as any interruption or curtailment of trade between Israel and its present trading partners, could adversely affect the business, results of operations, financial condition, cash flows and prospects of Enercon, and thus of consolidated Bel. In addition, any of these events or circumstances involving Israel or the region prior to the completion of our intended acquisition of the remaining 20 % stake in Enercon may delay or prevent the completion of our purchase of the remaining 20 % interest. A number of countries, principally in the Middle East, still restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region continue or intensify. In addition, there have been increased efforts by activists to cause companies and consumers to boycott Israeli goods based on policies promulgated by the Israeli Government. Such boycotts, particularly if they become more widespread, may adversely impact the business of our Enercon subsidiary or Bel' s broader business. The operations of our Enercon subsidiary could also be disrupted by the absence for significant periods of one or more key employees or a significant number of other employees because of military service. Enercon' s employees in Israel may be obligated to perform military reserve duty, and in certain emergency circumstances, employees may be called to immediate and unlimited active duty in the Israeli armed forces. The loss of certain substantial customers could materially and adversely affect us. During the year ended December 31, 2023-2024, while there were no direct customers or ultimate end customers whose sales exceeded 10 % of our 2023-2024 consolidated net sales, approximately 11. 6% While there were no customers who exceeded 10 % of our the Company' s total net sales in 2024 were sold to one ultimate end- user through various intermediary contract manufacturers. While Bel sells a diversified portfolio of products to this ultimate end- user, we believe that the loss of this end user could have a material adverse effect on our consolidated financial position and consolidated results of operations. We have experienced significant concentrations of customers in prior years. See (see Note 14, " Segments " ) for additional disclosures related to our significant customers. Furthermore, factors that negatively impact the businesses of our major customers could materially and adversely affect us even if the customer represents less than 10 % of our 2023-2024 consolidated net sales. We may not achieve all of the expected benefits from our restructuring programs. In 2022-Over the past three years, we announced restructuring plans related to four the Company has undertaken a series of facility consolidations around the world, as further described in "

Overview- Key Factors Affecting our Business- Restructuring" in Item 7 of this Annual Report. Management has estimated that these initiatives will result in restructuring costs of approximately \$ 13. 4 million (\$ 6. 3 million of which was incurred through December 31, 2023), incremental capital expenditures of approximately \$ 5 million and once complete, annualized cost savings of approximately \$ 6. 9 million. Additionally, in connection with a new restructuring initiative implemented in the fourth quarter of 2023 involving the transition of certain manufacturing from our Glen Rock, Pennsylvania facility to other existing Bel sites as further described in " Overview — Key Factors Affecting our Business — Restructuring" in Item 7 of this Annual Report, management estimated that the initiative will result in restructuring costs of approximately \$ 0. 5 million (\$ 0. 4 million of which was incurred through December 31, 2023) and once complete, annualized cost savings of approximately \$ 1. 0 million.

We made make certain assumptions in estimating the anticipated savings we expect to achieve related to these initiatives, which include the estimated savings from the elimination of certain headcount and the consolidation of facilities. These assumptions may turn out to be incorrect due to a variety of factors. In addition, our ability to realize the expected benefits from these programs is subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. If we are unsuccessful in implementing these programs or if we do not achieve our expected results, our results of operations and cash flows could be adversely affected or our business operations could be disrupted. As mentioned above, the amounts set forth in the foregoing including anticipated restructuring costs, incremental capital expenditure spend and annualized cost savings are the Company's current estimates based on information presently available to the Company, assumptions and circumstances as they exist in each case at the time of filing of this Annual Report on Form 10-K, and are subject to change. See " Cautionary Notice Regarding Forward-Looking Information." FINANCIAL RISKS There are several factors which can cause our margins to suffer. Our margins could be substantially impacted by the following factors :-

- Declines in Selling Prices: The average selling prices for certain of our products tend to decrease over their life cycles, and customers put pressure on suppliers to lower prices even when production costs are increasing. Further, increased competition from low-cost suppliers around the world has put additional pressures on pricing. Any drop in demand for our products or increase in supply of competitive products could also cause a significant drop in our average sales prices.
- Increases in Material Costs: While we continually strive to negotiate better pricing for components and raw materials, there are many factors that could lead to higher material costs, or premiums incurred for expedited orders, including an increase in industry demand for or supplier shortages of certain components, or inflationary pressures. Further, commodity prices, especially those pertaining to gold, and copper and silver, can be volatile. Fluctuations in these prices and other commodity prices associated with Bel's raw materials will have a corresponding impact on our profit margins.
- Increases in Labor Costs: Wage rates, particularly in the PRC, Mexico, India and Slovakia where the majority of our manufacturing associates are located, have been gradually increasing in recent years as government-mandated increases in the minimum wage rate in these jurisdictions cause an increase in our overall pay scale. Labor costs can also be impacted by fluctuations in the exchange rates in which local wages are paid as compared to the U. S. dollar.

- **Imposition of Tariffs: Governments may impose tariffs to raise domestic revenue, protect domestic industries or exert political leverage over another country. Bel is a global organization with a material volume of shipments of raw materials, work in progress and finished goods into and out of the U. S. to and from a number of other countries, including but not limited to the PRC, Mexico, India and throughout Europe. Any new or increase in tariffs imposed either by the U. S. government on foreign imports or by a foreign government on U. S. exports related to the countries in which Bel transacts business could lead to reduced margins or increased prices that could cause decreased customer demand. For additional information regarding risks associated with tariffs and the imposition of new or increased tariff rates, see the discussion set forth below under the caption, " Changes in trade policies and tariffs and other factors beyond our control remain uncertain and may materially adversely impact our results. The imposition of new or increased tariffs and trade restrictions, particularly with respect to the PRC and Mexico, may materially adversely affect our business, financial condition, and results of operations."** Profit margins will be materially and adversely impacted if we are not able to reduce our costs of production, introduce technological innovations as sales prices decline, or pass through cost increases to customers.

- **Changes in trade policies and tariffs and other factors beyond our control remain uncertain and may materially adversely impact our results. The imposition of new or increased tariffs and trade restrictions, particularly with respect to the PRC and Mexico, may materially adversely affect our business, financial condition, and results of operations. A significant portion of our electronic components, sub-assemblies, and finished products are manufactured in or sourced from the PRC and Mexico. We currently estimate that approximately 12- 13 % of our sales relate to product shipped from the PRC into the U. S., with an additional approximately 4 % of our sales relating to product shipped from Mexico into the U. S. Additionally, as a global organization our business involves a material volume of shipments into and out of the U. S. to and from a number of other countries, including India and throughout Europe. The ongoing implementation and modification of tariffs, trade restrictions, and changes in trade agreements involving the aforementioned countries, together with general uncertainty about future changes in policy (including any new regulations, increased tariff rates, new tariffs or trade restrictions that may be implemented), could substantially increase our operating costs, reduce demand for our products and disrupt our supply chain. At this time, it remains unclear what further measures will be implemented or if additional countries may impose retaliatory tariffs. Any new or continued trade disputes or increased tensions between the U. S. and other countries, and any governmental actions, including further increases of existing tariffs or the imposition of new tariffs, may further exacerbate any increases to our operating costs, decreases in demand for our products, and disruptions to our supply chain. While we continue to implement strategies to mitigate these impacts, including diversifying our manufacturing footprint and seeking alternative suppliers, these efforts may not be fully successful and could result in increased costs, delayed shipments, and reduced margins. Specifically regarding the PRC, recent actions by the U. S. government to impose and potentially expand tariffs on Chinese-origin goods, particularly in the electronics and semiconductor sectors, have**

increased our production and procurement costs. These tariffs, combined with potential retaliatory measures by Chinese authorities, could further increase the cost of our products and components or limit our ability to source critical materials and parts. Additionally, ongoing geopolitical tensions and potential expansion of export controls or restrictions on technology transfers could further complicate our supply chain operations and impact our ability to maintain competitive pricing. With respect to our Mexican manufacturing operations and sourcing activities, changes in trade policies, including potential modifications to or withdrawal from existing trade agreements, could result in increased tariffs and other trade barriers. Such changes could necessitate significant modifications to our regional manufacturing strategy and supply chain organization, potentially resulting in supply chain disruptions and inventory management challenges leading to higher input costs, increased manufacturing costs and a potential loss of customers. Our efforts to mitigate these risks through supply chain diversification, pricing adjustments, and operational restructuring may not be successful and could result in: • Reduced profit margins if we are unable to pass increased costs to customers • Loss of market share to competitors with different supply chain structures • Increased operating costs from maintaining redundant supply sources • Additional capital expenditures to relocate or duplicate manufacturing capabilities • Potential quality control challenges from new or alternate suppliers • Increased complexity in regulatory compliance and trade documentation The continuation or escalation of trade tensions, particularly with the PRC and Mexico, could result in material adverse effects on our business that may not be fully mitigated by our ongoing adaptation efforts. Additionally, the uncertainty surrounding future trade policies and potential regulatory changes complicates our long-term planning and investment decisions, potentially affecting our competitive position in the global electronics market.

Our backlog figures may not be reliable indicators. Many of the orders that comprise our backlog may be delayed, accelerated or canceled by customers without penalty. Customers may on occasion double order from multiple sources to ensure timely delivery when lead times are particularly long. Customers often cancel orders when business is weak and inventories are excessive. Additional factors that could cause the Company to fail to ship orders comprising our backlog include unanticipated supply difficulties, changes in customer demand and new customer designs. Throughout 2023, Del has faced macroeconomic and excessive levels of inventory within the supply channel and these conditions expected to continue through at least the first half of 2024. Due to the foregoing factors, we cannot be certain that the amount of our backlog equals or exceeds the level of orders that will ultimately be delivered, and backlog may not be a reliable indicator of the timing of future sales. Our results of operations could be adversely impacted if customers cancel a material portion of orders in our backlog. We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay acquisitions, investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. Our credit agreement restricts our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our consolidated financial position and consolidated results of operations. If we cannot make scheduled payments on our debt, we will be in default, the lenders under the credit agreement could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. Our level of indebtedness could negatively impact our access to the capital markets and our ability to satisfy financial covenants under our existing credit agreement. **We have incurred substantial amounts of indebtedness to fund the acquisition of Enercon in 2024, and we may need to incur additional indebtedness to finance operations or for other general corporate purposes. Our consolidated principal amount of outstanding indebtedness was \$ 287.5 million at December 31, 2024, resulting in a Leverage Ratio of 2.1x Consolidated EBITDA, each as defined and calculated in accordance with our credit agreement. Accordingly, our** U. S. debt service requirements are significant in relation to our U. S. revenue and cash flow. This leverage exposes us to risk in the event of downturns in our business, in our industry or in the economy generally, and may impair our operating flexibility and our ability to compete effectively. Our current credit agreement requires us to maintain certain covenant ratios. **For example, the applicable credit agreement covenant pertaining to the Leverage Ratio referenced above provides, subject to certain exceptions, that our Leverage Ratio must not exceed 3.50 to 1.00. Additionally, the interest rate that we pay under our credit agreement increases as our Leverage Ratio increases.** If we do not continue to satisfy these-- the required ratios including the Leverage Ratio or receive waivers from our lenders, we will be in default under the credit agreement, which could result in an accelerated maturity of our debt obligations. We cannot assure investors that we will be able to access private or public debt or equity on satisfactory terms, or at all. Any equity financing that could be arranged may dilute existing shareholders and any debt financing that could be arranged may result in the imposition of more stringent financial and operating covenants. **LEGAL, TAX AND REGULATORY RISKS** We may be sued by third parties for alleged infringement of their proprietary rights and we may incur defense costs and possibly royalty obligations or lose the right to use technology important to our business. From time to time, we receive claims by third parties asserting that our products violate their intellectual property rights. Any intellectual property claims, with or without

merit, could be time consuming and expensive to litigate or settle and could divert management attention from administering our business. A third party asserting infringement claims against us or our customers with respect to our current or future products may materially and adversely affect us by, for example, causing us to enter into costly royalty arrangements or forcing us to incur settlement or litigation costs. We are subject to taxation in multiple jurisdictions. As a result, any adverse development in the tax laws of any of these jurisdictions or any disagreement with our tax positions could have a material adverse effect on our business, consolidated financial condition or consolidated results of operations. We are subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure. We are also subject to transfer pricing laws with respect to our intercompany transactions, including those relating to the flow of funds among our companies. Adverse developments in fiscal or tax laws, regulations or policies, or any change in position regarding the application, administration or interpretation thereof, in any applicable jurisdiction, could have a material adverse effect on our business, consolidated financial condition or consolidated results of our operations. In addition, the tax authorities in any applicable jurisdiction, including the United States, may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions. If any applicable tax authorities, including U. S. tax authorities, were to successfully challenge the tax treatment or characterization of any of our transactions, it could have a material adverse effect on our business, consolidated financial condition or consolidated results of our operations. Our results of operations may be materially and adversely impacted by environmental and other regulations. Our manufacturing operations, products and / or product packaging are subject to environmental laws and regulations governing air emissions; wastewater discharges; the handling, disposal and remediation of hazardous substances, wastes and certain chemicals used or generated in our manufacturing processes; employee health and safety labeling or other notifications with respect to the content or other aspects of our processes, products or packaging; restrictions on the use of certain materials in or on design aspects of our products or product packaging; and, responsibility for disposal of products or product packaging. Discussions and proposals related to gas emissions and climate change have increasingly become the subject of substantial attention; additional regulation in this area could have the effect of restricting our business operations or increasing our operating costs. More stringent environmental regulations may be enacted in the future, and we cannot presently determine the modifications, if any, in our operations that any such future regulations might require, or the cost of compliance with these regulations. **ESG issues We are subject to, and may continue to be subject to, incremental costs, risks, and regulations associated with global environmental and sustainability initiatives. Evolving expectations relating to environmental, social and governance considerations expose us to potential liabilities, increased costs, reputational harm and other adverse effects on our business. There is heightened public and regulatory scrutiny regarding environmental sustainability and climate impact. This increased focus has resulted in numerous international frameworks, regulatory requirements, and industry standards. In addition to general environmental risks whereby we may be adversely affected by severe weather patterns and environmental events, we face evolving compliance obligations related to sustainability reporting, carbon footprint reduction, and environmental impact mitigation. Moreover, our key customers and partners are implementing increasingly stringent environmental performance criteria within their value chains. Any actual or perceived deficiency in meeting these standards could materially impact our market position, customer relationships, and overall business performance. Given our extensive operational presence across multiple jurisdictions, emerging environmental regulations beyond our current compliance programs could impose significant additional burdens. These may include enhanced monitoring requirements, technology upgrades, operational modifications, and expanded reporting obligations. The associated costs could materially affect our operating expenses, capital allocation decisions, and competitive position. Regulatory frameworks continue to evolve rapidly across our key markets. The European Union's enhanced environmental reporting framework introduces comprehensive sustainability disclosure requirements affecting both domestic and international operators. In the United States, recent federal initiatives have established new environmental disclosure standards for public companies, though implementation timelines remain subject to ongoing legal review. We are actively developing compliance frameworks for these requirements, which may require substantial operational adjustments and resources. At the state level, several jurisdictions have enacted or proposed environmental accountability legislation with varying requirements and enforcement mechanisms. These regional variations create additional complexity in maintaining comprehensive compliance programs. We anticipate increased administrative burden and compliance costs as these requirements come into effect. Beyond regulatory compliance, we face several emerging environmental and sustainability risks, including those but not limited to: • Operational Risks – requirements to lower greenhouse gas emissions and improve energy efficiency may necessitate changes in business operations, potentially leading to disruptions. • Litigation Risks – climate-related lawsuits based on corporate disclosures and / or operational practices may arise. • Reputational Risks – customer, investor, and stakeholder expectations regarding any climate change-related commitments or goals could influence business relationships and sustainability, overall market perception. Our ability to effectively navigate these evolving environmental requirements while maintaining operational efficiency and market competitiveness may have material impacts an adverse effect on our business, financial condition and, operational results of operations and could damage our reputation. Companies across all industries are facing increasing scrutiny relating to their ESG policies. Increased focus and activism related to ESG may hinder our access to capital, as and strategic positioning. Many governments, regulators, investors may reconsider their capital investment as a result of their assessment of our ESG practices. In particular, investors employees, customers and other stakeholders are increasingly focusing focused on environmental issues, social including climate change, water use, waste and governance (“ ESG ”) considerations relating to businesses. At the same time, other there sustainability concerns are efforts by some stakeholders and policymakers to reduce companies’ attention to certain ESG-related matters. Advocates and Changing customer or consumer preferences may also result in increased demands regarding components– opponents and of ESG**

materials ~~--- matters are increasingly resorting~~ including packaging materials, including with respect to ~~a range of activism to promote~~ their viewpoints environmental impact on sustainability. These demands could impact the profitability products, cause ~~which may require~~ us to incur additional costs, to make changes to our ~~or~~ operations, ~~otherwise adversely impact or our~~ to make additional commitments, set targets ~~business. Some stakeholders may disagree with or our~~ establish additional goals and ~~initiatives and~~ take actions to meet them ~~the focus of stakeholders may change and evolve over time.~~ Stakeholders also may have very different views on where ESG focus should be placed, including differing views of regulators in various jurisdictions in which we operate. Any failure, or perceived failure, by us to market, operational and execution costs or risks. In addition, governmental and non-governmental organizations, investors, customers, consumers, our employees and other stakeholders have placed increasing importance on ESG matters, and depending on their assessment of our ESG practices, certain investors may reconsider their investment in the Company. Concern over climate change, waste, consumption or use of materials including packaging materials, may result in new or increased legal and regulatory requirements to reduce or mitigate impacts to the environment. Increased regulatory requirements, including in relation to various aspects of ESG including the SEC's recent disclosure proposal on climate change, or environmental causes may result in increased compliance or input costs of energy, raw materials or compliance with emissions standards, which may cause disruptions in the manufacture of our products or an increase in operating costs. We may undertake additional costs to control, assess and report on ESG metrics as the nature, scope and complexity of ESG reporting, diligence and disclosure requirements expand. Our ability to achieve any ~~goals that we may set, further our initiatives, adhere to our public statements, comply with federal, state-~~ state goal, target, or objective is subject to numerous factors and conditions, many of which are outside of our ~~or international~~ control. Any failure to achieve our ~~ESG laws and regulations,~~ goals or ambitions or a perception (whether or not valid) of our ~~or meet evolving and varied stakeholder expectations and standards could result~~ failure to act responsibly with respect to the environment or to effectively respond to new, or changes in, legal or and regulatory ~~proceedings against us and materially~~ requirements concerning environmental or other ESG matters, or increased operating or manufacturing costs due to increased regulation or environmental causes could adversely affect our business and reputation. If we do not adapt to or comply with new regulations, ~~results of operations~~ or fail to meet ESG goals or ambitions or evolving investor, industry or stakeholder expectations and standards, or if we are perceived to have not responded appropriately to the growing concern for ESG issues, customers may choose to stop purchasing our products or purchase products from another company or a competitor, and our reputation, business or financial condition ~~and stock price~~ may be adversely affected. Expanding and evolving data privacy laws and regulations could impact our business and expose us to increased liability. Our global business is subject to complex and changing laws and regulations including but not limited to privacy, data security and data localization. Evolving foreign events may adversely affect our revenues and could subject us to new regulatory costs and challenges (such as the transfer of personal data between the EU and the United Kingdom), in addition to other adverse effects that we are unable to effectively anticipate. This may impose significant requirements on how we collect, process and transfer personal data, as well as significant financial penalties for non-compliance. Any inability to adequately address privacy concerns, even if unfounded, or to comply with the more complex privacy or data protection laws, regulations and privacy standards, could lead to significant financial penalties, which may result in a material and adverse effect on our consolidated results of operations.

**RISKS RELATED TO OUR COMMON STOCK** As a result of protective provisions in the Company's Restated Certificate of Incorporation, as amended, the voting power of holders of Class A common shares whose voting rights are not suspended (including officers, directors and principal shareholders) may be increased at future meetings of the Company's shareholders. The Company's Restated Certificate of Incorporation, as amended, provides that if a shareholder, other than shareholders subject to specific exceptions, acquires (after the date of the Company's 1998 recapitalization) 10% or more of the outstanding Class A common stock and does not own an equal or greater percentage of all then outstanding shares of both Class A and Class B common stock (all of which common stock must have been acquired after the date of the 1998 recapitalization), such shareholder must, within 90 days of the trigger date, purchase Class B common shares, in an amount and at a price determined in accordance with a formula described in the Company's Restated Certificate of Incorporation, as amended, or forfeit its right to vote its Class A common shares. As of February 29, 2024, to the Company's knowledge, there was one shareholder of the Company's common stock with ownership in excess of 10% of Class A outstanding shares with no ownership of the Company's Class B common stock and with no basis for exception from the operation of the above-mentioned provisions. In order to vote its shares at Bel's next shareholders' meeting, this shareholder must either purchase the required number of Class B common shares or sell or otherwise transfer Class A common shares until its Class A holdings are under 10%. As of February 29, 2024, to the Company's knowledge, this shareholder owned 16.7% of the Company's Class A common stock and had not taken steps to either purchase the required number of Class B common shares or sell or otherwise transfer Class A common shares until its Class A holdings fall below 10%. Unless and until this situation is satisfied in a manner permitted by the Company's Restated Certificate of Incorporation, as amended, the subject shareholder will not be permitted to vote its shares of common stock. To the extent that the voting rights of particular holders of Class A common stock are suspended as of times when the Company's shareholders vote due to the above-mentioned provisions, such suspension will ~~would~~ have the effect of increasing the voting power of those holders of Class A common shares whose voting rights are not suspended. As of February 29, 2024, Daniel Bernstein, the Company's Chief Executive Officer, beneficially owned 382,032 Class A common shares (or 21.4%) of the outstanding Class A common shares whose voting rights were not suspended, and all directors and current executive officers as a group (which includes Daniel Bernstein) beneficially owned 396,175 Class A common shares (or 22.2%) of the outstanding Class A common shares whose voting rights were not suspended. Our stock price, like that of many companies, has been and may continue to be volatile. The market price of our common stock may fluctuate as a result of variations in our quarterly operating results and other factors beyond our control. These fluctuations may be exaggerated if the trading volume of our common stock is low. The market price of our

common stock may rise and fall in response to a variety of other factors, including: ~~• announcements of technological or competitive developments; • general market or economic conditions; • the continuing and uncertain future impact of the COVID pandemic on our operations and supply chain; • market or economic conditions specific to particular geographical areas in which we operate; • acquisitions or strategic alliances by us or our competitors; • our ability to achieve our anticipated cost savings from announced restructuring programs; • the gain or loss of a significant customer or order; • changes in the amount or frequency of our payments of dividends or repurchases of our common stock; or • changes in estimates of our financial performance or changes in recommendations by securities analysts regarding us or our industry.~~ In addition, equity securities of many companies have experienced significant price and volume fluctuations even in periods when the capital markets generally are not distressed. These price and volume fluctuations often have been unrelated to the operating performance of the affected companies.

**GENERAL RISKS** We manufacture in ~~78~~ countries, and our products are distributed in those countries as well as in other parts of the world. A large portion of our manufacturing operations are located outside of the United States and a large portion of our sales are generated outside of the United States. Operations outside of the United States, particularly operations in developing regions, are subject to various risks that may not be present or as significant for our U. S. operations. Economic uncertainty in some of the geographic regions in which we operate, including developing regions, could result in the disruption of commerce and negatively impact cash flows from our operations in those areas. Risks inherent in our international operations include: ~~• COVID-related closures and other pandemic-related uncertainties in the countries in which we operate;~~ • Import and export regulations that could erode profit margins or restrict exports; • Foreign exchange controls and tax rates; • Foreign currency exchange rate fluctuations, including devaluations; • Changes in regional and local economic conditions, including local inflationary pressures; • Difficulty of enforcing agreements and collecting receivables through certain foreign legal systems; • Variations in protection of intellectual property and other legal rights; • More expansive legal rights of foreign unions or works councils; • Changes in labor conditions and difficulties in staffing and managing international operations; • Inability or regulatory limitations on our ability to move goods across borders; • Changes in laws and regulations, including the laws and policies of the United States affecting trade, tariffs and foreign investment; • Restrictive governmental actions such as those on transfer or repatriation of funds and trade protection matters, including antidumping duties, tariffs, trade wars, embargoes and prohibitions or restrictions on acquisitions or joint ventures; • Social plans that prohibit or increase the cost of certain restructuring actions; • The potential for nationalization of enterprises or facilities; ~~and • Unsettled political conditions and possible terrorist attacks against U. S. or other interests ; and • Intergovernmental and other conflicts or actions, including, but not limited to, armed conflict, such as the ongoing military conflicts between Ukraine and Russia, as well as between Israel and its adversaries in the Middle East .~~ As a multi- national company, we are faced with increased complexities due to recent changes to the U. S. corporate tax code relating to our unremitted foreign earnings, potential revisions to international tax law treaties, and renegotiated trade deals. In addition, other events, such as the ongoing discussion and negotiations concerning varying levels of tariffs on product imported from the PRC, **Mexico, India and throughout Europe** also create a level of uncertainty. If we are unable to anticipate and effectively manage these and other risks, it could have a material and adverse effect on our business, our consolidated results of operations and consolidated financial condition ~~. The recent political tensions and armed conflict involving Russia and Ukraine continues to evolve and we are closely monitoring this dynamic situation. The Company has indefinitely ceased all shipments of product to customers in Russia. The Company's operations in Slovakia have not been, and are not currently expected to be, impacted by the political instability of the Russia-Ukraine conflict as our facility is not in close proximity to the Ukraine border. We do not currently anticipate any material impact to the Company's financial results.~~ For additional information regarding risks associated with our operations in the PRC, see the discussion set forth above under the caption, " We have substantial manufacturing operations located in the PRC, which exposes us to significant risks that could materially and adversely affect our business, operations, consolidated financial condition and consolidated results of operations." **For additional information regarding risks associated with our operations in Israel, see the discussion set forth above under the caption, " We may face risks related to conducting business in Israel."** Cybersecurity risk and the failure to maintain the integrity of our operational or security systems or infrastructure, or those of third parties with which we do business, could have a material adverse effect on our business, consolidated financial condition and consolidated results of operations. Cybersecurity threats, including but not limited to malware, phishing, credential harvesting, ransomware and other attacks, are rapidly evolving and are becoming increasingly sophisticated, making it difficult to detect and prevent such threats from impacting the Company. Our Company has seen an increased volume of cybersecurity threats and ransomware attempts in ~~2023~~ **2024** and expects to continue to experience cybersecurity threats from time to time, which pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data . **Artificial intelligence (" AI") increases cybersecurity risks due to attacks crafted using AI including more effective phishing, false voice or image attacks. There are additional risks associated with utilization of technologies or applications the functionality of which relies upon externalizing data into public AI platforms, including the potential for unauthorized access or manipulation of sensitive information .** Disruptions or failures in the physical infrastructure or operating systems that support our businesses and customers, or cybersecurity attacks or security breaches of our networks, systems or applications, could result in the loss of customers and business opportunities, legal liability, regulatory fines, penalties or intervention, other litigation, regulatory and legal risks and the costs associated therewith, reputational damage, reimbursement or other compensatory costs, remediation costs, increased cybersecurity protection costs, additional compliance costs, increased insurance premiums, and lost revenues, damage to the Company' s competitiveness, stock price, and long- term shareholder value, any of which could materially adversely affect our business, financial condition and results of operations. While we attempt to mitigate these risks, our systems, networks, products, solutions and services remain potentially vulnerable to advanced and persistent threats. We also maintain and have access to sensitive, confidential or personal data or information in certain of our businesses that is subject to privacy and security laws and regulations. Despite our efforts to protect such sensitive,

confidential or personal data or information, our facilities and systems and those of our customers and third- party service providers may be vulnerable to security breaches, theft, fraud, misplaced or lost data, “ Acts of God ”, programming and / or human errors that could lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, production downtimes and operational disruptions, which in turn could adversely affect our consolidated financial condition and consolidated results of operations. A loss of the services of the Company' s executive officers or other skilled associates could negatively impact our operations and results. The success of the Company' s operations is largely dependent upon the performance of its executive officers, managers, engineers and salespeople. Many of these individuals have a significant number of years of experience within the Company and / or the industry in which we compete and would be extremely difficult to replace. The loss of the services of any of these associates may materially and adversely impact our results of operations if we are unable to replace them in a timely manner.