

Risk Factors Comparison 2025-02-06 to 2024-02-15 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

We face a variety of risks that may affect our business, financial condition, operating results, the trading price of our common stock, or any combination thereof. You should carefully consider the following information and the other information in this Form 10-K in evaluating our business and prospects and before making an investment decision with respect to our common stock. If any of these risks were to occur, our business, financial condition, results of operations or prospects could be materially and adversely affected. In such an event, the market price of our common stock could decline and you could lose all or part of your investment. The risks and uncertainties we describe below are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also affect our business. Risks Related to Our Business **Challenges relating to our ability to enter..... at all or on beneficial terms.** Our plans to expand our revenue opportunities may not be successful. As part of our business strategy, we regularly seek to expand our revenue opportunities both organically and inorganically. **For example In particular, we have are currently seeking to expand expanded** our licensing activities beyond device-based licensing revenue to certain video and cloud-based service providers. The market for licensing video and cloud-based services is not as developed as device-based licensing programs. As a result, video and cloud-based service providers do not have a significant volume of comparable agreements against which to compare our offers and may use this as a reason to delay our negotiations with such providers. Additionally, our pricing models may not reflect the **demand value of our technologies in the eyes of our customers. And, because this market is less developed, holdout behavior may be more likely than in device licensing. Service providers may also opt to use alternative technologies for which we have little our- or no patent coverage value of our technologies.** Accordingly, we may not be able to enter into license agreements with these providers on terms that are favorable to us, or at all. **Services revenue is a key component of our future growth, and if we are unable to successfully launch and execute a services licensing program, we will not reach our revenue targets, and our business, financial condition and prospects could be harmed.** Challenges relating to our ability to enter into new license agreements and renew existing license agreements could cause our revenue and cash flow to decline. We face challenges in entering into new patent license agreements. Most implementers of our technology do not voluntarily seek to enter into license agreements with us before they commence manufacturing and / or selling devices that use our patented inventions. The process of identifying users of our inventions and negotiating license agreements with reluctant prospective licensees requires significant time, effort and expense. Some infringers may act in bad faith, by attempting to hold out on taking a license altogether or behaving opportunistically in license negotiations. Even good faith negotiations are often very long and complex, involving significant company time and resources. Given these challenges, we cannot ensure that we will be able to enter into patent license agreements either at all or on terms acceptable to us. Additionally, given the large number of implementers using our patented inventions, we may not be able to identify all potential licensees. Once identified, it is not feasible for us to seek licenses from all users of our patented technologies, so we ~~may~~ have to make strategic decisions with respect to which companies we should approach for license negotiations. Uncertainty related to entry into new license agreements could impact our forecasts and ultimately, revenue, cash flow and business. **We also face challenges in renewing our existing license agreements. Although we endeavor to renew license agreements prior to their expiration, due to various factors, including the technology and business needs and competitive positions of our licensees and, at times, We also Macroeconomic conditions including rising inflation may result in increased costs of operations. A decline in** economic conditions, such as a recession, economic downturn or inflationary conditions in the U.S. or elsewhere could adversely affect our business. In particular, inflation has accelerated **and remained high** in the U.S. and globally. **Trade tensions or restrictions on free trade, including the tariffs that have been proposed by President Trump, could exacerbate these effects.** A majority of our revenue is derived from patent license agreements that provide for fixed payments that were negotiated before the recent rise in inflation. An inflationary environment can increase our cost of labor, as well as our other operating costs, without a corresponding increase in our revenue, which may have a material adverse impact on our operating results and financial condition. Scrutiny by antitrust authorities may affect our strategies for patent prosecution, licensing and enforcement and may increase our costs of doing business and / or lead to monetary fines, penalties or other remedies or sanctions. Domestic and foreign antitrust authorities regularly review their policies with respect to the use of SEPs, including the enforcement of such patents against competitors and others. Such scrutiny has in the past resulted in enforcement actions against **Qualcomm and other licensing companies, and could lead to additional** seek to expand our business opportunities through targeted acquisitions, research partnerships, joint ventures and licensing platforms. We face intense competition within our industry and otherwise for acquisitions of high-quality businesses, technologies and assets. As such, even if we are able to identify an acquisition target that we would like to acquire, we may not be able to complete the acquisition on commercially reasonable terms, or at all. If we are not able to consummate any of these inorganic growth opportunities on a reasonable time frame, on terms that are attractive to us or at all, we may not be able to grow our business in line with our expectations **and as such, our business, financial condition and operating results could be harmed.** **Macroeconomic conditions including rising inflation may result..... companies, and could lead to additional** **Additionally** investigations of, or enforcement actions against, us. Such inquiries and / or enforcement actions could impact the availability of injunctive and monetary relief, which may adversely affect our strategies for patent prosecution, licensing and enforcement and increase our costs of operation. Such inquiries and / or enforcement actions could also result in monetary fines, penalties or other remedies or sanctions that could adversely affect our business and financial condition. We have in the past and may in the future make acquisitions or engage in other strategic transactions that could result in significant changes, costs and / or

management disruption and that may fail to enhance shareholder value or produce the anticipated benefits. We have in the past and may in the future acquire companies, businesses, technology and / or intellectual property, and enter into joint ventures or other strategic transactions. Acquisitions or other strategic transactions may increase our costs, including but not limited to accounting and legal fees, and may not generate financial returns or result in increased adoption or continued use of our technologies or of any technologies we may acquire. The integration of acquired companies or businesses may result in significant challenges, including, among others: successfully **monetizing any acquired technology, in particular outside of our core licensing programs**; integrating new employees, technology and / or products; consolidating research and development operations; minimizing the diversion of management' s attention from ongoing business matters; and consolidating corporate and administrative infrastructures. As a result, we may be unable to accomplish the integration smoothly or successfully. In addition, we cannot be certain that the integration of acquired companies, businesses, technology and / or intellectual property with our business will result in the realization of the full benefits that we anticipate will be realized from such acquisitions. Our plans to integrate and / or expand upon research and development programs and technologies obtained through acquisitions may result in products or technologies that are not adopted by the market, or the market may adopt solutions competitive to our technologies . ~~A portion of our revenue and cash flow is dependent upon our licensees' sales and market conditions and other factors that are beyond our control or are difficult to forecast. A portion of our licensing revenues is dependent on sales by our licensees that are outside our control and that could be negatively affected by a variety of factors, including global, regional and / or country- specific economic conditions and / or public health concerns, country- specific natural disasters impacting licensee manufacturing and sales, demand and buying patterns of end users, which are often driven by replacement and innovation cycles, the service life of products incorporating our technologies, competition for our licensees' products, supply chain disruptions, and any decline in the sale prices our licensees receive for their covered products. In addition, our operating results also could be affected by general economic and other conditions that cause a downturn in the market for the licensees of our technologies. Our revenue and cash flow also could be affected by (i) the unwillingness of any licensee to satisfy all of their royalty obligations on the terms or within the timeframe we expect, (ii) a decline in the financial condition or market position of any licensee or (iii) the failure of sales to meet market forecasts due to global or regional economic conditions, political instability, natural disasters, competitive technologies, lower demand or otherwise. It is also difficult to predict the timing, nature and amount of licensing revenue associated with past infringement (including as a result of the unwillingness of our licensees to compensate us for such past infringement) and new licenses, strategic relationships and the resolution of legal proceedings. The foregoing factors are difficult to forecast and could adversely affect both our quarterly and annual operating results and financial condition. In addition, some of our patent license agreements provide for upfront fixed payments or prepayments that cover our licensees' future sales for a specified period and reduce future cash receipts from those licensees. As a result, our cash flow has historically fluctuated from period to period. Depending upon the payment structure of any new patent license agreements into which we may enter, such cash flow fluctuations may continue in the future. Our revenue may be affected by the deployment of future- generation wireless standards in place of 3G, 4G and 5G technologies or future- generation video standards, by the timing of such deployment, or by the need to extend or modify certain existing license agreements to cover subsequently issued patents. We own an evolving portfolio of issued and pending patents related to 3G, 4G and 5G cellular technologies and non- cellular technologies including video coding technologies, and our patent portfolio licensing program for future- generation wireless standards or video coding standards may not be as successful in generating licensing income as our current licensing programs. Although we continue to participate in worldwide standards bodies and contribute our intellectual property to future- generation wireless and video coding standards, including standards that will define 5G **and beyond**, our technologies might not be adopted by the relevant standards. In addition, we may not be as successful in the licensing of future- generation products as we have been in licensing products deploying existing wireless and video coding standards, or we may not achieve a level of royalty revenues on such products that is comparable to that which we have historically received on products deploying existing wireless and video coding standards. Furthermore, if there is a delay in the standardization and / or deployment of 5G or future video coding standards, our business and revenue could be negatively impacted. The licenses that we grant under our patent license agreements typically only cover products designed to operate in accordance with specified technologies and that were manufactured or deployed or anticipated to be manufactured or deployed at the time of entry into the agreement. Also, we have patent license agreements with licensees that now offer for sale types of products that were not sold by such licensees at the time the patent license agreements were entered into and, thus, are not licensed by us. We do not derive patent licensing revenue from the sale of products by our licensees that are not covered by a patent license agreement. In order to grant a patent license for any such products, we will need to extend or modify our patent license agreements or enter into new license agreements with such licensees, and we may not be able to do so on terms acceptable to us or at all. Further, such extensions, modifications or new license agreements may adversely affect our revenue on the sale of products covered by the license prior to any extension, modification or new license. We may not be able to attract and retain qualified employees. Competition for top talent is substantial. In order to be successful, we must attract, develop, and retain employees. Implementing our business strategy requires specialized engineering and other technical talent, and these skills are in high demand among our competitors. The market for employees in our industry is extremely competitive, and competitors for talent, particularly engineering talent, **increasingly have and could in the future** attempt to hire , **and to varying degrees have been successful in hiring**, our employees or employment candidates. Further, the increased availability of remote working arrangements , **largely driven by the COVID-19 pandemic**, has expanded the pool of companies that can compete for our employees and employment candidates. A number of such competitors for talent are significantly larger than us and may be able to offer compensation, benefits or work arrangements perceived as more desirable than what we are able to offer. If we are unable to recruit, retain, and motivate our employees, then we may not be able to innovate, execute on our strategy and grow our business as planned. Further, the cost and loss of efficiency related to turnover, particularly at senior levels, may be significant.~~

A potential **Our business and operations could suffer in the event of security breaches. Attempts by others to gain unauthorized access to information technology systems are becoming more sophisticated. These attempts, which in some cases could be related to industrial or other espionage, include covertly introducing malware to computers and networks and impersonating authorized users, among others. Advancements in technology, including artificial intelligence and machine learning, may continue to change the way bad actors seek to gain unauthorized access and disrupt systems, thereby increasing the risks of security breaches. Material security events could also require public disclosure** health crisis . pandemic **which could further harm or our similar business or reputation. We seek to detect and investigate all security incidents and to event prevent their recurrence, but, in some cases, we might be unaware of an incident or its magnitude and effects. While we have not identified any material incidents of unauthorized access to date, the theft, unauthorized use or publication of our intellectual property and / or confidential business or personal information (whether through a breach of our own systems or the breach of a system of a third party that provides services to us) could harm our competitive or negotiating positions, reduce the value of our investment in research and development and other strategic initiatives, compromise our patent enforcement strategies or outlook, damage our reputation or otherwise adversely impact affect our business . In addition , financial condition and to the extent that any future security breach results in inappropriate disclosure of our employees' operations. As we saw with the COVID-19 pandemic, licensees', or customers' confidential and / or personal information, we may incur liability or additional costs to remedy any damages caused by such breach** event can create significant worldwide uncertainty, volatility and economic disruption. The extent to which any potential future public health crises, pandemics or similar events could adversely impact our business, financial condition and results of operations is dependent upon numerous factors, many of which are highly uncertain, rapidly changing and uncontrollable. These factors include, but are not limited to: (i) the duration and scope of the pandemic or other event; (ii) governmental, business and individual actions that have been and continue to be taken in response to the pandemic or other event, including travel restrictions, quarantines, social distancing, work-from-home and shelter-in-place orders and shut-downs; (iii) the impact on our customers, including those that are presently unlicensed, and other business partners; (iv) the impact on U. S. and global economies and the timing and rate of economic recovery; (v) potential adverse effects on the financial markets and access to capital; (vi) potential goodwill or other impairment charges; (vii) increased cybersecurity risks as a result of pervasive remote working conditions; (viii) our ability to effectively carry out our operations due to any adverse impacts on the health and safety of our employees and their families; (ix) the ability of our customers to timely satisfy their payment obligations to us; and (x) fluctuations in global shipments of handsets and consumer electronics devices. We face risks from doing business and maintaining offices in international markets. A significant portion of our licensees, potential licensees and customers are international, and our licensees, potential licensees and customers sell their products to markets throughout the world. In addition, in recent years, we have expanded, and we may continue to expand, our international operations, opening offices in China, France , Belgium and Finland. Accordingly, we are subject to the risks and uncertainties of operating internationally. Our international operations could exacerbate the other risk factors we have identified, and we could be affected by a variety of uncontrollable and changing factors, including, but not limited to: difficulty in protecting our intellectual property in foreign jurisdictions; enforcing contractual commitments in foreign jurisdictions or against foreign corporations; government regulations, tariffs and other applicable trade barriers; biased enforcement of foreign laws and regulations to promote industrial or economic policies at our expense; retaliatory practices by foreign actors; currency control regulations; export license requirements and restrictions on the use of technology; social, economic and political instability; costly, time consuming and changing regulatory regimes; natural disasters, acts of terrorism, widespread illness and war; potentially adverse tax consequences; general delays in remittance of and difficulties collecting non- U. S. payments; foreign labor regulations; anti-corruption laws; public health issues; and difficulty in staffing and managing operations remotely. Managing operations and complying with relevant laws and regulations in China may be particularly complex, costly and time- consuming. We also are subject to risks specific to the individual countries in which we and our licensees, potential licensees and customers do business. In addition, adverse movements in currency exchange rates may negatively affect our business due to a number of situations, including the following: • If the effective price of products sold by our licensees were to increase as a result of fluctuations in the exchange rate of the relevant currencies, demand for the products could fall, which in turn would reduce our royalty revenues. • Assets or liabilities of our consolidated subsidiaries may be subject to the effects of currency fluctuations, which may affect our reported earnings. • Certain of our operating and investing costs, such as foreign patent prosecution, are based in foreign currencies. If these costs are not subject to foreign exchange hedging transactions, strengthening currency values in selected regions could adversely affect our near- term operating expenses, investment costs and cash flows. In addition, continued strengthening of currency values in selected regions over an extended period of time could adversely affect our future operating expenses, investment costs and cash flows. **Environmental, social and Our business is subject to evolving corporate governance (ESG) matters may and public disclosure regulations and expectations that could** expose us to reputational risks and legal liability. There is **significant an increasing** focus from investors, customers and employees as well as other stakeholders concerning **ESG sustainability and governance** matters. Current and prospective investors are increasingly utilizing **ESG this** data to inform their decisions including investment and voting using a multitude of evolving score and rating frameworks. Additionally public interest and legislative pressure related to public companies' **ESG sustainability, governance and related** practices continue to grow **and evolve. We actively manage these issues and have established and publicly announced certain goals, commitments, and targets which we may refine or expand further in the future. These goals, commitments, and targets reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Additionally, we are subject to various sustainability related reporting standards, which are rapidly evolving, and which have resulted in, and are likely to continue to result in, increased compliance costs and management attention. In particular, we are subject to both California and European Union reporting regimes on emissions and**

climate-related risks. Tracking and reporting the required metrics is costly and demands substantial attention. If our **ESG-governance and reporting** practices fail to meet the expectations of any of our stakeholders' evolving standards, our reputation, brand and employee retention may be negatively impacted. If we do not adapt our strategy or execution quickly enough to meet the evolving expectations, our business, financial condition, results of operations and reputation could be adversely affected. Our industry is subject to rapid technological change, uncertainty and shifting market opportunities. Our success depends, in part, on our ability to define and keep pace with changes in industry standards, technological developments and varying customer requirements. Changes in industry standards and needs could adversely affect the development of, and demand for, our technology, rendering our technology currently under development obsolete and unmarketable. The patents and applications comprising our portfolio have fixed terms, and, if we fail to anticipate or respond adequately to these changes through the development or acquisition of new patentable inventions, patents or other technology, we could miss a critical market opportunity, reducing or eliminating our ability to capitalize on our patents, technology solutions or both. Our commercialization, licensing and / or M & A activities could lead to patent exhaustion or implied license issues that could materially adversely affect our business. The legal doctrines of patent exhaustion and implied license may be subject to different judicial interpretations. Our commercialization or licensing of certain technologies and / or our M & A activities could potentially lead to patent exhaustion or implied license issues that could adversely affect our patent licensing program (s) and limit our ability to derive licensing revenue from certain patents under such program (s), whether through the assumption of license agreements that would result in our patents being captured by such agreements, the acquisition of a business that sells or licenses products that practice our patents, or otherwise. In the event of successful challenges by current or prospective licensees based on these doctrines that result in a material decrease to our patent licensing revenue, our financial condition and operating results may be materially adversely affected. Our use of open source software could materially adversely affect our business, financial condition, operating results and cash flow. Certain of our technology and our suppliers' technology may contain or may be derived from "open source" software, which, under certain open source licenses, may offer accessibility to a portion of a product's source code and may expose related intellectual property to adverse licensing conditions. Licensing of such technology may impose certain obligations on us if we were to distribute derivative works of the open source software. For example, these obligations may require us to make source code for derivative works available or license such derivative works under a particular type of license that is different from what we customarily use to license our technology. While we believe we have taken appropriate steps and employ adequate controls to protect our intellectual property rights, our use of open source software presents risks that, if we inappropriately use open source software, we may be required to re-engineer our technology, discontinue the sale of our technology, release the source code of our proprietary technology to the public at no cost or take other remedial actions, which could adversely affect our business, operating results and financial condition. There is a risk that open source licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions, which could adversely affect our business, operating results and financial condition. In addition, developing open source products, while adequately protecting the intellectual property rights upon which our licensing business depends, may prove burdensome and time-consuming under certain circumstances, thereby placing us at a competitive disadvantage. We may have exposure to additional tax liabilities. **We are a U. S. multinational company subject to complex and changing tax laws in the United States government enacted and foreign jurisdictions where we do business. Significant judgement is required in determining our worldwide provision of income taxes. As a U. S. multinational company, we are subject to examination by the Internal Revenue Service (" IRS ") and other tax authorities, reform in 2017 and continues we have ongoing tax audits in various jurisdictions. Any of these examinations could result in challenges to provide regulatory guidance various positions we assert in our filings and could impact our tax liability, both for future and past tax years. Although we believe that our tax estimates are reasonable, the final determination of tax audits and any related to legal proceedings could materially differ from amounts reflected in our income tax reform provisions and accruals. In such case, our income state authorities continue to provide guidance around the application of tax reform provisions provision, that in each results of operations and ease cash flows in the period, could impact future effective tax rates favorably or periods in unfavorably. The United States government could enact further tax reform legislation, which that determination is made could be negatively affected adversely impact our tax rate. Our The international tax environment also continues to change as a result of both coordinated efforts by governments and unilateral measures designed by individual countries, which could ultimately have an adverse effect on the taxation of international businesses such as ours. Accordingly, our tax rate could be adversely affected by several factors beyond, many of which are outside of our control, including changing changes in tax laws, regulations and, interpretations, thereof, changes in tax rates, and assessments and any related tax, interest or penalties. If we are deemed to owe additional taxes, it could negatively impact our business, financial condition, and results of operations. For example, most of our income is taxable in the United States with a significant portion qualifying for preferential treatment as foreign-derived intangible income (" FDII"). Beginning in 2026, the effective tax rate for FDII increases from 13 % to 16 %. Further, if U. S. tax rates increase and / or the FDII deduction is eliminated or reduced, our provision for income taxes, results of operations and cash flows could would be adversely affected. Changes to our In France, where we have substantial operations, we benefit from research tax assets credits applicable to French technology companies, including the Crédit Impôt Recherche (CIR). While we have historically benefited from the CIR, the French government has recently challenged or our eligibility for portions of the CIR that they previously accepted. We believe our estimates are reasonable and consistent with the regulation, but if this challenge is successful and our eligibility for the CIR is reduced, it could adversely impact our results of operations and cash flows. The French government could also eliminate or reduce the CIR entirely, which could harm our business. Additionally, any new tax legislation, or any new guidance or interpretations of the same, could expose us to additional tax liabilities could have an adverse effect. For example, the OECD Model Rules under Pillar Two**

introduced a minimum corporate tax rate of 15 % on our multinational enterprises with annual consolidated financial condition-revenue exceeding € 750 million in at least two of the prior four years. Although this minimum tax has been adopted by various jurisdictions where we do business, including France and the UK, we are not yet subject to the minimum tax based on or our revenues. If we become subject to the Pillar Two minimum tax, our business, results of operations ~~-The calculation of tax assets and~~ **cash flows would** liabilities involves significant judgment in estimating the impact of uncertainties in the application of complex tax laws. We are subject to examinations by the Internal Revenue Service ("IRS") and other taxing jurisdictions on various tax matters, including challenges to various positions we assert in our filings and foreign tax liability and withholding. Pursuant to the guidance for accounting for uncertainty in income taxes, certain tax contingencies are recognized when they are determined to be more likely than not to occur. Although we believe we have adequately recorded tax assets and accrued for tax contingencies that meet this criterion, we may not fully recover our tax assets or may be required to pay taxes in excess of the amounts we have accrued. In the event that the IRS or another taxing jurisdiction levies an assessment in the future, it is possible the assessment could have an adverse **adversely affected** effect on our consolidated financial condition or results of operations. Market projections and data are forward-looking in nature. Our strategy is based on our own projections and on analyst, industry observer and expert projections, which are forward-looking in nature and are inherently subject to risks and uncertainties. We utilize these projections in various ways, including key strategic decisions that we regularly make regarding the direction of our business, research and licensing efforts. The validity of their and our assumptions, the timing and scope of wireless markets, economic conditions, customer buying patterns, timeliness of equipment development, pricing of products, growth in wireless telecommunications services that would be delivered on wireless devices and availability of capital for infrastructure improvements could affect these predictions. Projections on the size of various markets may be inaccurate. In addition, market data upon which we rely is based on third party reports that may be inaccurate. The inaccuracy of any of these projections and / or market data could adversely affect our business prospects, operating results and financial condition. **The high amount of capital required to obtain radio frequency licenses, deploy and expand wireless networks and obtain new subscribers, as well as the cost of new handsets could slow the growth of the wireless communications industry and adversely affect our business.** Our growth is partially dependent upon the increased use of wireless communications services and cellular handsets that utilize our technology. In order to provide wireless communications services, wireless operators must obtain rights to use specific radio frequencies. The allocation of frequencies is regulated in the United States and other countries throughout the world, and limited spectrum space is allocated to wireless communications services. Industry growth may be affected by the amount of capital required to obtain licenses to use new frequencies, deploy wireless networks to offer voice and data services, expand wireless networks to grow voice and data services and obtain new subscribers. The significant cost of licenses, wireless networks and subscriber additions may slow the growth of the industry if wireless operators are unable to obtain or service the additional capital necessary to implement or expand advanced wireless networks. Growth in the number of cellular handsets may slow as the number of people worldwide without a cellular handset declines. In addition, if the cost of cellular handsets increases, customers may be less likely to replace their existing devices with new devices. The growth of our business could be adversely affected if either of these events occur. We regularly make strategic decisions about our patent portfolio ~~-Although we seek to focus our operations in areas where we see the potential for growth and to divest assets where we see more limited opportunities, dispositions we decide to undertake may involve risks, and the anticipated benefits of such actions may not be realized. From time to time, we intend to make strategic decisions about our patent portfolio, whether through a formal portfolio review or opportunistic dispositions. Cost savings expectations of any portfolio review are inherently uncertain and, therefore, we cannot provide assurance that we will achieve any expected, or any actual cost savings from any such action. Our portfolio review activities may place substantial demands on our management, which could lead to the diversion of management's attention from other business priorities. We have divested a number of assets, including as part of a recent strategic portfolio rationalization review. Any assets that we divest could turn out to be more valuable than we had anticipated and we may not realize the anticipated benefits of any strategic decision about our patent portfolio.~~ **Due to cost constraints, we also regularly undertake strategic decisions in respect of where and how we file for patents. These decisions could later prove to be incorrect, which could ultimately harm** difficult for us to verify royalty amounts owed to us under our per-unit licensing agreements, and this may cause us to lose potential revenue. The standard terms of our ~~-~~ **or enforcement options** per-unit license agreements require our licensees to document the sale of licensed products and report this data to us on a quarterly basis. Although our standard license terms give us the right to audit books and records of our licensees to verify this information, audits can be expensive, time consuming, incomplete and subject to dispute. From time to time, we audit certain of our licensees to verify independently the accuracy of the information contained in their royalty reports in an effort to decrease the likelihood that we will not receive the royalty revenues to which **could in turn harm** we are entitled under the terms of our license agreements, but we cannot give assurances that these audits will be sufficient or our effective **financial results and business prospects**. Our technology development activities may experience delays. We may experience technical, financial, resource or other difficulties or delays related to the further development of our technologies. Delays may have adverse financial effects and may allow competitors with comparable technology offerings to gain an advantage over us in the marketplace or in the standards setting arena. There can be no assurance that we will continue to have adequate staffing or that our development efforts will ultimately be successful. Moreover, certain of our technologies have not been tested for commercial use, and it is possible that they may not perform as expected. In such cases, our business, financial condition and operating results could be adversely affected, and our ability to secure new licensees and other business opportunities could be diminished ~~-We rely on relationships with third parties to develop and deploy technology solutions. Successful exploitation of our technology solutions is partially dependent on the establishment and success of relationships with equipment producers and other industry participants. Delays or failure to enter into licensing or other relationships to facilitate technology development efforts or delays or failure to enter into technology licensing agreements to secure integration of~~

additional functionality could impair our ability to introduce into the market portions of our technology and resulting products, cause us to miss critical market windows or impair our ability to remain competitive. Our business and operations could suffer in the event of security breaches. Attempts by others to gain unauthorized access to information technology systems are becoming more sophisticated. These attempts, which in some cases could be related to industrial or other espionage, include covertly introducing malware to computers and networks and impersonating authorized users, among others. We seek to detect and investigate all security incidents and to prevent their recurrence, but, in some cases, we might be unaware of an incident or its magnitude and effects. While we have not identified any material incidents of unauthorized access to date, the theft, unauthorized use or publication of our intellectual property and / or confidential business or personal information (whether through a breach of our own systems or the breach of a system of a third party that provides services to us) could harm our competitive or negotiating positions, reduce the value of our investment in research and development and other strategic initiatives, compromise our patent enforcement strategies or outlook, damage our reputation or otherwise adversely affect our business. In addition, to the extent that any future security breach results in inappropriate disclosure of our employees', licensees', or customers' confidential and / or personal information, we may incur liability or additional costs to remedy any damages caused by such breach. Our business is subject to a variety of domestic and international laws, rules and policies and other obligations regarding data protection. We may be affected by existing and proposed laws and regulations, as well as government policies and practices related to cybersecurity, privacy and data protection. For example, the European General Data Protection Regulation (" GDPR"), the United Kingdom' s GDPR, the California Consumer Privacy Act of 2018 and the California Privacy Rights Act of 2020 impose obligations on companies such as ours regarding the handling of personal data. Additionally, in 2021, China adopted the Personal Information Protection Law (" PIPL "), which, together with China' s existing cyber and data securities regulations, have required and will continue to require significant investment and resources to ensure compliance. Complying with these and other privacy and cybersecurity regulations could cause us to incur substantial costs or require us to change our business practices. If we cannot implement an effective compliance mechanism for cross-border privacy and security matters, we may face increased exposure to regulatory actions, substantial fines and other penalties. Further, these areas are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty.

Risks Relating to Our Common Stock and our Convertible Notes Our operating results may fluctuate significantly, which could make our future results difficult to predict and could cause our operating results to fall below expectations. Our operating results may fluctuate from quarter to quarter as a result of a number of factors, many of which are outside of our control and may be difficult to predict. In particular, the timing of revenue recognition may cause our revenues and earnings to fluctuate, and there is significant judgment in the application of our revenue recognition principles. For example, accounting principles sometimes require us to recognize revenue before the actual amount is certain, which could add to uncertainty in our revenue guidance. The variability and unpredictability of our results of operations or other operating metrics could result in our failure to meet our expectations or those of industry or financial analysts. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could fall substantially. Our stock repurchase program may not result in a positive return of capital to shareholders. Our stock repurchase program, including the tender offer that we completed during 2023, may not return value to shareholders as it was designed to do because the market price of the stock may decline below the levels at which we repurchased shares of stock. Stock repurchase programs are intended to deliver shareholder value over the long term, but stock price fluctuations can reduce the effectiveness of such programs. In addition, our Board of Directors could choose to suspend or terminate the stock repurchase program at any time or not to renew the program. Our shareholders may not receive the level of dividends provided for in our dividend policy or any dividend at all, and any decrease in or suspension of the dividend could cause our stock price to decline. Our current dividend policy contemplates the payment of a regular quarterly cash dividend of \$ 0. 40-60 per share on our outstanding common stock. We expect to continue to pay quarterly cash dividends on our common stock at the rate set forth in our current dividend policy. However, the dividend policy and the payment and timing of future cash dividends under the policy are subject to the final determination each quarter by our Board of Directors that (i) the dividend will be made in compliance with laws applicable to the declaration and payment of cash dividends, including Section 1551 (b) of the Pennsylvania Business Corporation Law, and (ii) the policy remains in our best interests, which determination will be based on a number of factors, including our earnings, financial condition, capital resources and capital requirements, alternative uses of capital, restrictions imposed by any existing debt, economic conditions and other factors considered relevant by the Board of Directors. Given these considerations, our Board of Directors may increase or decrease the amount of the dividend at any time and may also decide to vary the timing of or suspend or discontinue the payment of dividends in the future. Any decrease in the amount of the dividend, or suspension or discontinuance of payment of a dividend, could cause our stock price to decline. Securities analyst coverage or lack of coverage may have a negative impact on our common stock' s market price. The trading market for our common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If securities or industry analysts stop their coverage of us or additional securities and industry analysts fail to cover us in the future, the trading price for our common stock would be negatively impacted. If any analyst or analysts who cover us downgrade our common stock, changes their opinion of our shares or publishes inaccurate or unfavorable research about our business, our stock price could decline. If any analyst or analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease and we could lose visibility in the financial markets, which could cause our stock price and trading volume to decline. Our indebtedness could adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under such indebtedness. Our total indebtedness as of December 31, 2023-2024 was approximately \$ 477.615.2 million. This level of debt could have significant consequences on our future operations, including: • reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes; • limiting our flexibility in planning for, or

reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and • placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged. Any of the above- listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under the ~~2024 Notes and the~~ 2027 Notes. The convertible note hedge transactions and warrant transactions that we entered into in connection with the offering of the ~~2024 Notes and the~~ 2027 Notes may affect the value of the such notes, and the market price of our common stock. In connection with the ~~offerings of the 2024 Notes and the~~ 2027 Notes **issuance**, we entered into convertible note hedge transactions with certain financial institutions (the “ option counterparties ”) and sold warrants to the respective option counterparties. These transactions will be accounted for as an adjustment to our shareholders’ equity. The convertible note hedge transactions are expected to reduce the potential equity dilution upon any conversion of the notes. The warrants will have a dilutive effect on our earnings per share to the extent that the market price of our common stock exceeds the applicable strike price of the warrants on any expiration date of the warrants. In addition, the respective option counterparties (and / or their affiliates) may modify their respective hedge positions from time to time (including during any observation period related to a conversion of the notes) by entering into or unwinding various derivative transactions with respect to our common stock and / or by purchasing or selling our common stock in open market transactions and / or privately negotiated transactions. The potential effect, if any, of any of these transactions and activities on the market price of our common stock will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the market price of our common stock. We are subject to counterparty risk with respect to the convertible note hedge transactions. The respective option counterparties are financial institutions or affiliates of financial institutions, and we will be subject to the risk that such option counterparties may default under the respective convertible note hedge transactions. Our exposure to the credit risk of the option counterparties is not secured by any collateral. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the applicable convertible note hedge transactions. Our exposure will depend on many factors but, generally, the increase in our exposure will be correlated to the increase in our common stock market price and in volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and dilution with respect to our common stock. We can provide no assurance as to the financial stability or viability of the option counterparties. Provisions of the ~~2024 Notes and~~ 2027 Notes could discourage an acquisition of us by a third party. Certain provisions of ~~the 2024 Notes and~~ the 2027 Notes could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of certain transactions constituting a fundamental change under the ~~indentures-~~ **indenture**, holders of the notes will have the right, at their option, to require us to repurchase all of their applicable notes or any portion of the principal amount of ~~such the~~ notes at a price of 100 % of the principal amount of the notes being repurchased, plus accrued and unpaid interest. We may also be required to issue additional shares upon conversion in the event of certain fundamental change transactions. These provisions could limit the price that some investors might be willing to pay in the future for shares of our common stock.