

Risk Factors Comparison 2024-02-29 to 2023-03-28 Form: 10-K

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In evaluating our company and our business, you should carefully consider the risks and uncertainties described below, together with the other information in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may have a material adverse effect on our business, reputation, revenue, financial condition, results of operations or future prospects, in which case the market price of our common stock could decline, and you could lose part or all of your investment. Unless otherwise indicated, reference in this section and elsewhere in this Annual Report on Form 10-K to our business being adversely affected, negatively impacted or harmed will include an adverse effect on, or a negative impact or harm to, our business, reputation, financial condition, results of operations, revenue or our future prospects. The risks and uncertainties described below are not intended to be exhaustive and are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business. This Annual Report on Form 10-K also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. See the section titled “Cautionary Statement Regarding Forward-Looking Statements.”

Summary of Risks

An investment in shares of our Class A common stock and warrants involves substantial risks and uncertainties that may adversely affect the value of your investment. Some of the more significant challenges and risks relating to an investment in our company include, among other things, the following:

- **Risks Related to Our Operations and Industry**
- The cyclical nature of the semiconductor industry may limit our net sales and profitability.
- If we fail to compete effectively in the highly competitive semiconductor industry, our business could be adversely affected.
- Declining average selling prices and price erosion may adversely impact our revenue and profitability.
- Failure to win competitive bid selection processes could adversely affect our business.
- Decline in demand for our customers’ end products could adversely impact our revenue and profitability.
- Any downturn in the automotive market could significantly harm our financial results.
- We depend on third parties to manufacture, assemble, test and / or package our products.
- We rely on the timely supply of materials that may only be available from a limited number of suppliers.
- We must develop new products with acceptable profit margins.
- “Strategic backlog” and “design win pipeline” estimations may not result in revenue or profits.
- Mergers, acquisitions, investments and joint ventures could adversely affect our results of operations.
- Future growth could strain our resources, management, information and telecommunication systems and operating and financial controls.
- We may seek additional capital, which may result in dilution to our stockholders.
- We may rely on strategic partnerships, joint ventures and alliances, which may fail for reasons outside of our control.
- We may not be successful in exiting certain programs or businesses or in restructuring our operations, which could adversely impact our business.
- Disruptions in our relationships with any one of our key customers could adversely affect our business.
- **Loss of key management or other highly skilled personnel, or an inability to attract such management and other personnel, could adversely affect our business.**
- **We may experience disruptions in our operations resulting from our enterprise resource planning system initiative.**
- We have historically incurred losses and may continue to incur losses.

Risks Related to Our Indebtedness

- Our existing and future indebtedness could adversely affect our ability to operate our business.
- We may not have sufficient funds to repay the indebtedness and repurchase the 2027 Notes or make cash payments upon conversions thereof.
- Provisions in the 2027 Indenture for the 2027 Notes may deter or prevent a business combination that stockholders may consider favorable.
- The accounting method for reflecting the 2027 Notes may adversely affect our reported earnings and financial condition.
- The conditional conversion feature of the 2027 Notes, if triggered, may adversely affect our financial condition and operating results.

Risks Related to Our Organizational Structure

- We are dependent upon distributions made by our subsidiaries to make certain payments, and such distributions may be delayed or restricted for reasons outside of our control.
- We are party to a Tax Receivable Agreement, which requires us to make certain payments, and such payment may exceed our actual tax benefits or may be accelerated.

Risks Related to Macroeconomic Conditions

- Geopolitical uncertainty could impact end customer demand and disrupt our supply chain.
- Downturns or volatility in general economic conditions could harm our business.
- Fluctuations in foreign exchange rates could have an adverse effect on our results of operations.
- Our worldwide operations are subject to political, economic and health risks and natural disasters, which could have a material adverse effect on our business operations.

Risks Related to our Intellectual Property, Technology and Cybersecurity

- Improper use of our intellectual property could have a material adverse effect on our business, financial condition and results of operations.
- Intellectual property claims or litigation could significantly harm our business.
- We license certain third-party software that may not be available to us in the future which may delay product development and production or cause us to incur additional expense.
- Interruptions in information technology systems could adversely affect our business.
- Security breaches and other cybersecurity incidents could adversely impact our business.

Risks Related to Regulatory Compliance and Legal Matters

- If we or our customers fail to comply with a large body of laws and regulations, our business and reputation could be adversely affected.
- We may be adversely affected by product defects and product liability or warranty claims.
- Significant litigation and stockholder activism could impair our reputation and adversely affect our business.
- We are subject to export restrictions and laws affecting trade and investments which could materially and adversely affect our business and results of operations.
- Changes in tax rates or laws or additional tax liabilities could adversely affect our business.
- Failure to comply with anti-corruption laws or our ethics policies could adversely affect our business.

Risks Related to Doing

Business in China • Uncertainties with respect to the PRC legal system could adversely affect our China business. • China's economic, political and social conditions may change rapidly with little advance notice, which could adversely affect our business. • Our China subsidiary may be limited in its ability to make distributions to us. • Government control of currency conversion may affect the value of our securities. • Failure to comply with certain regulations may subject us or our PRC employees to fines or sanctions. • Failure to comply with PRC laws and other obligations regarding data protection could have a material adverse effect on our business. Risks Related to Financial Reporting, Internal Controls and Being a Public Company • We may not be able to timely and effectively implement and maintain controls and procedures required by Section 404 of the Sarbanes-Oxley Act that is applicable to us, which could result in materially misstated financial reporting. • **Increased Significant** expenses and administrative burdens as a public company could have a material adverse effect on our business. ~~Use of exemptions available to emerging growth companies could make our securities less attractive to investors and may make it difficult to compare our performance to that of other public companies.~~ Risks Related to Ownership of Our Class A Common Stock and Warrants, and Organizational Documents • We must comply with the continued listing standards of Nasdaq for our Class A common stock. • We may redeem unexpired warrants prior to their exercise at a time that is disadvantageous to the holder, thereby making such warrants worthless. • Our warrants may have an adverse effect on the market price of our Class A common stock. • An investment in our Class A common stock may be diluted by future issuances of our Class A common stock or ADK LLC units. • There may be sales of a substantial amount of Class A common stock by our stockholders, which could cause the price of our securities to fall. • Provisions in our Certificate of Incorporation and Bylaws limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts. • Our Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings, which could limit our stockholders' ability to obtain a favorable judicial forum. Please see below for a discussion of these and other factors you should consider before making an investment in our securities. The cyclical nature of the semiconductor industry may limit our ability to maintain or improve our net sales and profitability. The semiconductor industry is highly cyclical and is prone to significant downturns from time to time. Cyclical downturns can result **, and have in the past resulted (including as a result of global and geopolitical events)** in substantial declines in semiconductor demand, production overcapacity, high inventory levels and accelerated erosion of average selling prices. Such downturns result from a variety of market forces including constant and rapid technological change, quick product obsolescence, price erosion, evolving standards, short product life cycles and wide fluctuations in product supply and demand. ~~For example, commencing in 2020, a variety of factors including the COVID-19 pandemic, ongoing trade disputes between the United States and China, geopolitical factors, such as Russia's invasion of Ukraine, weakness in demand and pricing for semiconductors across applications, and excess inventory have resulted in downturns in the semiconductor industry. During the second half of fiscal year 2020, customer manufacturing facilities re-opened and demand has returned to normal and continued to grow. While the Company does not anticipate significant adverse effects on its operations in the near- or mid-term, the future effects of COVID-19 are difficult to predict, due to uncertainty about different variants that may evolve, the actions that may be taken to contain or treat future impact, and how quickly and to what extent normal economic and operating conditions resume.~~ Conversely, significant upturns could cause us to be unable to satisfy demand in a timely and cost-efficient manner, and could result in increased competition for access to third-party foundry, assembly and testing capacity. In the event of such an upturn, we may not be able to expand our workforce and operations in a sufficiently timely manner, procure adequate resources and raw materials, or locate suitable suppliers or other subcontractors to respond effectively to changes in demand for our existing products or to the demand for new products. Accordingly, our business, financial condition and results of operations could be materially and adversely affected. The semiconductor industry is highly competitive. If we fail to introduce new technologies and products in a timely manner, it could adversely affect business. The semiconductor industry is highly competitive and characterized by constant and rapid technological change, short product lifecycles, significant price erosion, and evolving standards for quality. Accordingly, the success of our business depends, to a large extent, on our ability to meet evolving industry requirements, introduce new products and technologies designed to satisfy those evolving requirements, and see our products and technologies accepted in the marketplace, both in a timely manner and at prices that are acceptable to customers. Moreover, the costs related to the research and development necessary to develop new technologies and products are significant and some of our competitors may have greater resources than us. If they significantly increase the resources that they devote to developing and marketing their products, we may not be able to compete effectively. Our competitors' products, services and technologies may be less costly or may offer superior functionality or better features than ours, which may result in lower than expected selling prices for our products. Additionally, some of our competitors operate and maintain their own fabrication facilities, have longer operating histories, larger customer bases, more comprehensive intellectual property portfolios and greater financial resources. Further, the semiconductor industry has experienced, and may continue to experience, significant consolidation among companies and vertical integration among customers. Larger competitors resulting from consolidations may have certain advantages over us, including, but not limited to: more efficient cost structures; substantially greater financial and other resources with which to withstand adverse economic or market conditions and pursue development, engineering, manufacturing, marketing and distribution of their products; longer independent operating histories; presence in key markets; intellectual property protection; large purchase quantities; and greater name recognition. In addition, we may be at a competitive disadvantage to our peers if we fail to identify or are unable to finance attractive opportunities to acquire companies to expand our business. Consolidation among our competitors and integration among our customers could erode our market share, negatively impact our capacity to compete and require us to restructure our operations, any of which would have a material adverse effect on our business. As a result of these competitive pressures, we may face declining sales volumes or lower prices for our products, and may not be able to reduce total costs in line with declining revenue. If any of these risks materialize, they could have a material adverse effect on our business, financial condition and results of operations. The average selling prices of products in our markets have

historically decreased over time and could do so in the future, which could adversely impact our revenue and profitability. Average selling prices of semiconductor products in the markets we serve have historically decreased over time. Profit margins and financial results may suffer if we are unable to offset any reductions in average selling prices by reducing costs, developing new or enhanced products on a timely basis with higher selling prices or profit margins, or increasing sales volumes. Although in some cases, we have contractual agreements with customers, there is no assurance that those price agreements will be honored. As a result, our average selling prices may decline faster than forecasted. Additionally, increases in the industry semiconductor manufacturing capacity could lead to declines in average selling prices and a decrease in short-term or long-term demand, resulting in industry oversupply, **which** could materially adversely affect our business, results of operations, or financial condition. Much of our business depends on winning competitive bid selection processes, and the failure to be selected could adversely affect business in those market segments. The competitive selection processes often require an investment of significant time and capital resources, with no guarantee of winning the contract and generating revenue. In the automotive semiconductor market in which we compete, due to the longer design cycles involved, failure to win a design-in could prevent access to a customer for several years. Our failure to win a significant number of these bids could result in reduced revenues, and hurt our competitive position for future selection processes, which could have a material adverse effect on our business, financial condition and results of operations. The demand for our products depends on the demand for our customers' end products. The vast majority of our revenue is derived from sales to manufacturers in the automotive industry. Demand in this market fluctuates significantly, driven by consumer spending, consumer preferences, **seasonality within the automotive industry**, the development of new technologies and prevailing economic conditions. **Many of the factors that create and affect quarterly demands with our customers are beyond our control**. In addition, the end products in which our semiconductors are incorporated may not be successful, or may experience price erosion or other competitive factors that could affect the price manufacturers are willing to pay. Such customers have in the past, and may in the future, vary order levels significantly from period to period, **including order cancellations**, request postponements of scheduled delivery dates, modify their orders or reduce lead times. This is particularly common during periods of low demand. This can make managing business difficult, as it limits the predictability of future revenue. It can also affect the accuracy of our financial forecasts. Furthermore, because we do not manufacture the semiconductors used for our products, we are dependent on third parties to manufacture and assemble our products. Our manufacturing lead times require us to make estimates of customers' future demand. If our estimates of customer demand are ultimately inaccurate, these conditions could lead to a significant mismatch between supply and demand. This mismatch may result in both product shortages and excess inventory and could significantly harm our financial results. In periods of shortages impacting the semiconductor industry or limited supply or capacity in our supply chain, as we have experienced in the past, the lead time on our orders for certain supply could become extended, heightening these risks. Furthermore, developing industry trends, including customers' use of outsourcing and new and revised supply chain models, may affect our revenue, costs and working capital requirements. Our sales are made primarily to Tier 1 suppliers. Any downturn in the automotive market could significantly harm our financial results. This automotive concentration of sales exposes us to the risks associated with the automotive market. For example, our anticipated future growth is highly dependent on the adoption of ADAS, user interface, connectivity and electrification technologies, which are expected to have increased sensor and power product content. A downturn in the automotive market could delay **or cancel** automakers' plans to introduce new vehicles with these features, which **previously has, and would could in the future**, negatively impact the demand for products and our ability to grow our business. The automotive industry continues to undergo consolidation and reorganization and, in some cases, suppliers to the automotive industry have entered bankruptcy. Consolidation or closures of automobile dealers could reduce the aggregate demand for our services in the future and limit the amounts we earn from our products. Such changes in the automotive market could have a material adverse effect on our business, financial condition and results of operations. We depend on third parties and their technology to manufacture, assemble, test and / or package our products, which exposes us to risks. The manufacture of our products, including the fabrication of semiconductor wafers, and the assembly and testing of our products, involve highly complex processes. For example, minute levels of contaminants in the manufacturing environment, difficulties in the wafer fabrication process or other factors can cause a substantial portion of the components on a wafer to be nonfunctional. These problems may be difficult to detect at an early stage of the manufacturing process and often are time-consuming and expensive to correct. From time to time, we have experienced problems achieving acceptable yields at our third-party wafer fabrication partners, resulting in delays in the availability of components. Moreover, an increase in the rejection rate of products during the quality control process before, during or after manufacture and / or shipping of such products, results in lower yields and margins. In addition, changes in manufacturing processes required as a result of changes in product specifications, changing customer needs and the introduction of new product lines have the potential to significantly reduce manufacturing yields, resulting in low or negative margins on those products. Poor manufacturing yields over a prolonged period of time could adversely affect our ability to deliver products on a timely basis and harm relationships with our customers, which could materially and adversely affect our business, financial condition and results of operations. We rely on the timely supply of materials and our business could be adversely affected if suppliers fail to meet their delivery obligations or raise prices. Certain materials needed in our manufacturing operations are only available from a limited number of suppliers. We have a fabless business model, which outsources our manufacturing operations to third-party foundries. The manufacturing operations depend on deliveries of materials in a timely manner and, in some cases, on a just-in-time basis. From time to time, suppliers may extend lead times, limit the amounts supplied or increase prices due to capacity constraints or other factors. Supply disruptions may also occur due to shortages in critical materials or components. Because our products are complex, it is frequently difficult or impossible to substitute one type of material with another. A failure by suppliers to deliver requirements could result in disruptions to our third-party manufacturing operations. Our business, financial condition and results of operations could be harmed if we are unable to obtain adequate supplies of materials in a timely manner or if there are

significant increases in the costs of materials. The semiconductor industry is characterized by continued price erosion, especially after a product has been on the market for a period of time, and we may be unsuccessful in advancing our product technologies, improving efficiencies or developing and selling new products with product margins similar or better than what we have experienced in the past. One of the results of the rapid innovation in the semiconductor industry is that pricing pressure, especially on products containing older technology, can be intense. Product life cycles are relatively short, and as a result, products tend to be replaced by more technologically advanced substitutes on a regular basis. In turn, demand for older technology falls, causing the price at which such products can be sold to drop, in some cases precipitously. In order to continue profitably supplying these products, continuous development of new technology, processes and product innovations is necessary. If we cannot advance our process technologies or improve our efficiencies to a degree sufficient to maintain required margins, we will no longer be able to make a profit from the sale of these products. Moreover, we may not be able to cease production of such products, either due to contractual obligations or for customer relationship reasons, and as a result we may be required to bear a loss on such products. We cannot guarantee that competition in our core product markets will not lead to price erosion, lower revenue or lower margins in the future. Should reductions in our manufacturing costs fail to keep pace with reductions in market prices for the products we sell, this could have a material adverse effect on our business, financial condition and results of operations. Further, we have invested and will continue to invest significant resources in our product and technology development efforts. Our development efforts carry inherent risk due to the challenges of foreseeing changes or developments in technology, predicting changes in customer requirements or preferences or anticipating the adoption of new industry standards, and we may be unable to meet our customers' requirements or gain market acceptance. Should we fail to develop and introduce sufficiently unique products with profit margins similar to or better than what we have experienced in the past or should our product development fail to keep pace with the changing needs of our customers and industry, our business, financial condition and results of operations could be materially and adversely affected. Our strategic backlog and design win pipeline are subject to unexpected adjustments and cancellations and may not be a reliable indicator of future revenues or earnings. There can be no assurance that the revenues projected in our strategic backlog or design win pipeline will be realized or, if realized, will result in profits. Our strategic backlog estimates represent the revenue we expect to recognize from product orders within the next ten years. The estimate of our strategic backlog requires substantial judgment and is based on a number of assumptions, including management's current assessment of customer and third-party contracts that exist as of the date the estimate is made, as well as revenues from expected contract renewals and / or expected design wins, to the extent that we believe that recognition of the related revenue will be realizable within the next ten years. Although we believe the assumptions underlying our strategic backlog estimate are reasonable, they are not guarantees and we can give no assurance that we will recognize the revenues reflected in the strategic backlog estimate. A number of factors could result in actual revenues being less than the amounts reflected in strategic backlog. Our customers or third-party partners may attempt to renegotiate or terminate their contracts for a number of reasons, including competitor offerings, mergers, changes in their financial condition, or general changes in economic conditions within their industries or geographic locations, ~~we may experience delays in the development or delivery of products or services specified in customer contracts, or we may be unable to win competitive bid selection processes or achieve additional design wins on the timeline currently anticipated or at all. Because of the possibility of contract cancellations or changes in scope and schedule, we cannot predict with certainty when or if backlog will be realized.~~ In addition, even where a contract proceeds as scheduled, it is possible that contracted parties may default and fail to pay amounts owed to us or poor contract performance could increase the cost associated with a contract. Delays, suspensions, cancellations, payment defaults, scope changes and poor contract execution could materially reduce or eliminate the revenues and profits that we actually realize from our strategic backlog. Accordingly, there can be no assurance that contracts, renewals or expected design wins included in strategic backlog will actually generate the predicted revenues or profits. **Additionally, because strategic backlog estimates are operating metrics, the estimates are not required to be subject to the same level of internal review or controls as a U. S. GAAP financial measures and actual results may prove to be materially different than estimated.** We may pursue mergers, acquisitions, investments and joint ventures, which could adversely affect our results of operations. Our growth strategy includes acquiring or investing in businesses that offer complementary products, services and technologies, or enhance our market coverage or technological capabilities. Any acquisitions or investments we undertake involve risks and uncertainties, including but not limited to: • Difficulties **and expense associated with** integrating the operations, employees, technologies or products of acquired ~~companies~~ **businesses** or working with third parties with which we may partner on joint development or collaboration relationships; • Inaccuracies in our estimates and assumptions used to assess a transaction may result in us not realizing **, or taking longer to realize,** the expected financial or strategic benefits of any such transaction; • Disruption of our ongoing business and diversion of our management's attention; • Our inability to retain key personnel of acquired businesses; • Claims or liabilities that we assume from an acquired company or technology or that are otherwise related to an acquisition; • Dilution of the ownership of our existing stockholders in connection with any equity or debt securities issued in connection with financing any such transaction; and • U. S. and foreign regulatory approvals required in connection with an acquisition or investment may take longer than anticipated to obtain, may not be forthcoming or may contain burdensome conditions, which may jeopardize, delay or reduce the anticipated benefits to us of the transaction. The occurrence of any of these risks could have a material adverse effect on our business, operating results or financial condition. **If we do not effectively manage future..... our business and results of operations.** We may seek additional capital to take advantage of business opportunities and support the further expansion of our business, which capital might not be available on acceptable terms, if at all, or may result in dilution to our stockholders. We may seek additional equity or debt financing to pursue strategic opportunities, acquire complementary businesses, products or technologies or to fund the further expansion of our business. Such financing may not be available on acceptable terms, when needed or at all. If additional funds are raised through the issuance of equity or debt securities, our existing stockholders could suffer meaningful dilution, and such securities may have

rights, preferences or privileges senior to those of the holders of our Class A common stock. If we raise additional funds by issuing debt, we may be subject to further limitations on our operations and ability to pay dividends due to restrictive covenants. **We** ~~From time to time, we may~~ rely on strategic partnerships, joint ventures and alliances for **some of our** manufacturing and research and development. However, we do not control these partnerships and joint ventures, and actions taken by any of our partners or the termination of these partnerships or joint ventures could adversely affect our business. As part of our strategy, we **have entered into, and** may **in the future** enter into, a number of long- term strategic partnerships and alliances, including **through** mergers and acquisitions. There can be no assurances that they will be successful. If any of our current strategic partners or alliances we may engage with in the future were to encounter financial difficulties or change their business strategies, they may no longer be able or willing to participate in these groups or alliances, which could have a material adverse effect on our business, financial condition and results of operations. We may from time- to- time desire to exit certain programs or businesses, or to restructure our operations, but may not be successful in doing so. From time to time, we may decide to divest certain businesses or restructure our operations, including through the contribution of assets to joint ventures. However, our ability to successfully exit businesses, or to close or consolidate operations, depends on a number of factors, many of which are outside of our control. For example, if we are seeking a buyer for a particular business, none may be available, or we may not be successful in negotiating satisfactory terms with prospective buyers. In some cases, particularly with respect to our European operations, there may be laws or other legal impediments affecting our ability to carry out such sales or restructuring. If we are unable to exit a business in a timely manner, or to restructure our operations in a manner we deem to be advantageous, this could have a material adverse effect on our business, financial condition and results of operations. Even if a divestment is successful, we may face indemnity and other liability claims by the acquirer or other parties. A substantial portion of our revenue is derived from top customers. We cannot guarantee that we will be able to generate similar levels of revenue from our largest customers in the future. If one or more of these customers substantially reduces their purchases from us, it could have a material adverse effect on our business, financial condition and results of operations. Sales to Aptiv, a leading Tier 1 automotive supplier, represented approximately **15 %**, 37 % and 39 % of our total revenue for the years ended December 31, **2023**, 2022 and 2021, respectively. The loss of this customer would have a material adverse impact on our consolidated financial results. However, as we continue to grow our customer base organically and through business combinations, the revenue concentration with Aptiv may decrease over time. Conflict minerals disclosure regulations may require us to incur additional expenses, may result in damage to our business reputation and may adversely impact our ability to conduct our business. The U. S. Congress has enacted laws, and the SEC has adopted rules regarding enhanced disclosure requirements for companies that use specified minerals known as “ conflict minerals ” in their products. Some of these metals are commonly used in semiconductor devices, including our products. These SEC rules require companies to investigate, disclose and report whether or not such metals originated from the Democratic Republic of Congo or adjoining countries. We have numerous foreign suppliers, many of whom are not obligated by law to investigate their own supply chains. As a result, we may incur significant costs to comply with the diligence and disclosure requirements, including costs related to determining the source of any of the relevant metals used in our products. In addition, because our supply chain is with third parties, we may not be able to sufficiently verify the origin of all the relevant metals used in our products through the due diligence procedures we implement. We may also face difficulties in satisfying our customers if they require that we prove or certify that our products are “ conflict- free. ” Key components and parts that can be shown to be “ conflict- free ” may not be available to us in sufficient quantity, or at all, or may only be available at significantly higher cost to us. If we are not able to meet customer requirements, customers may discontinue purchasing from us. Any of these outcomes could adversely impact our business, financial condition or operating results. If we do not effectively manage future growth,our resources,systems and controls may be strained,and our results of operations may suffer.Future growth could strain our resources,management,information and telecommunication systems and operating and financial controls.To manage future growth effectively,we must be able to improve and expand our systems and controls,which we may not be able to do in a timely or cost- effective manner.A failure to manage any growth we may experience or improve or expand our existing systems and controls,or unexpected difficulties in doing so,could harm our business and results of operations. We have incurred a net loss since our inception. Our ability to achieve profitability will depend on increased revenue growth from, among other things, increased demand for our product offerings. We may not be successful in these pursuits, and we may never achieve profitability or sustain profitability if achieved. As of December 31, **2022-2023**, our total consolidated indebtedness was \$ **171-160. 48** million. We may also incur additional indebtedness to meet future financing needs. We may be subject to debt covenants and payment obligations that may limit our ability to operate our business. Any outstanding indebtedness, including any additional future indebtedness, combined with our other financial obligations and contractual commitments could have significant adverse consequences, including: • requiring us to dedicate a portion of our cash resources to the payment of interest and principal, reducing our cash available to fund working capital, capital expenditures, product candidate development and other general corporate purposes; • increasing our vulnerability to adverse changes in general economic, industry and market Conditions, such as interest rate fluctuations; • subjecting us to restrictive covenants that may reduce our ability to take certain corporate actions or obtain further debt or equity financing; • acceleration of payment of our debt obligations upon a default of payment; • potential loss of collateral for secured indebtedness; • limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we compete; and • placing us at a competitive disadvantage compared to our competitors that have less debt or better debt servicing options. Additionally, if we issue shares of our **Class A** common stock upon conversion of our 4. 50 % convertible notes with a principal balance of \$ 160. 0 million issued in November 2022 (the “ 2027 Notes ”), the ownership interest of our existing stockholders would be diluted. A default of our obligations regarding our debt could result in potential loss of collateral for secured indebtedness. Our ability to meet our debt servicing obligations, including our ability to make scheduled payments of the principal of, to pay interest on or to refinance the 2027 Notes, will depend on our future performance, which will be subject to financial, business and other factors affecting our operations, some

of which are beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt, including the 2027 Notes, and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to otherwise ~~settle~~ ~~finance~~ ~~settle~~ the 2027 Notes will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on the 2027 Notes. Furthermore, the 2027 Notes are our obligations exclusively and are not guaranteed by any of our operating subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, and may not be able, or may not be permitted, to make distributions to enable us to make payments on the 2027 Notes or to make any funds available for that purpose. We may not have the ability to raise the funds necessary to settle the 2027 Notes or to repurchase the 2027 Notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the 2027 Notes. Holders of the 2027 Notes may require us to repurchase their 2027 Notes upon the occurrence of a fundamental change at a repurchase price equal to 100 % of the principal amount of the 2027 Notes, plus accrued and unpaid interest, if any. In addition, upon conversion of the 2027 Notes, unless we elect to deliver solely shares of our **Class A** common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the 2027 Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of 2027 Notes being surrendered or converted. In addition, our ability to repurchase the 2027 Notes or to pay cash upon conversions of the 2027 Notes may be limited by law, by regulatory authority or by agreements governing our future indebtedness. Our failure to repurchase 2027 Notes at a time when the repurchase is required by the indenture or to pay any cash payable on future conversions of the 2027 Notes as required by the indenture would constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the 2027 Notes or make cash payments upon conversions thereof. ~~Provisions in the 2027 Indenture for the 2027 Notes may deter or prevent a business combination that stockholders may consider favorable.~~ If a fundamental change (as defined in the 2027 Notes) occurs prior to the maturity date, subject to certain limited exceptions, holders of the 2027 Notes will have the right, at their option, to require us to repurchase all or a portion of their 2027 Notes. In addition, if a make- whole fundamental change (as defined in the 2027 Notes) occurs prior to the maturity date, we will in some cases be required to increase the conversion rate for a holder that elects to convert its 2027 Notes in connection with such make- whole fundamental change. Furthermore, the 2027 Indenture for the 2027 Notes will prohibit us from engaging in certain mergers or acquisitions unless, among other things, the surviving entity assumes our obligations under the 2027 Notes. These and other provisions in the 2027 Notes could deter or prevent a third party from acquiring us even when stockholders may consider the acquisition to be favorable. The interest expense that we expect to recognize for the 2027 Notes for accounting purposes will be greater than the cash interest payments we will pay on the 2027 Notes, which will result in lower reported net income or higher reported net loss, as the case may be. In addition, we expect that the shares underlying the 2027 Notes will be reflected in our diluted earnings per share using the “ if converted ” method. However, if reflecting the 2027 Notes in diluted earnings per share is anti- dilutive, then the shares underlying the 2027 Notes will not be reflected in our diluted earnings per share. Accounting standards may change in the future in a manner that may adversely affect our diluted earnings per share. Furthermore, if any of the conditions to the convertibility of the 2027 Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the 2027 Notes as a current, rather than a long- term, liability. This reclassification could be required even if no holders convert their 2027 Notes and could materially reduce our reported working capital. In the event the conditional conversion feature of the 2027 Notes is triggered, holders of 2027 Notes will be entitled to convert the 2027 Notes at any time during specified periods at their option. If one or more holders elect to convert their 2027 Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our **Class A** common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their 2027 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2027 Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital. We are a holding company and our only material asset is our interest in ADK LLC, and we are accordingly dependent upon distributions made by our subsidiaries to pay taxes, make payments under the Tax Receivable Agreement and pay dividends. We are a holding company with no material assets other than our ownership of ADK LLC units and our managing member interest in ADK LLC. As a result, we will have no independent means of generating revenue or cash flow. Our ability to pay taxes, make payments under the Tax Receivable Agreement and pay dividends will depend on the financial results and cash flows of ADK LLC and its subsidiaries and the distributions we receive from ADK LLC. Deterioration in the financial condition, earnings or cash flow of ADK LLC and its subsidiaries for any reason could limit or impair ADK LLC’ s ability to pay such distributions. Additionally, to the extent that we need funds and ADK LLC and / or any of its subsidiaries are restricted from making such distributions under applicable law or regulation or under the terms of any financing arrangements, or ADK LLC is otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition. ADK LLC will continue to be treated as a partnership for U. S. federal income tax purposes and, as such, generally will not be subject to any entity- level U. S. federal income tax. Instead, taxable income will be allocated to holders of ADK LLC units. Accordingly, we will be required to pay income taxes on our allocable share of any net taxable income of ADK LLC. Under the terms of the Amended Operating Agreement, ADK LLC is obligated to make tax distributions to holders of ADK LLC units (including members of ADK LLC prior to the Transaction (“ indie Equity Holders ”) and us) calculated at certain assumed tax rates. In addition to tax expenses,

we will also incur expenses related to our operations, including payment obligations under the Tax Receivable Agreement (and the cost of administering such payment obligations), which could be significant. We intend to cause ADK LLC to make distributions to holders of ADK LLC units in amounts sufficient to cover all applicable taxes (calculated at assumed tax rates), relevant operating expenses, payments under the Tax Receivable Agreement and dividends, if any, declared by us. However, as discussed below, ADK LLC's ability to make such distributions may be subject to various limitations and restrictions including, but not limited to, restrictions on distributions that would either violate any contract or agreement to which ADK LLC is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering ADK LLC insolvent. If our cash resources are insufficient to meet our obligations under the Tax Receivable Agreement and to fund our obligations, we may be required to incur additional indebtedness to provide the liquidity needed to make such payments, which could materially adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders. To the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore accelerate payments due under the Tax Receivable Agreement. Additionally, although ADK LLC generally will not be subject to any entity-level U. S. federal income tax, it may be liable under recent federal tax legislation for adjustments to its tax return, absent an election to the contrary. In the event ADK LLC's calculations of taxable income are incorrect, its members, including us, in later years may be subject to material liabilities pursuant to this federal legislation and its related guidance. We anticipate that the distributions we will receive from ADK LLC may, in certain periods, exceed our actual tax liabilities and obligations to make payments under the Tax Receivable Agreement. Our ~~board~~ **Board** of ~~directors~~ **Directors**, in its sole discretion, will make any determination from time to time with respect to the use of any such excess cash so accumulated, which may include, among other uses, to acquire additional newly issued ADK LLC units from ADK LLC at a per unit price determined by reference to the market value of the Class A common stock; to pay dividends, which may include special dividends, on our Class A common stock; to fund repurchases of Class A common stock; or any combination of the foregoing. We will have no obligation to distribute such cash (or other available cash other than any declared dividend) to our stockholders. To the extent that we do not distribute such excess cash as dividends on Class A common stock or otherwise undertake ameliorative actions between ADK LLC units and shares of Class A common stock and instead, for example, hold such cash balances, holders of ADK LLC units that held interests in ADK LLC pre- Transaction may benefit from any value attributable to such cash balances as a result of their ownership of Class A common stock following an exchange of their ADK LLC units, notwithstanding that such holders may previously have participated as holders of ADK LLC units in distributions by ADK LLC that resulted in such excess cash balances held by us. Dividends on our common stock, if any, will be paid at the discretion of our ~~board~~ **Board** of ~~directors~~ **Directors**, which will consider, among other things, our business, operating results, financial condition, current and expected cash needs, plans for expansion and any legal or contractual limitations on our ability to pay such dividends. Financing arrangements may include restrictive covenants that restrict our ability to pay dividends or make other distributions to our stockholders. In addition, ADK LLC is generally prohibited under state law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of ADK LLC (with certain exceptions) exceed the fair value of its assets. ADK LLC's subsidiaries are generally subject to similar legal limitations on their ability to make distributions to ADK LLC. If ADK LLC does not have sufficient funds to make distributions, our ability to declare and pay cash dividends may also be restricted or impaired. Under the Tax Receivable Agreement, we will be required to pay 85 % of the tax benefits relating to tax depreciation or amortization deductions as a result of the tax basis step-up we receive in connection with the exchanges of ADK LLC units into our Class A common stock and related transactions, and those payments may be substantial. Certain indie Equity Holders may exchange their ADK LLC units for shares of Class A common stock pursuant to the Exchange Agreement, subject to certain conditions and transfer restrictions as set forth therein and in the Amended Operating Agreement. These exchanges are expected to result in increases in our allocable share of the tax basis of the tangible and intangible assets of ADK LLC. These increases in tax basis may increase (for tax purposes) depreciation and amortization deductions and therefore reduce the amount of income or franchise tax that we would otherwise be required to pay in the future had such exchanges never occurred. In connection with the Transaction, we entered into the Tax Receivable Agreement, which generally provides for the payment by us of 85 % of certain tax benefits, if any, that we realize (or in certain cases are deemed to realize) as a result of these increases in tax basis and certain tax attributes of the ADK Blocker Group and tax benefits related to entering into the Tax Receivable Agreement, including tax benefits attributable to payments under the Tax Receivable Agreement. These payments are the obligations of indie Semiconductor, Inc. and not of ADK LLC. The actual increase in our allocable share of ADK LLC's tax basis in its assets, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of exchanges, the market price of the Class A common stock at the time of the exchange, the extent to which such exchanges are taxable and the amount and timing of the recognition of our income. While many of the factors that will determine the amount of payments that we will make under the Tax Receivable Agreement are outside of our control, we expect that the payments we will make under the Tax Receivable Agreement will be substantial and could have a material adverse effect on our financial condition. Any payments made by us under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to us. To the extent that we are unable to make timely payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid. Furthermore, our future obligation to make payments under the Tax Receivable Agreement could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that may be deemed realized under the Tax Receivable Agreement. In certain cases, payments under the Tax Receivable Agreement may exceed the actual tax benefits we realize or may be accelerated. Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we

determine, and the Internal Revenue Service (the “ IRS ”) or another taxing authority may challenge all or any part of the tax basis increases, as well as other tax positions that we take, and a court may sustain such a challenge. In the event any tax benefits initially claimed by us are disallowed, the indie Equity Holders will not be required to reimburse us for any excess payments that may previously have been made under the Tax Receivable Agreement, for example, due to adjustments resulting from examinations by taxing authorities. Rather, excess payments made to such holders will be netted against any future cash payments otherwise required to be made by us, if any, after the determination of such excess. However, a challenge to any tax benefits initially claimed by us may not arise for a number of years following the initial time of such payment or, even if challenged early, such excess cash payment may be greater than the amount of future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement and, as a result, there might not be future cash payments from which to net against. As a result, in certain circumstances we could make payments under the Tax Receivable Agreement in excess of our actual income or franchise tax savings, which could materially impair our financial condition. Moreover, the Tax Receivable Agreement provides that, in the event that (i) we exercise our early termination rights under the Tax Receivable Agreement, (ii) we become bankrupt or undergo a similar insolvency event, (iii) certain changes of control occur (as described in the Tax Receivable Agreement) or (iv) we are more than three months late in making of a payment due under the Tax Receivable Agreement (unless we in good faith determine that we have insufficient funds to make such payment), our obligations under the Tax Receivable Agreement will accelerate and we will be required to make an immediate lump- sum cash payment to the indie Equity Holders equal to the present value of all forecasted future payments that would have otherwise been made under the Tax Receivable Agreement, which lump- sum payment would be based on certain assumptions, including those relating to our future taxable income. The lump- sum payment to the indie Equity Holders could be substantial and could exceed the actual tax benefits that we realize subsequent to such payment because such payment would be calculated assuming, among other things, that we would be able to use the assumed potential tax benefits in future years, and that tax rates applicable to us would be the same as they were in the year of the termination. There may be a material negative effect on our liquidity if the payments under the Tax Receivable Agreement exceed the actual income or franchise tax savings that we realize. Furthermore, our obligations to make payments under the Tax Receivable Agreement could also have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. We may need to incur additional indebtedness to finance payments under the Tax Receivable Agreement to the extent its cash resources are insufficient to meet our obligations under the Tax Receivable Agreement as a result of timing discrepancies or otherwise. Such indebtedness may have a material adverse effect on our financial condition. Downturns or volatility in general economic conditions could have a material adverse effect on our business, financial condition, results of operations and liquidity. Our net sales and profitability depend significantly on general economic conditions and the demand for the end products in the markets in which our customers compete. A decline in end- user demand can affect the need that customers have for our products, as well as the ability of customers to obtain credit or meet their payment obligations to us, and may increase the likelihood of customers canceling or deferring existing orders. Current and continued inflationary conditions have led, and may continue to lead to rising prices or rising interest rates, which has had, and could continue to have a dampening effect on overall economic activity and consumer demand for automotive products and could result in reduced demand for our products. Other adverse changes in economic conditions, including any recession, economic slowdown or disruption of credit markets, may also lead to lower demand for our products. Volatile and uncertain economic conditions can make it difficult to accurately forecast and plan future business activities. This could result in an oversupply of products relative to customer demand. **In addition, Uncertain general economic conditions, any disruption in the credit markets, including as a result of geopolitical events factors, such as the ongoing trade disputes between the United States and China, the ongoing conflict in the Middle East and Ukraine, volatile macroeconomic conditions and public health crises, or such as the COVID- 19 pandemic, may also cause weakness in demand and pricing or for semiconductors across applications, and excess inventory resulting in downturns in the semiconductor industry. In recent years, unfavorable economic conditions have also adversely impacted several financial institutions, and some banks have recently failed and gone into receivership. If banks and other financial institutions with whom we have banking relationships enter receivership or become insolvent in the future, we may be unable to access, and we may lose, some or all of our existing cash and cash equivalents to the extent those funds are not insured or otherwise protected by the FDIC. In addition, any disruption in the credit markets, including as a result of geopolitical events, volatile macroeconomic conditions, or public health crises, could impede our access to additional capital.** If there is limited access to additional financing sources, we may be required to defer capital expenditures or seek other sources of liquidity, which may not be available on acceptable terms or at all. Similarly, if our suppliers face challenges in obtaining credit or other financial difficulties, they may be unable to provide the necessary materials or services to us. All of these factors related to global economic conditions, which are beyond our control, could adversely impact our business, financial condition, results of operations and liquidity. We operate in various worldwide locations and our consolidated financial results are reported in U. S. dollars. However, some of the revenue and expenses of our foreign subsidiaries are denominated in local currencies. Fluctuations in foreign exchange rates against the U. S. dollar could result in changes in reported revenues and operating results due to the foreign exchange impact of translating these transactions into U. S. dollars. Currency fluctuations could decrease revenue and increase our operating costs. Though we have exposure to fluctuations in currency exchange rates, historically, the impact has generally not been material to our consolidated results of operations or financial position. Our worldwide operations are subject to political, economic and health risks and natural disasters, including the ongoing effects of the COVID- 19 pandemic or other future health crises, which could have a material adverse effect on our business operations. Our business may be impacted by natural disasters, labor strikes, terrorism, war, intensified political unrest, or public health crises, which could disrupt our operations, or those of our suppliers or contract manufacturing facilities, disrupt our distribution channels or supply chains, delay new production and shipments of existing products or result in costly repairs, replacements or other costs, all of

which would negatively impact our business. **For example, the recent conflict in the Middle East has created global political and economic uncertainty, which may impact to our business, customers, suppliers, employees and operations in Israel, the Middle East and elsewhere**. Such events may also result in significant increases in the prices of raw materials used for manufacturing processes. Furthermore, any disaster affecting our customers (or their respective customers) may significantly negatively impact the demand for our products and therefore our revenue. Our offices in California, the production facilities of third-party wafer suppliers, integrated circuit testing and manufacturing facilities, a portion of our assembly and research and development activities, and certain other critical business operations are located in or near seismically active regions and are subject to periodic earthquakes. We do not maintain earthquake insurance and could be materially and adversely affected in the event of a major earthquake. In addition, we rely heavily on internal information and communications systems and on systems or support services from third parties to manage our operations efficiently and effectively. Any of these are subject to failure due to a natural disaster or other disruptions. System-wide or local failures that affect our information processing could have material adverse effects on our business, financial condition, results of operations and cash flows. There is also increasing concern that climate change may cause a rising number of these natural disasters with potentially dramatic effects on human activity. In addition, public health crises, such as the COVID-19 pandemic and the efforts to control such crises, have impacted, and could in the future impact our workforce and operations, and those of our customers, suppliers and logistics providers. We have experienced, and expect to continue to experience, disruption to parts of our global semiconductor supply chain and disruptions in commercial transportation infrastructure that have resulted in increased customer order lead times as a result of the COVID-19 pandemic, and future public health crises could have a similar impact on our operations. The degree to which the COVID-19 pandemic or other future public health crises ultimately impacts our business and results of operations depend on many factors beyond our control and cannot be predicted. **Risks Related to Our Intellectual Property, Technology and Cybersecurity** We rely to a significant extent on proprietary intellectual property. We may not be able to protect this intellectual property against improper use by our competitors or others. Our success and future revenue growth depend, in part, on our ability to protect our proprietary technology, products, designs and fabrication processes, and other intellectual property, against misappropriation by others. We primarily rely on patent, copyright, trademark and trade secret laws, as well as nondisclosure agreements and other methods, to protect our intellectual property. We may have difficulty obtaining patents and other intellectual property rights to protect our proprietary products, technology and intellectual property, and the patents and other intellectual property rights received may be insufficient to provide us with meaningful protection or commercial advantage. We may not obtain patent protection or secure other intellectual property rights in all the countries in which we operate, and under the laws of such countries, patents and other intellectual property rights may be or become unavailable or limited in scope. Even if new patents are issued, the claims allowed may not be sufficiently broad to effectively protect proprietary technology, processes and other intellectual property. In addition, any of our existing patents, and any future patents issued, may be challenged, invalidated or circumvented. Further, proprietary technology, designs and processes and other intellectual property may be vulnerable to disclosure or misappropriation by employees, contractors and other persons. It is possible that competitors or other unauthorized third parties may obtain, copy, use or disclose our proprietary technologies, products, designs, processes and other intellectual property despite efforts to protect intellectual property. While we have a number of patent filings in process, there can be no assurances that these patents will be issued or that any rights will be granted and provide meaningful protection against misappropriation of intellectual property. Competitors may also be able to develop similar technology independently or design around our patents. We may not have or pursue patents or pending applications in all the countries in which we operate corresponding to all primary patents and applications. Even if patents are granted, effective enforcement in some countries may not be available. In particular, intellectual property rights are difficult to enforce in countries where the application and enforcement of the laws governing such rights may not have reached the same level as compared to other jurisdictions where we operate. Consequently, operating in some countries may subject us to an increased risk that unauthorized parties may attempt to copy or otherwise use intellectual property or the intellectual property of suppliers or other parties with whom we engage. There is no assurance that we will be able to protect our intellectual property rights or have adequate legal recourse in the event that we seek legal or judicial enforcement of our intellectual property rights under the laws of such countries. Any inability on our part to adequately protect our intellectual property may have a material adverse effect on our business, financial condition and results of operations. We may become party to intellectual property claims or litigation that could cause us to incur substantial costs, pay substantial damages or prohibit us from selling our products. The semiconductor industry is characterized by frequent litigation regarding patent and other intellectual property rights. From time to time, we may receive communications from third parties that allege that our products or technologies infringe their patent or other intellectual property rights. Lawsuits or other proceedings resulting from allegations of infringement could subject us to significant liability for damages, invalidate our proprietary rights and adversely affect our business. In the event that any third party succeeds in asserting a valid claim against us or any of our customers, we could be forced to do one or more of the following: • discontinue selling, importing or using certain technologies that contain the allegedly infringing intellectual property which could cause us to stop manufacturing certain products; • seek to develop non-infringing technologies, which may not be feasible; • incur significant legal expenses; • pay substantial monetary damages to the party whose intellectual property rights we may be found to be infringing; and / or • we or our customers could be required to seek licenses to the infringed technology that may not be available on commercially reasonable terms, if at all. If a third party causes us to discontinue the use of any technologies, we could be required to design around those technologies. This could be costly and time consuming and could have an adverse effect on our financial results. Any significant impairments of intellectual property rights from any litigation we face could materially and adversely impact our business, financial condition, results of operations and our ability to compete. Certain software that we use in our products is licensed from third parties and may not be available to us in the future, which may delay product development and production or cause us to incur additional expense. Some of our solutions contain software licensed

from third parties, some of which may not be available to us in the future on terms that are acceptable to us or allow our products to remain competitive. The loss of these licenses or the inability to maintain any of them on commercially acceptable terms could delay development of future products or the enhancement of existing products. Interruptions in our ~~computer information~~ systems, ~~or networks or information technology systems~~, including attempted security breaches and other cybersecurity incidents, could adversely affect our business. We rely on the efficient and uninterrupted operation of complex information technology applications, **including third- party cloud applications**, systems and networks to operate our business. The reliability and security of information technology infrastructure and software, and our ability to expand and continually update technologies in response to changing needs is critical to our business. Any significant interruption in these applications, systems or networks, including but not limited to new system implementations, computer viruses, ~~cyberattacks~~, ~~security~~ **cybersecurity breaches incidents**, facility issues or energy blackouts, could have a material adverse impact on our business, financial condition and results of operations. Our business also depends on various outsourced IT services. We rely on third-party vendors to provide critical services and to adequately address ~~cyber security~~ **cybersecurity** threats to their own systems. Any failure of third- party systems and services to operate effectively could disrupt our operations and could have a material adverse effect on our business, financial condition and results of operations. **Cybersecurity incidents involving** ~~Cyber-attacks attempting to obtain access to our computer information~~ systems and networks could result in the misappropriation of proprietary information and technology. Although we have taken steps to protect the security of our ~~computer information~~ systems and networks and the data maintained in those systems and networks, **if we may experience cybersecurity incidents of varying degrees. It** is possible that our **current information systems and cybersecurity risk management processes**, safety and security measures will not prevent ~~the~~ **against** improper access or, **data loss**, disclosure of such proprietary information ~~such as~~, **or business disruptions** in the event of ~~cyber-attacks~~ **a cybersecurity incident. We continue to develop our cybersecurity risk management processes, including hiring additional personnel and implementing tools, to address an increasingly complex cybersecurity threat landscape, but we cannot assure you that our safety and security measures will prevent all cybersecurity incidents and we may not have sufficient resources to adequately protect against, or to investigate and remediate against all cybersecurity incidents**. Additionally, external events, like the conflict between Russia and Ukraine, can increase the likelihood of ~~cyber-attacks~~ **cybersecurity incidents** ~~cyber-attacks~~. There can be no assurance that any ~~cybersecurity breach or incident~~ will not have a material impact on our operations and financial results. **In the current environment, there** ~~There~~ are **many numerous and** evolving risks to cybersecurity, **data protection** and privacy, including criminal hackers, state- sponsored intrusions, industrial espionage, employee malfeasance, and human or technological error. In the event of ~~such a security breaches~~ **breach or other cybersecurity incident**, ~~us we~~, our customers or other third parties could be exposed to potential liability, litigation, and regulatory action, as well as the loss of existing or potential customers, damage to reputation, and other financial loss. In addition, the cost and operational consequences of responding to ~~security~~ **breaches and other cybersecurity incidents** and implementing remediation measures could be significant. We could also be impacted by existing and proposed laws and regulations, as well as government policies and practices related to cybersecurity, privacy and data protection. **Cybersecurity incidents** ~~Cyber-attacks or other catastrophic events~~ could result in interruptions or delays to us, our customers, or other third- party operations or services, financial loss, potential liability, and damage to our reputation and affect our relationships with customers and suppliers. Further, we may be subject to theft, loss, or misuse of personal and confidential data regarding our employees, customers and suppliers that is routinely collected, used, stored, and transferred to run our business. Such theft, loss, or misuse could result in significantly increased business and security costs or costs related to defending legal claims. Global privacy, **data protection and cybersecurity** legislation, enforcement, and policy activity ~~in this area~~ are rapidly expanding and creating a complex regulatory compliance environment. In addition, even inadvertent failure to comply with federal, state, or international privacy- related ~~or~~, **data protection or cybersecurity** laws and regulations could result in proceedings against us by governmental entities or others. Our costs to comply with and implement these ~~privacy-related and data protection~~ measures could be significant. Our failure, or the failure of our customers, to comply with the large body of laws and regulations to which we are subject could have a material adverse effect on our business and operations. We are subject to regulation by various governmental agencies in the United States and other jurisdictions in which we operate. These include traditional automotive quality standards and regulations as well as international trade regulations. Our failure to comply with any applicable regulations or requirements could subject us to investigations, sanctions, enforcement actions, fines, damages, penalties, or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, financial condition and results of operations could be materially and adversely affected. In addition, responding to any action will likely result in a significant diversion of management' s attention and financial resources. Furthermore, if our customers fail to comply with these regulations, we may be required to suspend sales to these customers, which could damage our reputation and negatively impact our results of operations. Our business may be adversely affected by costs relating to product defects, and we could be faced with product liability claims. There is a risk that defects may occur in our products. We make highly complex integrated circuits and our customers typically integrate the semiconductors we sell into numerous automotive products, which are then sold into the marketplace. A defect in any of our products could give rise to significant costs, including expenses relating to recalling the products, replacing defective items and writing down defective inventory as well as lead to the loss of potential sales. In addition, the occurrence of such defects may give rise to product liability claims, including liability for damages caused by such defects if our semiconductors or the consumer products based on them malfunction and result in personal injury or death. Such claims could result in significant costs and expenses relating to damages and attorneys' fees. Moreover, since the cost of replacing defective semiconductor devices is often much higher than the value of the devices themselves, we may at times face damage claims from customers that are in excess of the amounts paid to us for products, including consequential damages. We may even be named in product liability claims where there is no evidence that our products caused the damage in question. Additionally, customers may recall

their end products if they prove to be defective or they may make compensatory payments in accordance with industry or business practice or in order to maintain good customer relationships. If such a recall or payment is caused by a defect in one of our products, customers may seek to recover all or a portion of their losses from us. If any of these risks materialize, our reputation would be harmed and there could be a material adverse effect on our business, financial condition and results of operations. We may face significant warranty claims. Our semiconductor devices are sold with warranties. The warranty for our products requires us to repair or replace products that are deficient. As a result, we bear the risk of warranty claims on all products we supply, including those manufactured by third parties. There can be no assurance that we will be successful in claiming under any warranty or indemnity provided to us by our suppliers or vendors in the event of a successful warranty claim against us by a customer, or that any recovery from such vendor or supplier would be adequate. Although we haven't historically experienced deficient warranty reserves, there is a risk that warranty claims made against us will exceed our warranty reserve and could have a material adverse effect on our financial condition, results of operations, business and / or prospects. Significant litigation could impair our reputation and cause us to incur substantial costs. We may be party to various lawsuits and claims arising in the ordinary course of business, including claims relating to intellectual property, customer contracts, employment matters, third-party manufacturers or subcontractors, or other aspects of our business. Litigation, regardless of outcome, could result in substantial costs, reputational harm and a diversion of management's attention and resources. The outcome of litigation is often difficult to predict, and any litigation may have a material adverse effect on our business, financial condition, results of operations and cash flows. Our business and operations could be negatively affected if it becomes subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of our business and growth strategy and impact our stock price. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Stockholder activism, which could take many forms or arise in a variety of situations, has been increasing recently. Volatility in the stock price of our Class A common stock, allegations arising in connection with the Transaction or other reasons may in the future cause us to become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert management's and our **board** **Directors** of **Directors** attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism. We are subject to export restrictions and laws affecting trade and investments that could materially and adversely affect our business and results of operations. We have material operations and relationships in China, including an interest in Wuxi indie Microelectronics Technology Co., Ltd. ("Wuxi"), a partially-owned Chinese subsidiary. Since the beginning of 2018, there have been several instances of U. S. tariffs on Chinese goods, some of which prompted retaliatory Chinese tariffs on U. S. goods. In May 2019, the U. S. president issued an executive order that invoked national emergency economic powers to implement a framework to regulate the acquisition or transfer of information communications technology in transactions that imposed undue national security risks. These actions could lead to additional restrictions on the export of products that include or enable certain technologies, including products we provide to China-based customers. The institution of trade tariffs both globally and between the U. S. and China specifically carries the risk of negatively affecting China's overall economic condition, which could have a negative impact on us as we have significant operations in China. Furthermore, the imposition of tariffs could cause a decrease in the sales of products to customers located in China or other customers selling to Chinese end users, which could materially and adversely affect our business, financial condition and results of operations. We are subject to U. S. laws and regulations that could limit and restrict the export of some products and services and may restrict transactions with certain customers, business partners and other persons, including, in certain cases, dealings with or between our employees and subsidiaries. In certain circumstances, export control and economic sanctions regulations may prohibit the export of certain products, services and technologies and in other circumstances we may be required to obtain an export license before exporting the controlled item. Compliance with these laws and regulations could materially limit operations or sales, which would materially and adversely affect our business and results of operations. In addition, U. S. laws and regulations and sanctions, or threat of sanctions, that could limit and restrict the export of some of our products and services to customers, may also encourage customers to develop their own solutions to replace our products, or seek to obtain a greater supply of similar or substitute products from competitors that are not subject to these restrictions, which could materially and adversely affect our business, financial condition and results of operations. Changes in domestic or international changes in tax rates, the adoption of new tax laws or other exposure to additional tax liabilities could adversely affect our results of operations and financial condition. We are subject to income and other taxes in both the United States and various foreign jurisdictions. Changes to sustained yield or regulations in the jurisdictions in which we operate, or in the interpretation of such laws or regulations, could significantly increase our effective tax rate and reduce cash flow from operating activities, and otherwise have a material adverse effect on our financial condition. In addition, other factors or events, including business combinations and investment transactions, changes in the valuation of deferred tax assets and liabilities, adjustments to taxes upon finalization of various tax returns or as a result of deficiencies asserted by taxing authorities, increases in expenses not deductible for tax purposes, changes in available tax credits, changes in transfer pricing methodologies, other changes in the apportionment of income and other activities among tax jurisdictions, and changes in tax rates, could also increase our effective tax rate. Our tax filings are subject to review or audit by the U. S. Internal Revenue Service (the "IRS") and state, local and foreign taxing authorities. We exercise significant judgment in determining our worldwide provision for taxes and, in the ordinary course of business, there may be transactions and calculations where the proper tax treatment is uncertain. Our determinations are not binding on the IRS or any

other taxing authorities, and accordingly the final determination in an audit or other proceeding may be materially different than the treatment reflected in our tax provisions, accruals and returns. An assessment of additional taxes because of an audit could have a material adverse effect on our business, financial condition, results of operations and cash flows. Failure to comply with anti-corruption laws or violations of our internal policies designed to ensure ethical business practices could cause damage to our reputation, adversely affect our business and could result in substantial fines, sanctions, and criminal or civil penalties. We operate in a number of countries throughout the world, including in countries that do not have as strong a commitment to anti-corruption and ethical behavior as is required by U. S. laws or by corporate policies. We are subject to the risk that us, our U. S. employees or our employees located in other jurisdictions or any third parties that we engage to do work on our behalf in foreign countries may take action determined to be in violation of anti-corruption laws in any jurisdiction in which we conduct business, including the U. S. Foreign Corrupt Practices Act of 1977 (the "FCPA"). In addition, we operate in certain countries in which the government may take an ownership stake in an enterprise and such government ownership may not be readily apparent (thereby increasing potential FCPA violations). Any violation of the FCPA or any similar anti-corruption law or regulation could result in substantial fines, sanctions, civil and / or criminal penalties and curtailment of operations in certain jurisdictions and might adversely affect our business, results of operations or financial condition. In addition, we have internal ethics policies that we require our employees to comply with in order to ensure that our business is conducted in a manner that our management deems appropriate. If these anti-corruption laws or internal policies were to be violated, our reputation and operations could also be substantially harmed. In order to comply with environmental and occupational health and safety laws and regulations, we may need to modify our activities or incur substantial costs, liabilities, obligations and fines, or require us to have suppliers alter their processes. The semiconductor industry is subject to a variety of international, federal, state, local and non-U. S. laws and regulations governing pollution, environmental protection and occupational health and safety. Compliance with current or future environmental and occupational health and safety laws and regulations could restrict our ability to expand our business or require us to modify processes or incur other substantial expenses which could harm business. Environmental and occupational health and safety laws and regulations have tended to become more stringent over time, causing a need to redesign technologies, imposing greater compliance costs and increasing risks and penalties associated with violations, which could seriously harm business. **Additionally, companies across many industries are facing increasing attention on environmental, social, and governance ("ESG") matters. Expanding mandatory and voluntary reporting, diligence, and disclosure on ESG topics such as climate change, carbon emissions, water usage, waste management, human capital, forced labor, and risk oversight, may expand the nature, scope, and complexity of matters that we are required to control, assess, and report. We expect these rapidly changing laws, regulations, policies, interpretations, and expectations, as well as increased enforcement actions by various governmental and regulatory agencies, will continue to increase the cost of our compliance and risk management programs, which could have a material adverse effect on our business, results of operations, and financial condition. If our ESG practices and disclosures do not meet the expectations and standards of our stockholders, customers, and other industry stakeholders, our reputation and business activities also may be negatively impacted.** A majority of our consolidated revenue is generated from product sales with a final shipping destination in China, and a portion of our operations are conducted in China through Wuxi, our Chinese subsidiary that we control, and therefore, we face additional risks and uncertainties related to doing business in China in general, including but not limited to the following: The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly enhanced the protection afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Uncertainties in the interpretation and enforcement of Chinese laws and regulations could limit the legal protections available to us. The PRC legal system is based on written statutes and prior court decisions have limited value as precedents. Since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties. From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights, including the legal rights of our China subsidiary. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules. As a result, we may not be able to keep ourselves updated with these policies and rules in time. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, could materially and adversely affect our business and impede our ability to continue our operations, including the operations of our China subsidiary. Changes in China's economic, political and social conditions, as well as changes in any government policies, laws and regulations may be quick with little advance notice and could have a material adverse effect on our China subsidiary's business our results of operations. A portion of our operations is conducted through Wuxi and a majority of our consolidated

revenues were generated from product sales with a final shipping destination in China. Accordingly, our business, financial condition, results of operations, prospects and certain transactions we may undertake may be subject, to a significant extent, to economic, political and legal developments in China. China's economy differs from the economies of most developed countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the PRC economy has experienced significant growth in the past two to three decades, growth has been uneven, both geographically and among various sectors of the economy. Demand for our products and the products of Wuxi depends, in part, on economic conditions in China. Any slowdown in China's economic growth may cause our potential customers to delay or cancel their plans to purchase our products and the products of Wuxi, which in turn could reduce our revenues. Although China's economy has been transitioning from a planned economy to a more market-oriented economy since the late 1970s, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth through allocating resources, controlling the incurrence and payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Changes in any of these policies, laws and regulations may be quick with little advance notice and could adversely affect the economy in China and could have a material adverse effect on our business, the business of our China subsidiary and the value of our common stock. The PRC government has implemented various measures to encourage foreign investment and sustainable economic growth and to guide the allocation of financial and other resources. However, we cannot assure you that the PRC government will not repeal or alter these measures or introduce new measures that will have a negative effect on us, or more specifically, we cannot assure you that the PRC government will not initiate possible governmental actions or scrutiny to us, which could substantially affect the operation of our China subsidiary, the operations of our customers, and the value of our common stock. Our China subsidiary may be limited in its ability to make payments, dividends or other distributions to us. Although Wuxi has not historically paid dividends or made distributions on equity to ADK LLC, it may be limited in its ability to make such distributions in the future. If Wuxi incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. In addition, the PRC tax and other authorities may require Wuxi to adjust its taxable income in a manner that would materially and adversely affect its ability to pay dividends and other distributions to us. Governmental control of currency conversion may limit our ability to utilize our net revenues effectively and affect the value of our securities. The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. Wuxi receives substantially all of its revenues in RMB. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, we believe Wuxi would be able to pay dividends in foreign currencies to ADK LLC without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulation, such as the overseas investment registrations by the beneficial owners of our company who are PRC residents. But approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. In light of the flood of capital outflows of China in 2016 due to the weakening RMB, the PRC government has imposed more restrictive foreign exchange policies and stepped-up scrutiny of major outbound capital movement. More restrictions and substantial vetting processes are put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents Wuxi from obtaining sufficient foreign currencies to satisfy its foreign currency demands, Wuxi may not be able to pay dividends in foreign currencies to ADK LLC. Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions. In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-Listed Companies, replacing earlier rules promulgated in March 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a qualified domestic agent, and complete certain other procedures. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiary and limit Wuxi's ability to distribute dividends to ADK LLC. Wuxi also faces regulatory uncertainties that could restrict its ability to adopt additional incentive plans for its directors, executive officers and employees under PRC law. In light of recent events indicating greater oversight by the Cyberspace Administration of China over data security, particularly for companies seeking to list on a foreign exchange, though such oversight is not applicable to us, we may be subject to a variety of PRC laws and other obligations regarding data protection and any other rules, and any failure to comply with applicable laws and obligations could have a material and adverse effect on our business, our listing on the Nasdaq Capital Market, financial condition, and results of operations. Even though, currently, we and Wuxi are not subject to PRC laws relating to the collection, use, sharing, retention, security, and transfer of confidential and private information, such as personal information and other data, these laws continue to develop, and the PRC government may adopt other rules and restrictions in the future. Non-compliance could result in penalties or other significant legal liabilities. The Cybersecurity Law, the Cybersecurity Review Measures and the PRC's Data Security Law impose regulations, review and conditions on the storage, security, purchase, collection and use of personal information and important data collected and generated by a critical information infrastructure

operator (“ CIIO ”) in the course of its operations in China, including on the purchase of data affecting national security. The exact scope of what constitutes a “ CIIO ” remains unclear. Further, the PRC government authorities may have wide discretion in the interpretation and enforcement of these laws. While our business and Wuxi’ s business do not currently include the type of activities subject to this regulation, there remains uncertainty about the final content of these and other regulations, interpretation and implementation, and various other implications. It also remains uncertain whether any future regulatory changes would impose additional restrictions on companies like us and Wuxi. As of the date of this report, we have not received any notice from any authorities identifying us or Wuxi as a CIIO or requiring us to undertake a cybersecurity review by the CAC. Further, we have not been subject to any penalties, fines, suspensions, or investigations from any competent authorities for violation of the regulations or policies that have been issued by the CAC to date. We believe that neither we nor Wuxi are subject to the cybersecurity review by the CAC, given that we are a manufacturer and not engaged in any operation of information infrastructure. However, there remains uncertainty as to how the regulations will be interpreted or implemented and whether the PRC regulatory agencies, including the CAC, may adopt new laws, regulations, rules, or detailed implementation and interpretation. If any such new laws, regulations, rules, or implementation and interpretation come into effect, we expect to take all reasonable measures and actions to comply, but any such future laws, regulations or review could be time- consuming and costly to comply with, and could have a material impact on our and our Wuxi’ s operations and financial results. We may not be able to timely and effectively implement and maintain controls and procedures required by Section 404 of the Sarbanes- Oxley Act that are applicable to us, which could result in materially misstated financial reporting. As a public company, we are required to comply with the SEC’ s rules implementing Sections 302 and 404 of the Sarbanes- Oxley Act, which require management to establish and periodically evaluate procedures with respect to our internal controls over financial reporting. In addition, as a public company, we are required to document and test our internal controls over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act so that our management can certify the effectiveness of our internal controls over financial reporting. Section 404 (a) of the Sarbanes- Oxley Act (“ Section 404 (a) ”) requires that management assess and report annually on the effectiveness of our internal controls over financial reporting and identify any material weaknesses in our internal controls over financial reporting. Although Section 404 (b) of the Sarbanes- Oxley Act (“ Section 404 (b) ”) requires our independent registered public accounting firm to issue an annual report that addresses the effectiveness of our internal controls over financial reporting, we **historically relied have opted to rely** on the exemptions provided in the JOBS Act, and consequently ~~will were~~ not be required to comply with SEC rules that implement Section 404 (b) ~~until such time as~~. **As of December 31, 2023,** we are no longer an “ emerging growth company. ” **In order As a result, we are now required** to comply with these rules, we expect to incur additional expenses and devote increased management effort. If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results. As a result, our stakeholders could lose confidence in our financial reporting, which could adversely affect the results of our business and our enterprise value. In connection with our assessment of internal control over financial reporting, we identified ~~certain~~ material weaknesses in our internal control over financial reporting **as of for the years ended December 31, 2022 2023 and 2021** (see Item 9A. Controls and Procedures for additional detail). **While The deficiencies above led to certain misstatements which were corrected prior to the issuance of the current year financial statements, these These** material weaknesses ~~did not result in create a reasonable possibility that~~ **material misstatements of to our consolidated financial statements may not be prevented or detected in a timely manner. Accordingly, management concluded that** the Company’ s financial statements ~~as of and for the years ended December 31, 2022 and 2021, these material weaknesses create a reasonable possibility that a material misstatement of account balances or disclosures in our consolidated financial statements may not be prevented or detected in a timely manner. Accordingly, the Company concluded that the deficiencies represent material weaknesses in its internal control over financial reporting was and certain aspects of its internal control over financial reporting were not effective as of December 31, 2022 2023 and 2021.~~ The disclosure of these material weaknesses, even if quickly remediated, could reduce the market’ s confidence in our financial statements and harm our enterprise value. We will need to undertake significant efforts to strengthen our processes and systems and adapt them to changes as our business evolves (including with respect to being a publicly traded company). This continuous process of maintaining and adapting our internal controls is expensive and time- consuming, and requires significant management attention. We cannot be certain that our internal control measures will provide adequate control over our financial processes and reporting. Furthermore, as our business evolves, and if we expand through acquisitions of other companies, make significant investments in other companies or enter into joint development and similar arrangements, our internal controls may become more complex, and we will require significantly more resources to ensure our internal controls remain effective. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm identify material weaknesses, the disclosure of that fact, even if quickly remediated, could reduce the market’ s confidence in our financial statements and harm our enterprise value. We ~~have and will continue to incur significantly~~ **significant increased** expenses and administrative burdens as a public company, which could have a material adverse effect on our business, financial condition and results of operations. ~~We face increased~~ **As a public company, we incur significant** legal, accounting, administrative and other costs and expenses ~~as a public company that we did not incur as a private company.~~ The Sarbanes- Oxley Act, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd- Frank Act and the rules and regulations promulgated and to be promulgated thereunder, the Public Company Accounting Oversight Board and the securities exchanges, impose ~~additional various~~ reporting and other obligations on public companies. **These Compliance with public company rules and regulations requirements** ~~requires our management and other personnel to devote a substantial amount of time to compliance with these obligations. Moreover, these rules and regulations contribute to increases increased legal and financial compliance costs and makes make certain some~~ activities **costly, including** more time- consuming. A number of those requirements require us to carry out activities we

did not do previously. For example, we created new board committees and adopted new internal controls and disclosure controls and procedures. In addition, additional expenses associated with meeting SEC reporting requirements will be. **These increased costs, which have incurred included expanding our employee base and hiring additional employees to support our operations as a public company, require us to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. It is also expensive to maintain director and officer liability insurance. Risks associated with our status as a public company may also make it more difficult to attract and retain qualified persons to serve on the Board of Directors or as executive officers. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs.** Furthermore, if any issues in complying with those requirements are identified (for example, **if the auditors identify identified a material weakness weaknesses or significant deficiency deficiencies** in our internal control over financial reporting), we **have in the past, and could in the future,** incur additional costs rectifying those issues, and the existence of those issues could adversely affect our reputation or investor perceptions of it. In connection with our assessment of internal control over financial reporting, we identified certain material weaknesses in our internal control over financial reporting **as of for the years ended December 31, 2022-2023 and 2021** (see Item 9A. Controls and Procedures for additional detail). **As** It is also more expensive to obtain director and officer liability insurance. Risks associated with our status as a public company may also make it more difficult to attract and retain qualified persons to serve on the board of **December 31** directors or as executive officers. Additionally, **2023, we are** certain of our executive officers and certain directors have limited experience in the management of a publicly traded company. Our management team may not- **no longer** successfully or effectively manage its transition to a public company that is subject to significant regulatory oversight and reporting obligations under federal securities laws. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs, which may include expanding our employee base and hiring additional employees to support our operations as a public company, will require us to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs. We qualify as an “emerging growth company” within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, we could make our securities less attractive to investors and may make it more difficult to compare our performance to the performance of other public companies. We qualify as an “emerging growth company” as defined **under** in Section 2 (a) (19) of the Securities Act, as modified by the JOBS Act. As such, we are eligible for and intend **will no longer be able** to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not **applicable to** emerging growth companies for as long as. **In particular,** we continue **are now required** to be an emerging growth, **among other things,** company **comply with**, including (a) the exemption from the auditor attestation requirements of with respect to internal control over financial reporting under Section 404 (b) of the Sarbanes- Oxley Act, **provide additional** (b) the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements and (c) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. **We will remain an and** emerging growth company until the earliest of (i) the last day of the fiscal year in which the market value of common stock that is held **hold a nonbinding advisory vote** by non-affiliates exceeds \$ 700.0 million as of June 30 of that fiscal year, (ii) the last day of the fiscal year in which we have total annual gross revenue of \$ 1.235 billion or more during such fiscal year (as indexed for inflation), (iii) the date on **executive compensation** which we have issued more than \$ 1 billion in non-convertible debt in the prior three-year period or (iv) December 31, 2024. In addition, Section 107 of **we will no longer be able to use** the **extended transition period for** JOBS Act also provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards **available** provided in Section 7 (a) (2) (B) of the Securities Act as long as it is an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to opt out of such extended transition period and, therefore, we may not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. Investors **Such changes** may **require us to incur additional costs** find our securities less attractive because we will rely on these exemptions, which may result in a less active trading market for **compliance** our securities. There can be no assurance we will be able to comply with the continued listing standards of Nasdaq for our Class A common stock **and public warrants**. Our Class A common stock **is** and public warrants are currently listed on the Nasdaq Stock Market. In order to maintain such listing, we must satisfy minimum financial and other continued listing requirements and standards, including those regarding director independence and independent committee requirements, minimum stockholders’ equity, minimum share price, and certain corporate governance requirements. There can be no assurances that we will be able to comply with the applicable listing standards. Although we are currently in compliance with such listing standards, we may in the future fall out of compliance with such standards. If we are unable to maintain compliance with these Nasdaq requirements, our Class A common stock **and public warrants** will be delisted from Nasdaq. If Nasdaq delists our Class A common stock **and public warrants** from trading on its exchange for failure to meet the listing standards, we and our security holders could face significant material adverse consequences including: • a limited availability of market quotations for our securities; • reduced liquidity for our securities; • a determination that shares of the Class A common stock are “ penny stock ” which will require brokers trading in the Class A common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities; • a limited amount of news and analyst coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future. **We may redeem our unexpired public warrants prior to their exercise at a time that is disadvantageous to the holder, thereby making such warrants worthless. We have the ability to redeem our outstanding public warrants at any time after they become exercisable and prior to**

their expiration, provided that the last reported sales price of our Class A common stock equals or exceeds \$ 18. 00 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date we send the notice of such redemption to the public warrant holders and if there is a current registration statement in effect with respect to the shares of Class A common stock underlying such public warrants at the redemption date and for the entire 30-day trading period and continuing each day thereafter until the date of redemption. If and when the public warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding public warrants could force the public warrant holder (i) to exercise such public warrants and pay the exercise price therefor at a time when it may be disadvantageous for the public warrant holder to do so, (ii) to sell such public warrants at the then-current market price when the public warrant holder might otherwise wish to hold its public warrants or (iii) to accept the nominal redemption price which, at the time the outstanding public warrants are called for redemption, is likely to be substantially less than the market value of the public warrant holder's warrants. We have outstanding warrants to purchase up to 27, 400, 000 shares of our Class A common stock, including 17, 250, 000 public warrants, 8, 650, 000 private placement warrants and 1, 500, 000 sponsor warrants. To the extent such warrants are exercised, additional shares of our Class A common stock will be issued, which will result in dilution to our stockholders and increase the number of shares of Class A common stock eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our Class A common stock. An investment in our Class A common stock may be diluted by the future issuance of additional Class A common stock or LLC Units in connection with our incentive plans, acquisitions or otherwise. As of December 31, 2022-2023, we have 250-400, 000, 000 shares of Class A common stock authorized, including 21-18, 381-694, 476-332 shares of Class A common stock issuable upon exchange of ADK LLC units that are held by certain indie Equity Holders, 27, 400, 000 shares of Class A common stock issuable upon exercise of the warrants, 5, 000, 000 shares of Class A common stock issuable upon achievement of earn-out and 10- 259-6, 207-755, 699 shares of Class A common stock reserved for issuance under the Equity Incentive Plan and 4, 288, 027 shares of Class A common stock reserved for issuance under the 2023 Inducement Incentive Plan as described below. **Additionally, in connection with our recent acquisitions, we may elect to pay certain contingent considerations due upon achievement of milestone targets in shares of Class A common stock.** Our Certificate of Incorporation authorizes us to issue these shares of Class A common stock and options, rights, warrants and appreciation rights relating to Class A common stock for the consideration and on the terms and conditions established by our ~~board Board~~ of ~~directors Directors~~ in its sole discretion, whether in connection with acquisitions or otherwise. Similarly, the Amended Operating Agreement permits ADK LLC to issue an unlimited number of additional limited liability company interests of ADK LLC with designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to the ADK LLC units, and which may be exchangeable for shares of Class A common stock. Any Class A common stock that we issue, including under the Equity Incentive Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by the investors who own shares of Class A common stock. As of December 31, 2022-2023, 129-164, 265-979, 882-958 shares of Class A common stock have been issued. There may be sales of a substantial amount of Class A common stock by our stockholders and these sales could cause the price of our securities to fall. Pursuant to registration rights we have granted to certain stockholders, certain stockholders are entitled to demand that we register the resale of their securities subject to certain minimum requirements. These parties may sell large amounts of our Class A common stock in the open market or in privately negotiated transactions, which could have the effect of increasing the volatility in the share price of Class A common stock or putting significant downward pressure on the price of our Class A common stock. Sales of substantial amounts of our Class A common stock in the public market, or the perception that such sales will occur, could adversely affect the market price of our Class A common stock and make it difficult for us to raise funds through securities offerings in the future. Delaware law and our Certificate of Incorporation and Bylaws contain certain provisions, including anti-takeover provisions, that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable. Our Certificate of Incorporation and Bylaws, and the General Corporation Law of the State of Delaware (the "DGCL"), contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, and therefore depress the trading price of our Class A common stock. These provisions could also make it difficult for stockholders to elect directors who are not nominated by the current members of our ~~board Board~~ of ~~directors Directors~~, effect changes in management or take other corporate actions. Among other things, the Certificate of Incorporation and Bylaws include provisions regarding: • a classified ~~board Board~~ of ~~directors Directors~~ with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our ~~board Board~~ of ~~directors Directors~~; • the ability of our ~~board Board~~ of ~~directors Directors~~ to issue shares of preferred stock, including "blank check" preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; • the limitation of the liability of, and the indemnification of, our directors and officers; • the right of our ~~board Board~~ of ~~directors Directors~~ to elect a director to fill a vacancy created by the expansion of our ~~board Board~~ of ~~directors Directors~~ or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our ~~board Board~~ of ~~directors Directors~~; • the requirement that directors may only be removed from our ~~board Board~~ of ~~directors Directors~~ for cause; • the requirement that a special meeting of stockholders may be called only by our ~~board Board~~ of ~~directors Directors~~, the chairman of our ~~board Board~~ of ~~directors Directors~~ **Directors** or our chief executive officer, which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors; • controlling the procedures for the conduct and scheduling of meetings of our

~~board Board~~ of ~~directors Directors~~ and stockholders; • the requirement for the affirmative vote of holders of 66⅔ % of the voting power of our outstanding voting capital stock, voting together as a single class to amend, alter, change or repeal certain provisions in the Certificate of Incorporation and the Bylaws, respectively, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our ~~board Board~~ of ~~directors Directors~~ and also may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt; • the ability of our ~~board Board~~ of ~~directors Directors~~ to amend the Bylaws, which may allow our ~~board Board~~ of ~~directors Directors~~ to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the Bylaws to facilitate an unsolicited takeover attempt; and • advance notice procedures with which stockholders must comply to nominate candidates to our ~~board Board~~ of ~~directors Directors~~ or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our ~~board Board~~ of ~~directors Directors~~ and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our ~~board Board~~ of ~~directors Directors~~ or management. In addition, as a Delaware corporation, we are generally subject to provisions of Delaware law, including the DGCL. Although we have elected not to be governed by Section 203 of the DGCL, certain provisions of the Certificate of Incorporation, in a manner substantially similar to Section 203 of the DGCL, prohibit certain stockholders (other than those stockholders who are party to a stockholders' agreement with us) who hold 15 % or more of our outstanding capital stock from engaging in certain business combination transactions with us for a specified period of time unless certain conditions are met. Any provision of the Certificate of Incorporation, Bylaws or Delaware law that has the effect of delaying or preventing a change in control could limit the opportunity for stockholders to receive a premium for their shares of our capital stock and could also affect the price that some investors are willing to pay for our common stock. Our Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees. Our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (1) derivative action or proceeding brought on behalf of us, (2) action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or stockholder of ours to us or our stockholders, (3) action arising pursuant to any provision of the DGCL or our Certificate of Incorporation or our Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery, or (4) action asserting a claim against us governed by the internal affairs doctrine (the "Delaware Exclusive Forum Provision"). Our Certificate of Incorporation also provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, the inclusion of such provision in our Certificate of Incorporation will not be deemed to be a waiver by our stockholders of our obligation to comply with federal securities laws, rules and regulations, and the provisions of this paragraph will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America shall be the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to the forum provisions in our Certificate of Incorporation. If any action the subject matter of which is within the scope of the Delaware Exclusive Forum Provision is filed in a court other than a court located within the State of Delaware (a "foreign action") in the name of any stockholder, such stockholder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the forum provisions (an "enforcement action"), and (y) having service of process made upon such stockholder in any such enforcement action by service upon such stockholder's counsel in the foreign action as agent for such stockholder. This choice-of-forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits. Alternatively, if a court were to find this provision of our Certificate of Incorporation inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and ~~board Board~~ of ~~directors Directors~~. ~~General Risk Factors Loss of key management or other highly skilled personnel, or an inability to attract such management and other personnel, could adversely affect our business. We depend on key management to run our business and on development engineers to develop new products and technologies. The loss of any key personnel could have a material adverse effect on our business. In addition, the market for qualified employees, including skilled engineers and other individuals with the required technical expertise to succeed in our business, is highly competitive and an inability to attract, retain and motivate the employees required for the operation of our business could hinder our ability to successfully conduct research activities or develop marketable products. Our employees are not bound by obligations that require them to continue to work for any specified period and, therefore, they could terminate their employment at any time. Moreover, our employees are generally not subject to non-competition agreements. In addition, we must attract and retain highly qualified personnel, including certain foreign nationals who are not U. S. citizens or permanent residents, many of whom are highly skilled and constitute an important part of our U. S. workforce, particularly in the areas of engineering and product development. Our ability to hire and retain these employees and their ability to remain and work in the U. S. are impacted by laws and regulations, as well as by procedures and enforcement practices of various government agencies. Changes in immigration laws, regulations or procedures, including those that may be enacted by the current U. S. presidential administration, may adversely affect our ability to hire or retain such workers, increase operating expenses and negatively~~

impact our ability to deliver products and services, any of which would adversely affect our business, financial condition and results of operations. The loss of one or more of our executive officers or key personnel or our inability to locate suitable or qualified replacements could be significantly detrimental to product development efforts and could have a material adverse effect on our business, financial condition and results of operations.