

Risk Factors Comparison 2024-11-14 to 2023-11-16 Form: 10-K

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Semiconductor Industry and Macroeconomic Risks Our operating results and financial condition could be adversely impacted by volatile worldwide economic conditions and unpredictable spending by our customers due to uncertainties in the macroeconomic environment. Though the semiconductor industry's cycle can be independent of the general economy, global economic conditions may have a direct impact on demand for semiconductor units and ultimately demand for semiconductor capital equipment and tools. Accordingly, our business and financial performance is impacted, both positively and negatively, by fluctuations in the macroeconomic environment. Expenditures by our customers depend on the current and anticipated market demand for semiconductors and products that use semiconductors, LEDs and batteries, including mobile devices, personal computers, consumer electronics, telecommunications equipment, automotive components, electric vehicles and other industrial products. Reductions or other fluctuations in our customers' spending as a result of uncertain conditions and volatility in the macroeconomic environment, including from government, economic or fiscal instability, economic recession, actual or potential inflation, rising interest rates, slower growth in certain geographic regions, global trade issues, global health crises and pandemics, restricted global credit conditions, reduced demand, excess inventory, higher energy prices, or other conditions, could adversely affect our business, financial condition and operating results. Further, our profitability can be affected by volatility because we incur a certain amount of fixed costs that we cannot modulate up and down to meet increases or decreases in demand. The impact of broad-based weakening in the global macroeconomic environment could make our customers cautious and delay orders until the economic outlook becomes clearer. Significant downturns in the market for semiconductor devices or in general economic conditions reduce demand for our products and can materially and adversely affect our business, financial condition and operating results. Our visibility into future demand is generally limited and forecasting is difficult, and we believe historic, industry-wide volatility will persist. **The ongoing Israel-Hamas International political instability, geopolitical tensions, terrorist acts and acts of war may adversely affect our business, financial condition or results of operations. The threat of terrorism or acts of war, risks and rumors of war, escalation and civil disturbances, including the prolonged tensions in the Middle East and the Ukraine / Russia conflict, increases the uncertainty in our markets and could adversely affect our business.** On October 7, 2023, an escalated armed conflict between Israel and the Hamas terrorist organization commenced, leading to a series of extended hostilities along Israel's border with the Gaza Strip. Additionally, since October 8, 2023, the **Iran-backed** Hezbollah militant group has increased its hostilities against Israel over its northern region, including Haifa. **The situation in Northern Israel and Southern Lebanon remains highly tense and volatile.** Many multinational companies in the semiconductor industry have research, design and development centers situated in Israel, including our Company, which has a manufacturing facility and a business office in Haifa. The intensity, duration and outcome of the ongoing war is uncertain and its continuation or escalation may have a material adverse effect on our business and operations. While we are currently maintaining business and operations in Israel without material damage or interruptions at our Israeli facility, our assets and operations in Israel could be vulnerable to future property damage, inventory loss, business disruption, and expropriation. We have ~~around approximately~~ **around approximately** 70 employees in Israel. ~~While to our knowledge, there have been no reported casualties or injuries to our employees as of the date of this report, some of our Israeli employees have been mobilized as members of the Israeli military reserves to active duty.~~ The ongoing war could cause harm to our employees and otherwise impair their ability to work for extended periods of time, as well as disrupt supply chains, transport networks, telecommunications and financial systems, and other critical infrastructure necessary to conduct business in Israel. **In late September 2024, missiles fired by the Iran-backed Hezbollah militant group were seen being intercepted by Israeli air defense system over the city of Haifa.** As the intensity of the war has been rapidly evolving, including the potential for heightened geopolitical tensions in the Middle East, we continue to receive and review reports concerning our operations and business partners and remain vigilant. The risk of cybersecurity incidents may also increase in connection with the ongoing war. These attacks may impact critical infrastructure and financial institutions globally, which in turn could adversely affect our operations. While we have taken actions to mitigate such potential risks, the proliferation of malware from the war into systems unrelated to the war, or cyberattacks targeted against U. S. companies, could adversely affect our operations. Even if the war moderates, or a peaceful resolution in the region is reached, the detrimental impact to the global financial markets may be far-reaching, and may not recover immediately. The potential effects of these conditions could have a material adverse effect on our business, results of operations and financial condition. We depend on our suppliers, including sole source suppliers, for raw materials, components and subassemblies. If our suppliers do not deliver their products to us, or deliver non-compliant or defective products, we would be unable to deliver our products to our customers. Our products are complex and require raw materials, components and subassemblies having a high degree of reliability, accuracy and performance. We rely on subcontractors to manufacture many of these components and subassemblies and we rely on sole source suppliers for certain key technology parts and raw materials. As a result, we are exposed to a number of significant risks, including: • decreased control over the manufacturing process for components and subassemblies; • changes in our manufacturing processes in response to changes in the market, which may delay our shipments; • our inadvertent use of defective or contaminated raw materials; • the relatively small operations and limited manufacturing resources of some of our suppliers, which may limit their ability to manufacture and sell subassemblies, components or parts in the volumes we require and at acceptable quality levels and prices; • restrictions on our ability to rely on suppliers due to changes in trade regulation as well as laws and regulations enacted in response to concerns related to climate change, conflict minerals, or responsible sourcing practices; • the inability of suppliers to

meet our or other customer demand requirements; • reliability or quality issues with certain key subassemblies provided by single source suppliers as to which we may not have any short- term alternative; • shortages caused by disruptions at our suppliers and subcontractors for a variety of reasons, including public health emergencies and associated containment measures, war or geopolitical tensions (such as the **prolonged Israel– Hamas war**, tensions in the Middle East and the Ukraine / Russia conflict), significant natural disasters (including as a result of climate change) or significant price changes (including as a result of inflationary pressures); • delays in the delivery of raw materials or subassemblies, which, in turn, may delay shipments to our customers; • loss of suppliers as a result of consolidation of suppliers in the industry; and • loss of suppliers because of their bankruptcy or insolvency. If any of these risks were to materialize, we might be unable to deliver our products to our customers on time and at expected cost, or at all. While we observed some easing of the industry- wide supply constraints **in towards the end of fiscal 2022-2024 and in fiscal 2023**, we expect some constraints to continue **from time to time** and the duration of such constraints or their long- term impact on our business cannot be predicted at this time. As part of our supply chain management, we may from time to time increase our inventory levels to mitigate against anticipated future component shortages. These increases in our inventory levels may lead to an excess of materials in the future in the event that the demand for our products is lower than our expectations or if we otherwise fail to anticipate future customer demand properly. Excess inventory levels could result in inventory write- downs at discounted prices, which could adversely affect our cash flows or gross margins. As a result, our business, financial condition and operating results would be materially and adversely affected. The semiconductor industry is volatile with sharp periodic downturns and slowdowns. Cyclical industry downturns are made worse by volatile global economic conditions. The semiconductor industry is volatile, with periods of rapid growth followed by industry- wide retrenchment. These periodic downturns and slowdowns have in the past adversely affected our business, financial condition and operating results. Downturns have been characterized by, among other things, diminished product demand, excess production capacity, and accelerated erosion of selling prices. Historically these downturns have severely and negatively affected the industry’ s demand for capital equipment, including assembly equipment and, to a lesser extent, tools. In any case, we believe the historical volatility of our business, both upward and downward, will persist. Consequently, our revenues may decline, and our results of operations and financial condition may be adversely affected. Difficulties in forecasting demand for our product lines may lead to periodic inventory shortages or excesses. We typically operate our business with limited visibility of future demand. We do not have long- term contracts with many of our customers. As a result, demand for our products in future periods is difficult to predict and we sometimes experience inventory shortages or excesses. We generally order supplies and otherwise plan our production based on internal forecasts for demand. We have in the past failed, and may again in the future fail, to accurately forecast demand for our products. This has led to, and may in the future lead to, delays in product shipments or, alternatively, an increased risk of inventory obsolescence. As part of our supply chain management, we have increased our inventory levels in an effort to mitigate component shortages, which may increase the risk of inventory obsolescence. If we fail to accurately forecast demand for our products, our business, financial condition and operating results may be materially and adversely affected. Our quarterly operating results fluctuate significantly and may continue to do so in the future. In the past, our quarterly operating results have fluctuated significantly. We expect that our quarterly results will continue to fluctuate. Although these fluctuations are partly due to the cyclical and volatile nature of the semiconductor industry, they also reflect other factors, many of which are outside of our control. Some of the factors that may cause our net revenue and operating margins to fluctuate significantly from period to period are: • market downturns; • industry inventory levels; • the mix of products we sell because, for example: ◦ certain lines of equipment or certain aftermarket tools within our business segments are more profitable than others; and ◦ some sales arrangements have higher gross margins than others; • canceled or deferred orders; • variations in sales channel or mix of direct sales and indirect sales; • seasonality; • competitive pricing pressures may force us to reduce prices; • higher than anticipated costs of development, achieving customer acceptance or production of new products; • the availability and cost of the components for our products; • delays in the development and manufacture of our new products and upgraded versions of our products and market acceptance of these products when introduced; • customers’ delay in purchasing our products due to anticipation that we or our competitors may introduce new or upgraded products; and • our competitors’ introduction of new products. Many of our expenses, such as research and development, selling, general and administrative expenses, and interest expense, do not vary directly with our net revenue. Our research and development efforts include long- term projects lasting a year or more, which require significant investments. In order to realize the benefits of these projects, we believe that we must continue to fund them even during periods when our revenue has declined. As a result, a decline in our net revenue would adversely affect our operating results as we continue to make these expenditures. In addition, if we were to incur additional expenses in a quarter in which we did not experience comparable increased net revenue, our operating results would decline. In a downturn, we may have excess inventory, which could be written off. Some of the other factors that may cause our expenses to fluctuate from period- to- period include: • timing and extent of our research and development efforts; • severance, restructuring, and other costs of relocating **our manufacturing or warehouse** facilities; • inventory write- offs due to obsolescence, **project cancellations** or other causes; and • an increase in the cost of labor or materials. Because our net revenue and operating results are volatile and difficult to predict, we believe consecutive period- to- period or year- over- year comparisons of our operating results may not be a good indication of our future performance. Competitive Risks Our average selling prices usually decline over time and may continue to do so. Typically, our average selling prices have declined over time due to continuous price pressure from our customers, **our competitors** and **competitive- general** cost reductions **in within** our industry’ s supply chains. **The Chinese government’ s initiatives around self- sustainability are propelling China to expand its domestic manufacturing capacity. With considerable incentives from the Chinese government, manufacturers based in China are able to lower selling prices, thereby increasing overall competition. This has resulted in a lowering of our average selling prices in China.** We seek to offset this decline by continually reducing our cost structure by consolidating operations in lower cost areas, reducing other operating costs, by pursuing product strategies focused on product performance

and customer service, and developing new products for which we are able to charge higher prices. These efforts may not enable us to fully offset price declines, and if they do not, our financial condition and operating results may be materially and adversely affected. We may not be able to rapidly develop, manufacture and gain market acceptance of new and enhanced products required to maintain or expand our business. We believe our continued success depends on our ability to continuously develop and manufacture new products and product enhancements on a timely and cost-effective basis. We must introduce these products and product enhancements into the market in a timely manner in response to customers' demands for higher performance assembly equipment and leading-edge materials customized to address rapid technological advances in integrated circuits, and capital equipment designs. Our competitors may develop new products or enhancements to their products that offer improved performance and features, or lower prices which may render our products less competitive. The development and commercialization of new products require significant capital expenditures over an extended period of time, and some products we seek to develop may never become profitable. In addition, we may not be able to develop and introduce products incorporating new technologies in a timely manner that will satisfy our customers' future needs or achieve market acceptance. If we are not able to develop and sell our products that meet the demands of our customers, it would result in lower net revenues and our operating results would be adversely affected. We may be unable to continue to compete successfully in the highly competitive semiconductor equipment and packaging materials industries. The semiconductor equipment and packaging materials industries are very competitive. In the semiconductor equipment industry, significant competitive factors include price, speed / throughput, production yield, process control, **footprint**, delivery time, innovation, quality and customer support. In the semiconductor packaging materials industry, significant competitive factors include price, delivery and quality. In each of our markets, we face competition and the threat of competition from established competitors and potential new entrants. In addition, established competitors may combine to form larger, better-capitalized companies. Some of our competitors have or may have significantly greater financial, engineering, manufacturing and marketing resources than we do. Some of these competitors are Asian and European companies that have had, and may continue to have, an advantage over us in supplying products to local customers who appear to prefer to purchase from local suppliers. Some of these competitors compete across many of our product lines, while others are primarily focused in a specific product area, all of which could result in lowering the barriers to entry. Some governments may have provided, and will continue to provide, financial assistance or other support to some of our competitors or to new entrants, to advance the nation's growth in the semiconductor equipment and packaging materials industries. We expect our competitors to improve their current products' performance, and to introduce new products and materials with improved price and performance characteristics. Our competitors may independently develop technology similar to or better than ours. They may also appropriate our technology and our intellectual property to compete against us and we may not have adequate legal recourse. New product and material introductions by existing competitors or by new market entrants could hurt our sales. If a semiconductor manufacturer or subcontract assembler selects a competitor's product or materials for a particular assembly operation, we may not be able to sell products or materials to that manufacturer or assembler for a significant period of time. Manufacturers and assemblers sometimes develop lasting relationships with suppliers and assembly equipment providers in our industry and often go years without requiring replacement. In addition, we may have to lower our prices in response to price cuts by our competitors, which may materially and adversely affect our business, financial condition and operating results. If we cannot compete successfully, we could lose customers and experience reduced margins and profitability. Geographic, Trade and Customer Risks Substantially all of our sales, distribution channels and manufacturing operations are located outside of the U. S., which subjects us to risks, including risks from changes in trade regulations, currency fluctuations, political instability and conflicts. From time to time, our customers may request that we deliver our products to countries where they own or operate production facilities or to countries where they utilize third-party subcontractors or warehouses as part of their supply chain. Our customer base in the Asia / Pacific region has become more geographically concentrated over time as a result of general economic and industry conditions and trends. Over 90 % of our net revenue is derived from shipments to customers located outside of the U. S., primarily in the Asia / Pacific region. Approximately **53.3 % and 38.6 %, 45.8 % and 43.4%** of our net revenue for fiscal **2024 and 2023, 2022, and 2021**, respectively, was derived from shipments to customers headquartered in China. We expect our future performance to depend on our ability to continue to compete in foreign markets, particularly in the Asia / Pacific region. Some of these economies have been highly volatile, resulting in significant fluctuation in local currencies, and political and economic instability. Some of these economies may also increase trade protectionism, thereby increasing barriers to entry, amplifying supply chain risks and adversely affecting the demand for our products. These conditions may continue or worsen, which may materially and adversely affect our business, financial condition and operating results. We also rely on non- U. S. suppliers for materials and components used in our products, and substantially all of our manufacturing operations are located in countries other than the U. S. We **currently** manufacture our ball, wedge **and**, APAMATM **and** APTURATM bonders in Singapore, our Hybrid and Electronic Assembly solutions in the Netherlands, our dicing blades, capillaries and bonding wedges in China, our capillaries in Israel and China, and our advanced dispensing equipment in Taiwan. We also rely on independent foreign distribution channels for certain of our product lines. As a result, a major portion of our business is subject to the risks associated with international commerce, particularly Asia / Pacific region, such as: • stringent and frequently changing trade compliance regulations; • less protective foreign intellectual property laws, and the enforcement of patent and other intellectual property rights; • longer payment cycles in foreign markets **and potential default risks**; • foreign exchange restrictions and capital controls, monetary policies and regulatory requirements; • restrictions or significant taxes on the repatriation of our assets, including cash; • tariff and currency fluctuations; • difficulties of staffing and managing dispersed international operations, including labor work stoppages and strikes in our factories or the factories of our suppliers; • changes in our structure or tax incentive arrangements; • possible disagreements with tax authorities; • episodic events outside our control such as, for example, outbreaks of coronaviruses, influenza, **monkeypox** or other illnesses; • natural disasters such as earthquakes, fires or floods, including as a result of climate

change; • war, risks and rumors of war and civil disturbances, including the ~~Israel-Hamas war~~ **prolonged tensions in the Middle East** and the Ukraine / Russia conflict, or other events that may limit or disrupt manufacturing, markets and international trade; • act of terrorism that impact our operations, customers or supply chain or that target U. S. interests or U. S. companies; • seizure of our foreign assets, including cash; • the imposition of sanctions of countries in which we do business; • changing political conditions and rising geopolitical tensions; and • legal systems which are less developed and may be less predictable than those in the U. S. In addition, there ~~is~~ **remains** a potential risk of conflict and instability in the relationship between Taiwan and China which could disrupt the operations of our customers and / or suppliers in both Taiwan and China, our manufacturing operations in Taiwan and China, and our future plans in the region. Our international operations also depend on favorable trade relations between the U. S. and those foreign countries in which our customers, subcontractors and materials suppliers have operations. A protectionist trade environment in either the U. S. or those foreign countries in which we do business, such as a change in the current tariff structures, export compliance or other trade policies, may materially and adversely affect our ability to sell our products in foreign markets. Catastrophic events, such as pandemics and extreme weather events as a result of climate change, can have a material adverse effect on our operations and financial results. Our operations and business, and those of our customers and suppliers, can be disrupted by natural disasters, public health issues, ~~cybersecurity incidents~~, interruptions of service from utilities, or other catastrophic events including as a result of climate change. ~~For example, we have at times experienced temporary disruptions in our manufacturing processes as a result of power outages.~~ In addition, global climate change can result in natural disasters occurring more frequently, with greater intensity and with less predictability. **We also operate in seismic zones including Taiwan, which is located within a complex zone of convergence between the Philippines Sea Plate and Eurasian Plate.** For example, in ~~September~~ **April 2023-2024**, a **magnitude 7.4 earthquake struck** territories in the East Asian monsoon region, including Guangdong, Hong Kong, Fujian and Taiwan, ~~experienced resulting in significant typhoons injuries and death storm surges, resulting in leading to~~ a temporary suspension of business and services. ~~Such~~ **Although our advanced dispensing manufacturing operations in Taiwan were not affected, the earthquake resulted in the** temporary suspension of business and services impacted some of the ~~other~~ semiconductor factories and suppliers who operate ~~there~~ **in Taiwan**. The long- term effects of climate change on the global economy and the semiconductor industry in particular are unclear but could be severe, and could exacerbate the other risk factors described herein. Catastrophic events could make it difficult or impossible to manufacture or deliver products to our customers, receive materials from our suppliers, or perform critical functions, whether on a timely basis or at all, which could adversely affect our revenue and operations. Some of the systems we maintain as part of our business recovery plans cannot guarantee us protection from such disruptions. Furthermore, even if our operations are unaffected or if we managed to recover our operations quickly, if our customers or suppliers cannot timely resume their own operations due to a catastrophic event, we may be unable to fulfil our customers' orders, and may experience reduced or cancelled orders or other disruptions to our supply chain that may adversely affect our results of operations. We are subject to export restrictions that may limit our ability to sell to certain customers, and trade wars, in particular the U. S.- China trade war, could adversely affect our business. The U. S. and several other countries levy tariffs on certain goods and impose other trade restrictions that may impact our customers' investment in manufacturing equipment, reduce the competitiveness of our products, or inhibit our ability to sell products or purchase necessary equipment and supplies. In particular, trade tensions between the U. S. and China have been escalating since 2018, with U. S. tariffs on Chinese goods and retaliatory Chinese tariffs on U. S. goods, **and there remains significant uncertainty about the future relationship between the U. S. and China**. We cannot predict what further actions may ultimately be taken with respect to tariffs or trade relations between the U. S. and other countries, what products may be subject to such actions, or what actions may be taken by other countries in response. Further changes in trade policy, tariffs, additional taxes, restrictions on exports or other trade barriers, or restrictions on supplies, equipment, and raw materials, may limit our ability to produce products, increase our selling and / or manufacturing costs, reduce the competitiveness of our products, or inhibit our ability to sell products or purchase necessary equipment and supplies, which could have a material adverse effect on our business, results of operations, or financial condition. Though nearly all of our manufacturing activities take place outside of the U. S., certain of our advanced packaging products are subject to the EAR because they are based on U. S. technology or contain more than a de minimis amount of controlled U. S. content. The EAR require licenses for, and sometimes prohibit, the export of certain products. The CCL sets forth the types of goods and services controlled by the EAR, including civilian science, technology, and engineering dual- use items. For products listed on the CCL, a license may be required as a condition to export depending on the end destination, end use or end user and any applicable license exceptions. In 2020, the U. S. Department of Commerce Bureau of Industry and Security (" BIS ") amended the EAR to expand controls on certain foreign products based on U. S. technology and sold to Huawei and certain other companies. In October 2022, the BIS amended the EAR again to extend those foreign controls to numerous companies on BIS' so- called Entity List. The 2020 and 2022 amendments impact some of our advanced packaging products, which are based on U. S. technology and are within the scope of the expanded EAR controls on Huawei and other Entity List companies. Therefore, these products cannot be sold to Huawei and other Entity List companies, and are subject to certain end- use restrictions. To date, these amendments to the EAR have not had a material direct impact on our business, financial condition or results of operations and we do not expect that they will, although they could have indirect impact, including increasing tensions in U. S. and Chinese trade relations, potentially leading to negative sentiments towards U. S.- based companies among Chinese consumers. Additionally, some end users may prefer to avoid the U. S. supply chain in its entirety to avoid the application of these regulations. **The In November 2023, the BIS issued additional rules to update export controls on advanced computing semiconductors and semiconductor manufacturing equipment, as well as items that support supercomputing applications and end- uses, to arms embargoed countries, including China. We are taking appropriate measures to comply with all applicable BIS Rules. Where required, we will apply for export licenses from the BIS to avoid disruption to our customers' operations. Export licenses may be subject to a prolonged review and**

appeals process, to which there cannot be an assurance as to whether an export license may be granted, granted with conditions or eventually revoked due to subsequent challenge. Additionally, the rules promulgated by the BIS are typically complex, and the BIS could revise or expand them in response to public comments. Likewise, the BIS may issue guidance clarifying the scope of the rules. Such revisions, expansions or guidance could change the impact of the rules for our business. Future changes in, and responses to, the various export regulations, tariffs, or other trade regulations between the U. S. and other countries may be unpredictable. Such further changes may limit our ability to produce products, increase our selling or manufacturing costs, decrease margins, reduce the competitiveness of our products and cause our sales to decline, and therefore could have a material adverse effect on our business, financial condition or results of operations. Because a small number of customers account for most of our sales, our net revenue could decline if we lose a significant customer. The semiconductor manufacturing industry is highly concentrated, with a relatively small number of large semiconductor manufacturers and their subcontract assemblers and vertically integrated manufacturers of electronic systems purchasing a substantial portion of our semiconductor assembly equipment and packaging materials. Sales to a relatively small number of customers have historically accounted for a significant percentage of our net revenue. There was no customer with sales representing more than 10 % of net revenue in fiscal ~~2023-2024~~ . Sales to our ten largest customers comprised 53. **6 % and 53. 5 % and 49.1%** of our net revenue for fiscal **2024 and fiscal** 2023 ~~and fiscal 2022~~, respectively. We expect that a small number of customers will continue to account for a high percentage of our net revenue for the foreseeable future. Thus, our business success depends on our ability to maintain strong relationships with our customers **and closely understand their present and anticipated utilization rates** . Any one of a number of factors could adversely affect these relationships. If, for example, during periods of escalating demand for our equipment, we were unable to add inventory or increase our production capacity quickly enough to meet the needs of our customers, or if we are not able to fulfil our customers' orders due to supply chain constraints, they may turn to other suppliers making it more difficult for us to retain their business. We may also make commitments from time- to- time to our customers regarding minimum volumes and performance standards, and if we are unable to meet those commitments, we may incur liabilities to our customers. If we lose orders from a significant customer that we are not able to replace, or if a significant customer reduces its orders substantially, or if we incur liabilities for not meeting customer commitments, these losses, reductions or liabilities may materially and adversely affect our business, financial condition and operating results. We maintain a backlog of customer orders that is subject to cancellation, reduction or delay in delivery schedules, which may result in lower than expected revenues. We manufacture products primarily pursuant to purchase orders for current delivery or to forecast, rather than pursuant to long- term supply contracts. As a result, we must commit resources to the manufacture of products without binding purchase commitments from customers. The semiconductor industry is occasionally subject to double- booking and rapid changes in customer outlooks or unexpected build ups of inventory in the supply channel as a result of shifts in end market demand and macro- economic conditions. Accordingly, many of these purchase orders or forecasts may be revised or canceled without penalty. Even in cases where our standard terms and conditions of sale or other contractual arrangements do not permit a customer to cancel an order without penalty, we may from time to time accept cancellations to maintain customer relationships or because of industry practice, custom or other factors. The broad- based weakening in the global macroeconomic environment may result in lower than expected demand for our products, and our inability to sell products after we devote significant resources to them could have a material adverse effect on our levels of inventory, revenues and profitability. **The cancellation and wind down of the Project may adversely affect our business, results of operations and financial condition. In connection with the cancellation of a project with one of its customers (previously referred to as Project W) (the" Project"), on March 11, 2024, the Company committed to a plan to cease operational activities and commence wind down activities concerning various aspects of the Project. As of September 28, 2024, the wind down activities have been substantially completed and as a result of these activities, the Company incurred certain charges during fiscal year 2024. The Company' s estimates of the anticipated impact on its results of operations and the timing thereof are subject to a number of assumptions and actual amounts may differ materially from estimates. As we further wind down the Project, we may discover other facts that could require us to incur additional expenses and / or record additional charges that may be different from our initial expectations about the costs of the wind down. In addition, we may not be able to complete the wind down in all respects due to factors outside of our control. If actual amounts were to differ from our estimates, or if the full and complete wind down takes longer than expected, our results of operations and financial condition could be materially and adversely affected. Cancellations of significant orders or other similar projects by other customers in the future could also cause the Company to incur additional costs or expenses or lead to a reduction in future revenue, which could materially and adversely affect our results of operations. As a result of the cancellation of the Project, the Company has refocused its development resources towards other growth- centric opportunities supporting technology changes within the thermocompression, Vertical Fan- Out, Automotive and Dispense markets. The Company may experience operational difficulties as it shifts its development resources to these other opportunities, which may result in disruptions to the Company' s operations. We cannot be certain that these efforts will be effective or successful, or that we will realize the anticipated benefits of the refocus. As a result, our results of operations and financial condition could be materially and adversely affected.**

Human Capital Risks Our business depends on attracting and retaining management, sales and technical employees as well as on the succession of senior management. Our future success depends on our ability to hire and retain qualified management, sales, finance, accounting and technical employees, including senior management. Experienced personnel with the relevant and necessary skill sets in our industry are in high demand and competition for their talents is intense, especially in Asia, where most of the Company' s key personnel are located. If we are unable to continue to attract and retain the managerial, marketing, finance, accounting and technical personnel we require, our business, financial condition and operating results may be materially and adversely affected. Effective succession planning is also important to our long- term success. Failure to ensure effective transfer of knowledge and smooth transitions involving

senior management could hinder our strategic planning and execution. From time to time, senior management or other key employees may leave our ~~company~~ **Company**, and the loss of any key employee could result in significant disruptions to our operations, including adversely affecting the timeliness of product releases, the successful implementation and completion of company initiatives, the effectiveness of our disclosure controls and procedures and our internal control over financial reporting, and the results of our operations. Changes in immigration policies may also impair our ability to recruit and hire technical and professional talent. In addition, hiring, training, and successfully integrating replacement critical personnel could be time consuming, may cause additional disruptions to our operations, and may be unsuccessful, which could negatively impact future revenues. Product Risks Alternative packaging technologies may render some of our products obsolete and materially and adversely affect our overall business and financial results. Alternative packaging technologies have emerged that may improve device performance, reduce the size of or enhance the number of components inherent in an integrated circuit package, as compared to traditional wire bonding. These technologies include **hybrid bonding, thermo-compression bonding, flip chip bonding** and wafer-level packaging. Some of these alternative technologies eliminate the need for wires to establish the electrical connection between a die and its package. The semiconductor industry may, in the future, shift a significant part of its volume into alternative packaging technologies which do not employ our products. If a significant shift to alternative packaging technologies or to another technology not offered by us were to occur, demand for our equipment and related packaging materials may be materially and adversely affected. Given that a majority of our revenue comes from wire bonding, a reduced demand for our wire bonding equipment could materially and adversely affect our financial results. We may send products and equipment to customers or potential customers for trial, evaluation or other purposes which may result in retrofit charges, impairments or write-down of inventory value if the products and equipment are not subsequently purchased by the customers. From time to time we send certain products and equipment to customers or potential customers for testing, evaluation or other purposes in advance of receiving any confirmation of purchase or purchase orders. Such equipment may be at the customer location for an extended period of time per the agreements with these customers and potential customers. The customer or potential customer may refuse to buy all or partial quantities of such product or equipment and return this back to us. As a result, we may incur charges to retrofit the machines or sell the machines as second hand at a lower price, and accordingly may have to record impairments on the returned inventory, all of which would adversely affect our operating results. Undetected problems in our products could directly impair our financial results. If errata (deviations from product specifications) or flaws in design, production, assembly or testing of our products (by us or our suppliers) were to occur, we could experience a rate of failure in our products that would result in materially adverse consequences, including: • incurring warranty expenses; • writing off the value of inventory; • disposing of products that cannot be fixed; • retrofitting products that have been shipped; • providing product replacements or modifications; and • defending against litigation. Continued improvement in manufacturing capabilities, control of material **, emphasis on product safety** and manufacturing quality and costs and product testing are critical factors in our future growth. Our efforts to monitor, develop, modify and implement appropriate tests and manufacturing processes for our products may not be sufficient to permit us to avoid a rate of failure in our products that results in substantial delays in shipment, significant repair or replacement costs, potential damage to our reputation or general customer dissatisfaction with our products. We may also not be able to successfully claim against our suppliers or obtain product liability or other insurance to fully cover such risks. Any of the foregoing risks, if they were to materialize, could have a material adverse effect on our business, results of operations or financial condition. Operations and Supply Chain Risks We may not be able to continue to consolidate **or relocate** manufacturing and other facilities or entities without incurring unanticipated costs and disruptions to our business. As part of our ongoing efforts to drive further efficiency, we may consolidate **or relocate** our manufacturing and other facilities or entities. Should we consolidate **or relocate**, we may experience unanticipated events, including the actions of governments, suppliers, employees **, union representatives** or customers, which may result in unanticipated costs and disruptions to our business. We may also incur restructuring charges, severance costs, asset impairments, loss of accumulated knowledge, inefficiency during transitional periods, employee attrition and other effects that could negatively impact our financial condition and results of operations. We may be materially and adversely affected by environmental and safety laws and regulations, including laws and regulations implemented in response to climate change. We are subject to various federal, state, local and foreign laws and regulations governing, among other things, the generation, storage, use, emission, discharge, transportation and disposal of hazardous material, investigation and remediation of contaminated sites and the health and safety of our employees. Public attention continues to focus on the environmental impact of manufacturing operations and the risk to neighbors of waste and chemical releases from such operations. Proper waste disposal plays an important role in the operation of our manufacturing plants. ~~Most In many of our facilities we maintain wastewater treatment systems that remove metals and other contaminants from process wastewater. These facilities operate under permits that must be renewed periodically. A violation of those permits may lead to revocation of the permits, fines, penalties or the incurrence of capital or other costs to comply with the permits, including the potential shutdown of operations. Compliance with existing or future land use, environmental, climate-related and health and safety laws and regulations may: (1) result in significant costs to us for additional capital equipment or other process requirements; (2) restrict our ability to expand our operations; and / or (3) cause us to curtail our operations. We also could incur significant costs, including cleanup costs, fines or other sanctions and third-party claims for property damage or personal injury, as a result of violations of or liabilities under such laws and regulations. Increasingly, various agencies and governmental bodies have expressed interest in promulgating rules relating to climate change. For example, in March 2022, the SEC published a proposed rule that would require companies to provide significantly expanded climate-related disclosures in their Form 10-K, which may require us to incur significant additional costs to comply and impose increased oversight obligations on our management and Board of Directors. The cost of complying, or of failing to comply, with these and other regulatory requirements or contractual obligations could adversely affect our operating results, financial condition and ability to conduct our business.~~ **In addition, changes in environmental laws and regulations (including any relating to climate change and**

greenhouse gas (“ GHG ”) emissions) could require us, or others in our value chain, to install additional equipment, alter operations to incorporate new technologies or processes and generally enhance audit, surveillance and compliance measures. To the extent that higher costs **incurred from the above activities** result in higher prices for our products, we may experience a reduction in the demand for those products, which could negatively affect our results of operations. Conversely, we may not be able to pass these increased costs onto our customers in the form of higher prices, as a result of which our results of operations may also be adversely affected. We may acquire or divest businesses or enter into joint ventures or strategic alliances, which may materially affect our business, financial condition and operating results. We continually evaluate our portfolio of businesses and may decide to buy or sell businesses or enter into joint ventures or other strategic alliances. We may not find suitable acquisition candidates, we may not be able to close such acquisitions, and the acquisitions we complete may not be successful. We may be unable to successfully integrate acquired businesses with our existing businesses and successfully implement, improve and expand our systems, procedures and controls to accommodate these acquisitions. If we are not able to successfully integrate any acquired businesses with ours, the anticipated benefits of the acquisitions may not be realized fully or may take longer than expected to be realized. We may also incur higher than expected costs as a result of any acquisitions or experience an overall post- completion process that takes longer than originally anticipated. These transactions place additional demands on our management, our various functional teams and our current labor force. The combination of businesses may result in the loss of key personnel or an interruption of, or loss of momentum in, our existing businesses and / or the acquired business. In addition, we may need to divest existing businesses, which would cause a decline in revenue or profitability and may make our financial results more volatile. If we fail to integrate and manage acquired businesses successfully or to mitigate the risks associated with divestitures, joint ventures or other alliances, or if the time and costs associated with integration exceeds our expectations, or if our acquired business were to perform poorly, our business, financial condition and operating results may be materially and adversely affected. Increasing attention to ESG matters, including any targets or other ESG initiatives, could result in additional costs or risks or adversely impact our business. Certain investors, shareholder advocacy groups, other market participants, customers and other stakeholder groups have focused increasingly on companies' environmental, social and governance (“ ESG ”) initiatives, including those concerning climate change, greenhouse gas emissions, human rights, diversity and inclusion, and shareholder proxy access. This may result in increased costs, enhanced compliance or disclosure obligations and related costs, or other adverse impacts on our business, financial condition or results of operations. From time to time, we create and publish voluntary disclosures regarding ESG matters. Our sustainability report ; ~~currently in its seventh edition and available on our website,~~ continues to outline our Company’ s strategies, initiatives and performance of ESG topics identified through a materiality assessment to be most relevant to the operations and stakeholders of our Company. **The In fiscal 2023, we performed an independent, limited external assurance of our direct (Scope 1) and purchased energy indirect (Scope 2) greenhouse gas emission data under the operational control boundary of eight of our global operational sites, and published such limited external assurance in our sustainability report. However, the** identification, assessment, and disclosure of such matters **is remains** complex. Many of the statements in such voluntary disclosures are based on our expectations and assumptions, which may require substantial discretion and forecasts about costs and future circumstances. Additionally, ESG matters continue to evolve rapidly. Organizations that provide information to investors on ESG matters may develop more discrete rating matrices, benchmarks and processes on evaluating companies on their ESG approach. This may create opportunities for misalignment or perceived failure resulting in unfavorable ESG ratings. This could foster negative investor sentiment toward us, our customers, or our industry, which could negatively impact our business and operations. To the extent ESG matters negatively impact our reputation, it may also impede our ability to compete as effectively to recruit or retain employees, which may adversely affect our operations. Intellectual Property Risks Our success depends in part on our intellectual property, which we may be unable to protect. Our success depends in part on our proprietary technology. To protect this technology, we rely principally on contractual restrictions (such as nondisclosure and confidentiality provisions) in our agreements with employees, subcontractors, vendors, consultants and customers and on the common law of trade secrets and proprietary “ know- how ”. We also rely, in some cases, on patent and copyright protection, although this protection may in some cases be insufficient due to the rapid development of technology in our industry. We may not be successful in protecting our technology for a number of reasons, including the following: • employees, subcontractors, vendors, consultants and customers may violate their contractual agreements or post- employment non- competition obligations, and the cost of enforcing those agreements may be prohibitive, or those agreements may be unenforceable or more limited than we anticipate; • foreign intellectual property laws may not adequately protect our intellectual property rights; • our patent and copyright claims may not be sufficiently broad to effectively protect our technology; our patents or copyrights may be challenged, invalidated or circumvented; or we may otherwise be unable to obtain adequate protection for our technology; and • when our patents expire, or if they are invalidated, narrowed or circumvented, our competitors may be able to utilize the inventions protected by our patents. Also, competitors may copy or misappropriate our trade secrets, products or designs either through lawful means of reverse engineering or through independent development. We remain vigilant and take note of similar products and solutions offered by our competitors and, based on reasonable efforts, investigate whether any of our competitors’ products or solutions is the outcome of unlawful reverse engineering. For example, we are currently investigating a potential unlawful reverse engineering incident and, where necessary, plan to pursue appropriate legal action against parties that may be involved in such unlawful reverse engineering. Competitors or third parties (including ex- employees violating their surviving contractual obligations with us) may also copy or reverse engineer aspects of our products or solutions through unlawful means, or illegally use information that we regard as proprietary. While we conduct active surveillance and monitor potential threats surrounding any unauthorized use from competitors or third parties, we may not be able to detect misuse of our proprietary information before it occurs. For example, as a result of our active surveillance, we have learned that certain ex- employees in China, who had access to materials containing proprietary information and trade secrets about our products and designs, may

have provided them to their current employer that is our direct competitor. We continue to fully investigate this matter and, if appropriate, pursue litigation against all parties that may be involved to protect our confidential information and trade secrets. Despite our best efforts in active surveillance and monitoring, such policing may be difficult, time-consuming, non-definitive and non-exhaustive, and we cannot be certain that the steps we have taken will prevent misappropriation of our intellectual property. Additionally, laws of foreign countries may not provide us with adequate remedy against unauthorized use of our intellectual property, or we may be unable to prove unauthorized use as prescribed by such foreign laws. In either case, if the protection of our intellectual property proves to be inadequate or unenforceable, others may be able to use our proprietary developments without compensation or appropriate remediation to us, resulting in potential cost advantages to our competitors and consequentially eroding our market share. Furthermore, our partners and alliances may have rights to technology developed by us. We may incur significant expense to protect or enforce our intellectual property rights. If we are unable to protect our intellectual property rights, our competitive position may be weakened. Third parties may claim we are infringing on their intellectual property, which could cause us to incur significant litigation costs or other expenses, or prevent us from selling some of our products. The semiconductor industry is characterized by rapid technological change, with frequent introductions of new products and technologies. Industry participants often develop products and features similar to those introduced by others, creating a risk that their products and processes may give rise to claims they infringe on the intellectual property of others. We may unknowingly infringe on the intellectual property rights of others and incur significant liability for that infringement. If we are found to have infringed on the intellectual property rights of others, we could be enjoined from continuing to manufacture, market or use the affected product, or be required to obtain a license to continue manufacturing or using the affected product. A license could be very expensive to obtain or may not be available at all. Similarly, changing or re-engineering our products or processes to avoid infringing the rights of others may be costly, impractical or time consuming. Occasionally, third parties assert that we are, or may be, infringing on or misappropriating their intellectual property rights. Some of these assertions may not be legitimate. In these cases, we defend or in some instances dispel, and will continue to defend or dispel, against claims or negotiate licenses where we consider these actions appropriate. Intellectual property cases are uncertain, time-consuming and involve complex legal and factual questions. If we become involved in this type of litigation, it could consume significant resources and divert our attention from our business.

Information Technology and Enterprise System Risks We may be subject to disruptions or failures in our information technology systems and network infrastructures that could have a material adverse effect on us. We maintain and rely extensively on information technology systems and network infrastructures for the effective operation of our business. We also hold large amounts of data in data center facilities around the world, primarily in Singapore and the U. S., on which our business depends. A disruption, infiltration or failure of our information technology systems owned or used by us or any of our data centers as a result of software or hardware malfunctions, computer viruses, cyber-attacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security and loss of critical data, which in turn could materially adversely affect our business. Our security procedures, such as virus protection software, data loss protection and our business continuity planning, such as our disaster recovery policies and back-up systems, may not be adequate or implemented properly to fully address the adverse effect of such events, which could adversely impact our operations. In addition, our business could be adversely affected to the extent we do not make the appropriate level of investment in our technology systems as our technology systems become out-of-date or obsolete and are not able to deliver the type of data integrity and reporting we need to run our business. Furthermore, when we implement new systems and / or upgrade existing systems, we could be faced with temporary or prolonged disruptions that could adversely affect our business. For example, artificial intelligence (“ AI ”) may be used to generate cyberattacks with greater scale and efficacy than the traditional threat actors. In other instance, a cybersecurity threat could be introduced as the result of our business partners incorporating the output of an AI tool that includes a threat, such as introducing malicious code by incorporating an AI generated source code. We have experienced, and expect to continue to be subject to, cybersecurity threats and incidents, ranging from employee error or misuse, to individual attempts to gain unauthorized access to information systems, to sophisticated and targeted measures known as advanced persistent threats, none of which have been material to the Company to date. **For example, in May 2024, the Company detected unauthorized access attempts into its network and servers and determined that the threat actor accessed and acquired some of its data, including source code, engineering information, business partner data and personally identifiable information. The Company believes that this cybersecurity incident has not had a material impact on the Company' s operations, and the Company currently does not expect that this incident is reasonably likely to materially impact the Company' s overall financial condition, results of operations or business outlook. Notwithstanding the foregoing, future attempts or breaches might, especially given that threat actors may leverage other means and technologies, including artificial intelligence, to circumvent controls and avoid detection.** We devote significant resources to network security and other measures to protect our systems and data from unauthorized access or misuse. However, **our cybersecurity risk management, process, protocols and tools, may not be fully implemented or may not completely protect the Company against future cybersecurity incidents.** Depending on its nature and scope, cybersecurity incidents could result in business disruption; misappropriation, corruption or loss of confidential information and critical data (of the Company or that belonging to its third parties); reputational damage; litigation with third parties; diminution in the value of our investment in research, development and engineering; data privacy issues; and increased cybersecurity protection and remediation costs. We also try to protect the confidential nature of our proprietary information by using commonly accepted information technology systems and network security measures. Such measures may not provide adequate protection for our proprietary information. For example, our internal procedures may not prevent an existing or former employee or consultant from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to fully protect our interests. While we maintain insurance policies that may cover certain liabilities in connection with a cybersecurity incident, we cannot be certain that our

insurance coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. We are implementing a new enterprise resource planning system. Our failure to implement it successfully, on time and on budget could have a material adverse effect on us. In 2020 we began implementing a new enterprise resource planning (“ ERP ”) system, and will continue to implement the new system in phases across our various entities over the next two years. ERP implementations are complex, time- consuming, labor intensive, and involve substantial expenditures on system software and implementation activities. The ERP system is critical to our ability to provide important information to our management, obtain and deliver products, provide services and customer support, send invoices and track payments, fulfill contractual obligations, accurately maintain books and records, provide accurate, timely and reliable reports on our financial and operating results, and otherwise operate our business. ERP implementations also require transformation of business and financial processes in order to reap the benefits of the ERP system. Any such implementation involves risks inherent in the conversion to a new computer system, including loss of information and potential disruption to our normal operations. The implementation and maintenance of the new ERP system has required, and will continue to require, the investment of significant financial and human resources and the implementation may be subject to delays and cost overruns. In addition, we may not be able to successfully complete the implementation of the new ERP system without experiencing difficulties. Any disruptions, delays or deficiencies in the design and implementation or the ongoing maintenance of the new ERP system could adversely affect our ability to process orders, ship products, provide services and customer support, send invoices and track payments, fulfill contractual obligations, accurately maintain books and records, provide accurate, timely and reliable reports on our financial and operating results, including reports required by the SEC such as the evaluation of our internal control over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act of 2002, and otherwise operate our business. Additionally, if we do not effectively implement the ERP system as planned or the system does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected or our ability to assess it adequately could be delayed.

Currency and Tax Risks We are exposed to fluctuations in currency exchange rates that could negatively impact our financial results and cash flows. Because most of our foreign sales are denominated in U. S. dollar, an increase in value of the U. S. dollar against foreign currencies will make our products more expensive than those offered by some of our foreign competitors. In addition, a weakening of the U. S. dollar against other currencies could make our costs in certain non- U. S. locations more expensive to fund. Our ability to compete overseas may therefore be materially and adversely affected by the fluctuations of the U. S. dollar against other currencies. Because nearly all of our business is conducted outside the U. S., we face exposure to adverse movements in foreign currency exchange rates which could have a material adverse impact on our financial results and cash flows. Historically, our primary exposures have related to net working capital exposures denominated in currencies other than the foreign subsidiaries’ functional currency, and remeasurement of our foreign subsidiaries’ net monetary assets from the subsidiaries’ local currency into the subsidiaries’ functional currency. In general, an increase in the value of the U. S. dollar could require certain of our foreign subsidiaries to record translation and remeasurement gains. Conversely, a decrease in the value of the U. S. dollar could require certain of our foreign subsidiaries to record losses on translation and remeasurement. An increase in the value of the U. S. dollar could increase the cost to our customers of our products in those markets outside the U. S. where we sell in U. S. dollars, and a weakened U. S. dollar could increase the cost of local operating expenses and procurement of raw materials, both of which could have an adverse effect on our cash flows. Our primary exposures include the Singapore Dollar, Chinese Yuan, Japanese Yen, Swiss Franc, Philippine Peso, Thai Baht, Taiwan Dollar, South Korean Won, Israeli Shekel, Malaysian Ringgit and Euro. Although we have entered into foreign exchange forward contracts from time to time to hedge our operating expenses against certain foreign currency exposure, our attempts to hedge against these risks may not be successful and may result in a material adverse impact on our financial results and cash flows. Changes to our existing tax incentive in Singapore may materially reduce our reported results of operations in future periods. Our existing tax incentive, scheduled to expire in **January our fiscal 2025**, allows certain classes of income to be subject to reduced income tax rates in Singapore provided we meet certain employment and investment conditions. If we cannot, or elect not to, comply with these conditions, we could be required to refund material tax benefits previously realized with respect to this tax incentive. **Subsequent renewals There cannot be assurances that we are at the discretion of able to benefit from future tax incentives granted by the Singapore government beyond and we may not be able to extend the expiration of our existing tax incentive arrangement beyond its expiration date or we may also elect not to renew this tax incentive arrangement.** In the absence of **the any** tax incentive, the income tax rate in Singapore that would otherwise apply is 17 %, which would result in a significant increase in our provision for (benefit from) income taxes in future periods. Changes in tax legislation could adversely impact our future profitability. We are subject to income taxes in the U. S. and many foreign jurisdictions. Tax laws and regulations are continuously evolving with corporate tax reform, base- erosion efforts, global minimum tax, and increased transparency continuing to be high priorities in many tax jurisdictions in which we operate. Although the timing and methods of implementation may vary, many countries, including those in the Asia / Pacific region in which we have significant operations, have implemented, or are in the process of implementing, legislation or practices inspired by the base erosion and profit shifting project undertaken by the Organization for Economic Co- operation and Development (“ OECD ”). **In December 2021, for example the OECD issued its guidance on the Global Anti- Base Erosion (“ GloBE ”) rules with the purpose of ensuring multinational companies pay a minimum level tax on the income generated in each of the jurisdictions where they operate in. In December 2022, the European Council attained a consensus on Pillar Two of the GloBE rules. While we do not expect Pillar Two to have a material impact in**, and many EU and G20 countries have specified their plan to adhere to the OECD guidelines as early as fiscal 2025 which may materially impact our income tax expense. Further, **we will** the increased scrutiny on international tax and continuous changes to countries’ tax legislation may also affect the policies and decisions of tax authorities with respect to certain income tax and transfer pricing positions taken by the Company in prior or future periods. We continue to

monitor new tax legislation or ~~and~~ other developments since ~~significant~~ changes in tax legislation, or in the interpretation of existing legislation, could materially and adversely affect our financial condition and operating results. Other changes in taxation could materially impact our future effective tax rate. Additionally, our future effective tax rate could be affected by numerous other factors including higher or lower than anticipated foreign earnings in various jurisdictions where we are subjected to tax rates that differ from the U. S. federal statutory tax rate, by changes in the valuation allowances recorded against certain deferred tax balances, or by changes in accounting principles and reporting requirements, or including the interpretations and application of such accounting principles and reporting requirements. Changes in our assertion for foreign earnings, whether permanently or non- permanently reinvested, as a result of changes in facts and circumstances or challenges by tax authorities to our historic or future tax positions and transfer pricing policies, could also significantly adversely impact our future effective tax rate.

Risks Related to Our Shares and Corporate Law We have the ability to issue additional equity securities, which would lead to dilution of our issued and outstanding common stock. We may from time to time issue additional equity securities or securities convertible into equity securities, which would result in dilution of our existing shareholders' equity interests in us. Our board of directors has the authority to issue, without vote or action of shareholders, preferred shares in one or more series, and has the ability to fix the rights, preferences, privileges and restrictions of any such series. Any such series of preferred shares could contain dividend rights, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences or other rights superior to the rights of holders of our common stock. In addition, we are authorized to issue, without shareholder approval, up to an aggregate of 200 million common stock, of which approximately ~~56.53~~ **3.9** million shares were outstanding as of September ~~30, 2023~~ **2024**. We are also authorized to issue, without shareholder approval (except as required by the rules of the Nasdaq stock market), securities convertible into either common stock or preferred stock. We may issue such shares in connection with financing transactions, joint ventures, mergers and acquisitions or other purposes. In addition, our shareholders will experience additional dilution when performance or restricted share units vest and settle, when we issue equity awards to our employees under our equity incentive plans, or when we otherwise issue additional equity. Anti- takeover provisions in our articles of incorporation and bylaws and under Pennsylvania law may discourage other companies from attempting to acquire us. Some provisions of our articles of incorporation and bylaws as well as Pennsylvania law may discourage some transactions where we would otherwise experience a fundamental change. For example, our articles of incorporation and bylaws contain provisions that: • classify our board of directors into four classes, with one class being elected each year; • permit our board to issue “ blank check ” preferred shares without shareholder approval; and • prohibit us from engaging in some types of business combinations with a holder of 20 % or more of our voting securities without super- majority board or shareholder approval. Further, under the Pennsylvania Business Corporation Law, because our shareholders approved bylaw provisions that provide for a classified board of directors, shareholders may remove directors only for cause. These provisions and some other provisions of the Pennsylvania Business Corporation Law could delay, defer or prevent us from experiencing a fundamental change and may adversely affect our common shareholders' voting and other rights. If our internal controls over financial reporting or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in the trading price of our common stock. As a public company, we are required to maintain internal control over financial reporting and disclosure controls and procedures. Section 404 of the Sarbanes- Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on our internal control over financial reporting. ~~As described in “ Part II, Item 9A — Controls and Procedures ” of this Annual Report, we previously identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company’ s annual or interim financial statements will not be prevented or detected on a timely basis. Management has concluded that this material weakness was remediated as of September 30, 2023. However, one or more material weaknesses may be identified in the future during the evaluation and testing process of our internal controls in future years.~~ If we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective, our consolidated financial statements may contain material misstatements and we could be required to revise or restate our financial results. This could materially and adversely affect our business, results of operations and financial condition, restrict our ability to access the capital markets, require us to expend significant resources to correct the material weakness, subject us to fines, penalties or judgments, harm our reputation, adversely affect the trading price of our common stock, or otherwise cause a decline in investor confidence. **27**