

## Risk Factors Comparison 2025-03-13 to 2024-02-16 Form: 10-K

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

The Company's business, financial condition, and results of operations are subject to various risks and uncertainties, including the risk factors it has identified below. Any of the following risk factors could materially and adversely affect the Company's business, financial condition, or results of operations. These factors are not necessarily listed in order of importance. 1) Operational Risks: The Company's industry is subject to intense competitive pressures. The Company operates in markets that are highly competitive. The Company competes on the basis of price, product performance and quality, service, and ~~for~~ brand name across the industries and markets it serves. Competitive pressures could affect the prices the Company is able to charge its customers or demand for its products. The Company may not always be able to compete on price, particularly when compared to manufacturers with lower cost structures. Some of the Company's competitors have substantially greater sales, financial and manufacturing resources and may have greater access to capital than the Company. As other companies enter its markets or develop new products, competition may further intensify. The Company's failure to compete effectively could materially adversely affect its business, financial condition, and results of operations. The Company engages in strategic acquisitions and may not realize the anticipated benefits of the acquisitions and / or may encounter difficulties in integrating these businesses. The Company seeks to grow through strategic acquisitions. In the past, the Company has acquired a number of businesses or companies and additional product lines and assets. The Company intends to continue to expand and diversify its operations with additional future acquisitions. An acquired business, technology, service or product could under- perform relative to the Company's expectations and the price paid for it, or not perform in accordance with the Company's anticipated timetable. This could cause the Company's financial results to differ from expectations in any given fiscal period, or over the long term. The success of these transactions also depends on the Company's ability to integrate the assets, operations, and personnel associated with these acquisitions. The Company may encounter difficulties in integrating acquisitions with the Company's operations and may not realize the degree or timing of the benefits that are anticipated from an acquisition. The Company may also discover liabilities or deficiencies associated with the companies or assets it acquires that were not identified in advance, which may result in significant unanticipated costs. The effectiveness of the Company's due diligence review and its ability to evaluate the results of such due diligence are dependent upon the accuracy and completeness of statements and disclosures made or actions taken by the companies acquired or their representatives, as well as the limited amount of time in which acquisitions are executed. In addition, the Company may fail to accurately forecast the financial impact of an acquisition transaction, including tax and accounting charges. Acquisitions may also result in recording of significant additional expenses to the results of operations and recording of substantial intangible assets on the balance sheet upon closing. Any of these factors may adversely affect the Company's financial condition and results of operations. Disruptions in the Company's manufacturing, supply or distribution chain could result in an adverse impact on results of operations. The Company sources materials and sells ~~product products~~ product products through various global ~~network-networks channels~~ network-networks channels. A disruption could occur within the Company's manufacturing, distribution or supply chain network. This could include damage or destruction due to various causes including natural disasters or political instability which would cause one or more of these ~~network-networks channels~~ network-networks channels to become non- operational. This could adversely affect the Company's ability to manufacture or deliver its products in a timely manner, impair its ability to meet customer demand for products and result in lost sales or damage to its reputation. Such a disruption could have a material adverse effect on the Company's business, financial condition and results of operations. The Company may be unable to manufacture and deliver products in a manner that is responsive to its customers' needs. The end markets for the Company's products are characterized by technological change, frequent new product introductions and enhancements, changes in customer requirements and emerging industry standards. The introduction of products embodying new technologies and the emergence of new industry standards could render its existing products obsolete and unmarketable before it can recover any or all of its research, development, and commercialization expenses on capital investments. Furthermore, the life cycles of its products may change and are difficult to estimate. The Company's future success will depend upon its ability to manufacture and deliver products in a manner that is responsive to its customers' needs. The Company will need to develop and introduce new products and product enhancements on a timely basis that keep pace with technological developments and emerging industry standards and address increasingly sophisticated requirements of its customers. The Company invests heavily in research and development without knowing if it will recover these costs. The Company's competitors may develop products or technologies that will render its products non- competitive or obsolete. If it cannot develop and market new products or product enhancements in a timely and cost- effective manner, its business, financial condition and results of operations could be materially adversely affected. The Company's business may be interrupted by labor disputes or other interruptions of supplies. A work stoppage could occur at certain Company facilities, most likely as a result of disputes under collective bargaining agreements or in connection with negotiations of new collective bargaining agreements. **Further, our reliance on international supply chain systems exposes us to potential interruptions and delays cause by transportation labor shortages, including dock worker stoppages and freight carrier disruptions.** In addition, the Company may experience a shortage of supplies for various reasons, such as financial distress, work stoppages, natural disasters, or production difficulties that may affect one of its suppliers. A significant work stoppage, or an interruption or shortage of supplies for any reason, if protracted, could substantially adversely affect the Company's business, financial condition and results of operations. Failure to attract and retain qualified personnel could affect the Company's business results. The Company's success in its existing and acquired businesses ~~depends~~ on the Company's ability to attract, retain, and motivate a highly- skilled and diverse management team

and workforce. Failure to ensure that the Company has the depth and breadth of personnel with the necessary skill set and experience could impede its ability to deliver growth objectives and execute the Company's strategy. Competition for qualified employees among companies that rely heavily upon engineering and technology is at times intense, and the loss of qualified employees could hinder the Company's ability to conduct research activities successfully and develop marketable products. The Company may not be successful in protecting its intellectual property. The Company considers its intellectual property, including patents, trade names, and trademarks, to be of significant value to its business as a whole. The Company's products are manufactured, marketed, and sold under a portfolio of patents, trademarks, licenses, and other forms of intellectual property, some of which expire or are allowed to lapse at various dates in the future. The Company develops and acquires new intellectual property on an ongoing basis and considers all of its intellectual property to be valuable. The Company's policy is to file applications and obtain patents for the great majority of its novel and innovative new products including product modifications and improvements. Based on the broad scope of its product lines, the Company believes that the loss or expiration of any single intellectual property right would not have a material adverse effect upon its consolidated results of operations, financial position and cash flows; however, multiple losses or expirations could have a material adverse effect upon the Company's consolidated results of operations, financial position and cash flows.

**The Company may incur material losses and costs as a result of defects in its products, including as a result of warranty claims, product recalls, and product liability. The Company has been notified by one of its customers of a product recall potentially due to certain fuses provided by the Company and incorporated in the customer's products. The Company is working with its customer to investigate the cause and level of responsibility for this recall. Given the highly complex products that the Company manufactures, it is possible that those products, including third-party components contained in those products, may contain defects or fail to work properly or as intended when integrated with customer products. This could subject the Company to product liability or warranty claims, which could lead to significant expenses, including recall, repair, and / or replacement costs and, potentially breach of contract or other damage claims, all of which could materially adversely affect the Company's financial results. This is particularly true if the Company does not discover these issues until after the products have been sold and deployed. In addition to expenses directly attributable to product defects, the Company's reputation and ability to attract and retain customers may be harmed. Further, significant warranty and product liability claims may, among other things, result in the need for significant reserves, divert management's and other personnel's attention, cause production delays, impact on-time delivery of products to other customers, reduce margins, and delay recognition of revenues. It is also possible that end users of customers' products may make claims against the Company, resulting in additional defense costs and potential damages. Although, the Company generally attempts to limit its liability through standard contract terms and conditions and maintains insurance in connection with product defects and warranty claims, it is possible that the Company may not be able to enforce contractual limitations on damages and / or that a successful claim against the Company may exceed the Company's applicable insurance policy limits or be excluded from coverage.**

2) Regulatory Risks: Climate change, and the regulatory and legislative developments related to climate change, may have a material adverse impact on our business and results of operations. The potential physical impacts of climate change on our business operations are highly uncertain and differ in each geographic region where we operate. These impacts may include changes in weather patterns and increased weather intensity, water shortages, changing sea levels and changing temperatures. The impacts of climate change may materially and adversely impact the cost of production, insurance availability, and financial performance of our operations. Further, any impacts to our business and financial condition as a result of climate change are likely to occur over a sustained period of time and are therefore difficult to quantify with any degree of specificity. For example, extreme weather events may result in adverse physical effects on portions of our or others infrastructure, which could disrupt our supply chain and our customers and ultimately our business operations. In addition, disruption of transportation and distribution systems could result in reduced operational efficiency and customer service interruption. Climate-related events have the potential to disrupt our business, including the business of our suppliers and customers, and may cause us to experience higher attrition, and additional costs to resume operations. Increased government or governmental bodies contemplating legislative and regulatory changes in response to the potential impact of climate change could impose significant costs on us and our suppliers and customers, including increased cost of materials and natural resources, sources and supply of energy, capital equipment, environmental monitoring and reporting, or other costs to comply with such regulations. Potential regulations or standards could mandate more restrictive manufacturing requirements, such as stricter limits on greenhouse gas emissions and material used in production. Some jurisdictions have already ~~passing~~ passed such laws. For example, California enacted legislation in 2023 requiring disclosure of certain companies' greenhouse gas ("GHG") emissions, climate-related financial risks, voluntary carbon offsets ("VCOs"), and certain climate-related emission claims. Any future climate change regulations could also adversely impact our ability to compete with companies not subject to such regulations. **In addition, the European Union ("EU") enacted the Corporate Sustainability Reporting Directive ("CSRD") and Corporate Sustainability Due Diligence ("CS3D") in 2023 and 2024, respectively. We are further assessing our compliance and reporting strategies under CSRD and CS3D, but our obligations under these and other EU climate directives may incur substantial effort in the future.** Changes in U. S. and other countries trade policy, including the imposition of tariffs and the resulting consequences, may have a material adverse impact on our business and results of operations. In the past several years, the U. S. government adopted a new approach to trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements. It also imposed tariffs on certain foreign goods and products. These measures may materially increase costs for goods imported into the U. S. **This Further, the global trade policies and tensions could create additional complexities. Our international presence subjects us to risks associated with international trade conflicts between the United States and its trade partners, including, without limitation, China, Mexico and Canada, particularly with regard to tariffs and import / export controls. These factors** in turn could require us to materially increase prices to our customers

which may reduce demand, or, if we do not or are unable to increase prices, could result in lower margins on products sold. Changes in U. S. trade policy have resulted in, and could result in more, U. S. trading partners adopting responsive trade policies making it more difficult or costly for us to export our products to those countries. Additionally, continued ~~geo-political~~ **geopolitical** issues may result in customers ~~in China~~ **outside the U. S.** seeking to source products from local suppliers, which could result in lower sales or lost customers. The Company is exposed to political, economic, and other risks that arise from operating a multinational business. The Company's customers, suppliers, employees and operations are located in numerous countries around the world, and contribute significantly to its revenues and earnings. Sales to customers outside the U. S. constituted approximately ~~65-63%~~ **65-63%** of the Company's net sales in fiscal ~~2023-2024~~ **2023-2024**, including approximately 23% to China ~~;~~ **;** ~~which decreased from 25% in fiscal 2022~~. Economic conditions in China have been, and may continue to be, volatile and uncertain. In addition, the legal and regulatory system in China continues to evolve and is subject to change. There also continues to be significant uncertainty about the relationship between the U. S. and ~~other countries, including China, including~~ **other countries, including China, including** with respect to geopolitics, trade policies, treaties, government regulations, and tariffs **. The result of the recent U. S. elections may compound this uncertainty**. Further deterioration of economic conditions or outlook, such as lower economic growth, recession or fears of recession in ~~China~~ **other countries** may adversely affect the demand for or profitability of our products and services. Many of the Company's key customers are located outside of ~~the~~ **the** U. S. and maintain global operations. Serving a global customer base and remaining competitive in the global marketplace requires the Company to diversify its operations outside the U. S. to capitalize on customer and market opportunities, build a global workforce and maintain a cost efficient structure. In addition, the Company sources a significant amount of raw materials, components and finished goods from third-party suppliers and contract manufacturers. The Company's operating activities are subject to a number of risks generally associated with multi-national operations ~~;~~ **;** including risks relating to the following: • general economic conditions; • currency fluctuations and exchange restrictions; • import and export duties and restrictions; • the imposition of tariffs and other import or export barriers; • compliance with regulations governing import and export activities; • current and changing regulatory requirements; • political and economic instability; • potentially adverse income tax consequences; • transportation delays and interruptions; • labor unrest; • natural disasters; • terrorist activities; • war and acts of war **;** • public health concerns, including the outbreak of the coronavirus or other pandemics; • difficulties in staffing and managing multi-national operations; and • limitations on the Company's ability to enforce legal rights and remedies. Any of these factors could have a material adverse effect on the Company's consolidated results of operations, financial position and cash flows **. In addition, the effects on the global economy of the Russia- Ukraine and Israel- Hamas wars, particularly if they escalate, are uncertain**.

Environmental liabilities could adversely impact the Company's financial position. Foreign, federal, state and local laws and regulations impose various restrictions and controls on the discharge of materials, chemicals and gases used in the Company's manufacturing processes or in its finished goods. These environmental regulations have required the Company to expend a portion of its resources and capital on relevant compliance programs. Under these laws and regulations, the Company could be held financially responsible for remedial measures if its current or former properties are contaminated or if it sends waste to a landfill or recycling facility that becomes contaminated, even if the Company did not cause the contamination. The Company may be subject to additional common law claims if it releases substances that damage or harm third parties. ~~In addition, future~~ **Future changes in environmental laws or, regulations may require, standards and other obligations as well as changes in the interpretation of existing environmental laws, regulations, standards and other obligations could impair our ability to operate our business, such as through increased compliance costs and procedures, additional investments in capital equipment and distraction of management from other operational and strategic matters. or For example, in June 2024 in Loper Bright Enterprises v. Raimondo (" Loper"), the implementation Supreme Court's holding that courts need not defer to a governmental agency's interpretation of additional compliance programs an ambiguous statute that it administers may result in increased challenges, changes to existing agency regulations, and uncertainty as to how courts may interpret agency regulations in the future**. Any failure to comply with new or existing environmental laws or regulations could subject the Company to significant liabilities and could have a material adverse effect on its consolidated results of operations, financial position and cash flows. **Further, the Trump administration and newly elected Congress and appointed agency chairs may seek sweeping changes in environmental regulation**. In the conduct of manufacturing operations, the Company has handled and does handle materials that are considered hazardous, toxic or volatile under federal, state, and local laws. The risk of accidental release of such materials cannot be completely eliminated. In addition, the Company operates or owns facilities located on or near real property that was formerly owned and operated by others. Certain of these properties were used in ways that involved hazardous materials. Contaminants may migrate from, within or through these properties. These releases or migrations may give rise to claims. Where third parties are responsible for contamination, the third parties may not have funds, or not make funds available when needed, to pay remediation costs imposed upon the Company under environmental laws and regulations. The Company is responsible for the maintenance of discontinued coal mining operations in Germany. The risk of environmental remediation exists, and the Company is in the process of remediating the mines considered to be the most at risk.

3) Financial Risks: The Company's effective tax rate could materially increase as a consequence of various factors, including U. S. and / or international tax legislation, mix of the Company's earnings by jurisdiction, and U. S. and non- U. S. jurisdictional tax audits. The Company is subject to taxes in the U. S. and numerous non- U. S. jurisdictions. Therefore, it is subject to changes in tax laws in each of these jurisdictions, including changes discussed in the paragraphs below **. Further, the results of the recent U. S. elections could create additional complexities in the U. S.'s and other countries' tax policies**. The outcome of these and other legislative developments, including changes to interpretations of recently enacted legislation, could have a material adverse effect on the Company's future effective tax rate and cash flows. The Organization for Economic Cooperation and Development (" OECD ") has been working with a group of more than 100 countries to significantly change the tax treatment of multinational businesses, subjecting them to tax in

additional jurisdictions, modifying the methods by which they allocate profits among jurisdictions, and subjecting them to a minimum level of tax of 15 %, on a country- by- country- basis. As part of this effort, in December of 2021, the OECD published model rules to assist with implementation of the minimum tax regime. In December of 2022, the European Union reached an agreement pursuant to which all European Union countries agreed to enact laws based upon the OECD- led minimum tax proposals. **During As of the end of 2023-2024 , many of the European Union countries have already enacted these rules became effective for most European jurisdictions years beginning on or after December 31, 2023-** Similar legislation was adopted, or is expected to be adopted, in other countries with widespread implementation of the global minimum tax anticipated by the end of 2025. The Company’ s income tax rate in certain non- U. S. jurisdictions is lower than 15 %. Once these minimum tax rules are effective, they could have a significant adverse effect on the Company’ s future effective tax rate and cash flows. The Company has two subsidiaries in China which benefit from lower ~~income~~ tax rates due to “ tax holidays ” which apply for three- year periods. The tax holiday for one of the subsidiaries expired at the end of ~~2022-2023~~ but was later extended for an additional three years, ~~retroactive retroactively~~ to include all of ~~2023-2024~~ , as well as ~~2024 and 2025~~ , **and 2026;** and for the other subsidiary , the tax holiday ~~will expired-~~ **expire** at the end of ~~2023-2025~~ . Future year tax benefits will depend upon the Company’ s ability to obtain extensions, after the three- year periods expire. There can be no assurance that future extensions will be granted. The tax rates applicable in the jurisdictions within which the Company operates vary widely. Therefore, the Company’ s effective tax rate may be adversely affected by changes in the mix of its earnings by jurisdiction. The Company’ s tax returns are subject to examination by various U. S. and non- U. S. tax authorities, including the U. S. Internal Revenue Service. The Company regularly assesses the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of its provision for income taxes. However, there can be no assurance as to the outcome of these examinations. The Company’ s ability to manage currency or commodity price fluctuations or supply shortages is limited. As a resource- intensive manufacturing operation, the Company is exposed to a variety of market and asset risks, including the effects of changes in commodity prices, foreign currency exchange rates, and interest rates. The Company has multiple sources of supply for the majority of its commodity requirements. The Company monitors and manages exposures in changes in commodity prices, foreign currency exchange rates, and interest rates as an integral part of its overall risk management program, which recognizes the unpredictability of markets and seeks to reduce the potentially adverse effects on its results. Nevertheless, changes in currency exchange rates, commodity prices and interest rates cannot always be predicted. In addition, because of intense price competition and the Company’ s high level of fixed costs, it may not be able to address such changes even if they are foreseeable. Substantial changes in these rates and prices could have a material adverse effect on the Company’ s results of operations and financial condition. In addition, significant portions of its revenues and earnings are exposed to changes in foreign currency rates. As it operates in multiple foreign currencies, changes in those currencies relative to the U. S. dollar will impact its revenues and expenses. The impact of possible currency devaluation in countries experiencing high inflation rates or significant exchange fluctuations can impact the Company’ s results and financial guidance. For additional discussion of interest rate, currency or commodity price risk, see Item 7A, Quantitative and Qualitative Disclosures about Market Risk. A significant fluctuation between the U. S. dollar and other currencies could adversely impact the Company’ s revenue and earnings. Although the Company’ s financial results are reported in U. S. dollars, the majority of the Company’ s operations consist of manufacturing and sales activities in foreign countries. The Company’ s most significant net long exposure is to the euro. The Company’ s most significant net short exposures are to the Chinese renminbi, Mexican peso, and Philippine peso. Changes in foreign exchange rates could have an adverse effect on the Company’ s results of operations, financial position and cash flows. The Company’ s revenues may vary significantly from period to period. The Company’ s revenues may vary significantly from one period to another due to a variety of factors including: • changes in customers’ buying decisions; • changes in demand for its products; • changes in its distributor inventory stocking; • the Company’ s product mix; • the Company’ s effectiveness in managing manufacturing processes; • costs and timing of its component purchases; • the effectiveness of its inventory control; • the degree to which it is able to utilize its available manufacturing capacity; • the Company’ s ability to meet delivery schedules; • general economic and industry conditions; • local conditions and events that may affect its production volumes, such as labor conditions and political instability; and • seasonality of certain product lines. Reorganization activities may lead to additional costs and material adverse effects. In the past, the Company has taken actions to restructure and optimize its production and manufacturing capabilities and efficiencies through relocations, consolidations, plant closings or asset sales. In the future, the Company may take additional restructuring actions including the consolidating, closing or selling of additional facilities. These actions could result in impairment charges and various charges for such items as idle capacity, disposition costs and severance costs, in addition to normal or attendant risks and uncertainties. The Company may be unsuccessful in any of its current or future efforts to restructure or consolidate its business. Plans to minimize or eliminate any loss of revenues during restructuring or consolidation may not be achieved. These activities may have a material adverse effect upon the Company’ s business, financial condition and results of operations. A decline in expected profitability of the Company or individual reporting units of the Company could result in the impairment of assets, including goodwill and other long- lived assets. The Company continues to hold material amounts of goodwill and other long- lived assets on its balance sheet. A decline in expected profitability, particularly if there is a decline in the global economy, could call into question the recoverability of the Company’ s related goodwill and other long- lived tangible and intangible assets and require the write- down or write- off of these assets. Such an occurrence could have a material adverse effect on the Company’ s consolidated results of operations, financial position and cash flows. **As a result of the 2024 annual goodwill impairment test, the Company recorded non-cash charges of \$ 36. 1 million and \$ 8. 6 million to reflect the impairment of goodwill for the Industrial controls and sensors reporting unit within the Industrial segment and the Automotive sensors reporting unit within the Transportation segment, respectively. There were no impairment charges recorded during the fiscal years of 2023 and 2022. In addition, during the fourth quarter of 2024, the Company recorded non- cash impairment charges of \$ 47. 8**

million for the impairment of intangible assets, including \$ 47. 6 million related to the impairment of certain acquired customer relationships, developed technology, and tradename intangible assets in the Industrial controls and sensors reporting unit within the Industrial segment. We have identified a material weaknesses in our internal control over financial reporting, and ineffective internal controls could impact the accuracy and timely reporting of our business and financial results. Our disclosure controls or our internal control over financial reporting may not prevent or detect all errors, including simple errors or mistakes, and all incidents of non- compliance, which may result in misstatements. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met with respect to the preparation and accurate presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to timely and appropriately implement new, required or improved controls, such failure may result in the loss of investor confidence in our financial reports, and we may incur significant expenses to remediate any resulting internal control deficiencies. Such failure may, ultimately, have an adverse effect on the trading price of our common stock. Further, controls may become inadequate over time because of changes in conditions or the degree of compliance with the policies may deteriorate. The design of a control system must reflect the fact there are resource constraints, and the benefits of controls must be considered relative to their costs. The Company' s management has identified the material weaknesses described below. In making this assessment, management has concluded that we did not design and maintain an effective control environment commensurate with our financial reporting requirements. Specifically, at certain of our non- U. S. manufacturing locations, we lacked sufficiently skilled operational and accounting personnel to ensure that internal control responsibilities were performed and aligned with internal control objectives. The material weakness in the control environment contributed to an additional material weakness related to the design and operating effectiveness of control activities over the existence of inventory at these locations. The Company did not maintain effective controls related to inventory cycle counts to validate existence of inventory, and consequently, the completeness and accuracy of the data used in evaluating the appropriateness of the valuation of inventory and related reserves. These material weaknesses resulted in corrections through cumulative out- of- period adjustments as described in notes to the consolidated financial statements as of and for the year ended December 28, 2024. The Company evaluated the impact of the error and out- of- period adjustment and concluded it was not material to any previously issued financial statements and the adjustment was not material to the year ended December 28, 2024. Further, we have incurred additional costs and risks, including costs for accounting and legal fees in connection with the ongoing process of remediating the material weaknesses. We could also be subject to regulatory, stockholder or other actions in connection with the material weaknesses, and such actions would divert management' s time and attention. For a description of the material weaknesses identified by management and the remediation efforts being implemented to address the material weaknesses, see " Part II, Item 9A- Controls and Procedures. " If the enhanced controls implemented to address the material weaknesses and to strengthen our overall internal control do not operate effectively, if we are unsuccessful in implementing or following these enhanced processes, or if we are otherwise unable to remediate this material weaknesses, such failures may result in delayed or inaccurate reporting of our financial results. The bankruptcy or insolvency of a major customer could adversely affect the Company. The bankruptcy or insolvency of a major customer could result in lower sales revenue and cause a material adverse effect on the Company' s consolidated results of operations, financial position and cash flows. In addition, the bankruptcy or insolvency of a major auto manufacturer or significant supplier likely could lead to substantial disruptions in the automotive supply base, resulting in lower demand for the Company' s products, which would likely cause a decrease in sales revenue and have a substantial adverse impact on the Company' s consolidated results of operations, financial position and cash flows. The inability to maintain access to capital markets may adversely affect the Company' s business and financial results. The Company' s ability to invest in its businesses, make strategic acquisitions, and refinance maturing debt obligations may require access to the capital markets and sufficient bank credit lines to support short- term borrowings. If the Company is unable to access the capital markets or bank credit facilities, it could experience a material adverse effect on its consolidated results of operations, financial position and cash flows. Fixed costs may reduce operating results if sales fall below expectations. The Company' s expense levels are based, in part, on its expectations for future sales. Many of the Company' s expenses, particularly those relating to capital equipment and manufacturing overhead, are relatively fixed. The Company might not be able to reduce spending quickly enough to compensate for reductions in sales. Accordingly, shortfalls in sales could materially and adversely affect the Company' s consolidated results of operations, financial position and cash flows. The volatility of the Company' s stock price could affect the value of an investment in the Company' s stock and future financial position. The market price of the Company' s stock can fluctuate widely. Between December 31-30, 2022-2023 and December 30-28, 2023-2024, the closing sale price of the Company' s common stock ranged between a low of \$ 212-222. 8-9 and a high of \$ 309-275. 9-6. The volatility of the stock price may be related to any number of factors, such as volatility in the financial markets, general macroeconomic conditions, industry conditions, market expectations concerning the Company' s results of operations, or the volatility of its revenues as discussed above under " The Company' s revenues may vary significantly from period to period. " The historic market price of the Company' s common stock may not be indicative of future market prices. The Company may not be able to sustain or increase the value of its common stock. Declines in the market price of the Company' s stock could adversely affect the Company' s ability to retain personnel with stock incentives, to acquire businesses or assets in exchange for stock and / or to conduct future financing activities with or involving the Company' s common stock. The Company is exposed to, and may be adversely affected by, potential security breaches or other disruptions to its information technology systems and data security. The Company relies on its information technology systems and networks in connection with many of its business activities. Some of these networks and systems are managed directly by the Company, while others are managed by third- party service providers and are not under the Company' s direct control. The Company' s operations routinely involve receiving,

storing, processing and transmitting sensitive information pertaining to its business, customers, dealers, suppliers, employees, and other sensitive matters. As with most companies, the Company has experienced cyber- attacks, attempts to breach its systems, and other similar incidents, none of which have been material. Any future cyber incidents could, however, materially disrupt operational systems; result in loss of trade secrets or other proprietary or competitively sensitive information; compromise personally identifiable information regarding employees or customers or other third parties; and jeopardize the security of the Company's facilities. A cyber incident could be caused by malicious outsiders using sophisticated methods to circumvent firewalls, encryption, and other security defenses. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, the Company may be unable to anticipate these techniques or to implement adequate preventative measures. Information technology security threats, including security breaches, computer malware, and other cyber- attacks are increasing in both frequency and sophistication and could create financial liability, subject the Company to legal or regulatory sanctions or damage the Company's reputation with customers, dealers, suppliers, and other stakeholders. **In addition, the widespread adoption and rapid evolution of artificial intelligence technologies may increase our cybersecurity risk, including the use of generative artificial intelligence to augment existing or to create new malware.** The Company continuously seeks to maintain a robust program of information security and controls, but the impact of a material information technology event could have a material adverse effect on the Company's competitive position, reputation, results of operations, financial position and cash flows. Customer demands and regulations related to conflict- free minerals may force the Company to incur additional expenses. The Dodd- Frank Wall Street Reform and Consumer Protection Act requires disclosure of **the** use of " conflict " minerals mined from the Democratic Republic of Congo and adjoining countries and efforts to prevent the use of such minerals. In the semiconductor industry, these minerals are most commonly found in metals. As there may be only a limited number of suppliers offering " conflict free " metals, the Company cannot be certain that it will be able to obtain necessary metals in sufficient quantities or at competitive prices. Also, the Company may face challenges with its customers and suppliers if it is unable to sufficiently verify that the metals used in its products are " conflict free. "