

Risk Factors Comparison 2025-02-25 to 2024-02-28 Form: 10-K

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The following risk factors and other information included in this Annual Report on Form 10- K should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. If any of the following risks come to fruition, our business, financial condition, results of operations and future growth prospects would likely be materially and adversely affected. In these circumstances, the market price of our common stock could decline, and you could lose all or part of your investment. Summary of Material Risk Factors Below is a summary of the principal factors that make an investment in our securities speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this summary, and other risks that we face, can be found following this summary and should be carefully considered together with all of the other information appearing in this Annual Report on Form 10- K. • We currently derive a significant portion of our revenue from our Masimo SET ® platform, Masimo rainbow SET ® platform and related products. If these technologies and related products do not continue to achieve market acceptance, our business, financial condition and results of operations would be adversely affected. • Some of our products are in development or have been recently introduced into the market and may not achieve market acceptance, which could limit our growth and adversely affect our business, financial condition and results of operations. • Our ability to commercialize new products, new or improved technologies and additional applications for Masimo SET ® and our licensed rainbow ® technology is limited to certain markets by our Cross-Licensing Agreement with Willow Laboratories, Inc. (Willow), formerly known as Cercacor Laboratories, Inc., which may impair our growth and adversely affect our business, financial condition and results of operations. • We depend on our domestic and international **original equipment manufacturer (OEM)** partners for a portion of our revenue. If they do not devote sufficient resources to the promotion of products that use our technologies, our business would be harmed. • If we fail to maintain or develop relationships with GPOs, sales of our healthcare products would decline. • Inadequate levels of coverage or reimbursement from governmental or other third- party payers for our healthcare products, or for procedures using our healthcare products, may cause our revenue to decline or prevent us from realizing revenues from future products. • The loss of any large customer or distributor, or any cancellation or delay of a significant purchase by a large customer **or international tender , or any non- payment, non- performance or disagreement or dispute with any customer or distributor** could reduce our net sales and harm our operating results. • Counterfeit Masimo sensors and third- party reprocessed single- patient- use Masimo sensors may harm our reputation and adversely affect our business, financial condition and results of operations . → ~~Competition and other conflicts with our non- healthcare distribution partners could harm our business and operating results .~~ • If the patents we own or license, or our other intellectual property rights, do not adequately protect our technologies, we may lose market share to our competitors and be unable to operate our business profitably. • If third- parties claim that we infringe their intellectual property rights, we may incur liabilities and costs and may have to redesign or discontinue selling certain products. • We believe competitors may currently be violating and may in the future violate our intellectual property rights. As a result, we may initiate litigation to protect and enforce our intellectual property rights, which may result in substantial expense and may divert management' s attention from implementing our business strategy. • Our failure to obtain and maintain FDA clearances or approvals on a timely basis, or at all, would prevent us from commercializing our current, upgraded or new healthcare products in the U. S., which could severely harm our business. • If our healthcare products cause or contribute to a death or serious injury, or malfunction in a way that would likely cause or contribute to a death or serious injury, we will be subject to medical device reporting regulations and other applicable laws, and may need to initiate voluntary or mandatory corrective actions, such as the recall of our healthcare products. • Promotion of our healthcare products using claims that are off-label, unsubstantiated, false or misleading could subject us to substantial penalties. • The regulatory environment governing information, data security and privacy is increasingly demanding and evolving. Many of the laws and regulations in this area are subject to uncertain interpretation, and our failure to comply could result in claims, penalties or increased costs or otherwise harm our business. • We may be subject to or otherwise affected by federal and state healthcare laws, including fraud and abuse laws, and could face substantial penalties if we are unable to fully comply with these laws. • We ~~may experience conflicts of interest with Willow with respect to business opportunities and other matters.~~ • We will be required to assign to Willow and pay Willow for the right to use certain products and technologies we develop that relate to the monitoring of non- vital sign parameters, including improvements to Masimo SET ®. • In the event that the Cross- Licensing Agreement is terminated for any reason, or Willow grants a license to rainbow ® technology to a third- party, our business would be adversely affected. • ~~Rights provided to Willow in the Cross- Licensing Agreement may impede a change in control of our company.~~ • If we are unable to obtain key materials and components from sole or limited source suppliers, we will not be able to deliver our products to customers. • Future strategic ~~initiatives~~ **transactions** , including acquisitions **or separations** of businesses and strategic investments **or joint ventures** , could negatively affect our business, financial condition and results of operations if we fail to integrate the acquired businesses and their employees successfully into our existing operations or achieve the desired results of our initiatives. • Our new products and changes to existing products , ~~including as a result of our acquisition of Sound United~~ could fail to attract or retain users or generate revenue and profits . ~~Further, we may not be successful in our non- healthcare expansion, which could adversely affect our business, reputation or financial results .~~ • Our Credit Facility contains certain covenants and restrictions that may limit our flexibility in operating our business. • We have incurred impairment charges for other intangible assets **and goodwill** , and may incur further impairment charges in the future, which would negatively impact

our operating results. • We may need additional capital and failure to raise additional capital on terms favorable to us, or at all, could limit our ability to grow our business and develop or enhance our service offerings to respond to market demand or competitive challenges. • Concentration of ownership of our stock among our existing directors, executive officers and principal stockholders may prevent new investors from influencing significant corporate decisions. • We may be unable to accurately forecast our financial and operating results and appropriately plan our expenses in the future or we may fail to meet our publicly announced guidance about our business and future operating results. • Our corporate documents, and Delaware law contain provisions that could discourage, delay or prevent a change in control of our company, prevent attempts to replace or remove current management and reduce the market price of our stock. • **Shareholder activism, Recent changes to our senior leadership and our Board could create uncertainties and adversely impact** cause us to incur significant expense, disrupt our business ; **result in a proxy contest or litigation and impact our stock price.** • Exclusive forum provisions in our bylaws could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. • **A dispute with our former Chairman and CEO, Mr. Kiani, with respect to his Amended Employment Agreement could be costly and adversely affect our business.**

Risks Related to Our Revenues Our healthcare business is highly dependent upon the continued success and market acceptance of our proprietary Masimo SET ® and Masimo rainbow SET ® technologies that serve as the basis of our primary healthcare product offerings. Continued market acceptance of products incorporating these technologies will depend upon us continuing to provide evidence to the medical community that our products are cost- effective and offer significantly improved performance compared to conventional pulse oximeters. Healthcare providers that currently have significant investments in competitive pulse oximetry products may be reluctant to purchase our products. If hospitals and other healthcare providers do not believe our Masimo SET ® and Masimo rainbow SET ® platforms are cost- effective, safe or more accurate or reliable than competitive pulse oximetry products, they may not buy our healthcare products in sufficient quantities to enable us to generate revenue growth from the sale of these products. In addition, allegations regarding the safety and effectiveness of our products, whether or not substantiated, may impair or impede the acceptance of our products. Many of our noninvasive measurement technologies are considered disruptive. These technologies have performance levels that we believe are acceptable for many clinical environments but may be insufficient in others. In addition, these technologies may perform better in some patients and settings than others. Over time, we hope to continue to improve the performance of these technologies and educate the clinical community on how to properly evaluate them. If we are successful in these endeavors, we expect these technologies will become more useful in more environments and will become more widely adopted. Our product portfolio continues to expand, and we are investing significant resources to enter into, and in some cases create, new markets for our products. ~~For example, our acquisition of Sound United expanded our business and product strategy to additionally focus on non-healthcare products to integrate with our successful medical technology.~~ See the risk factor with the heading “ Our new products and changes to existing products , including as a result of our acquisition of Sound United could fail to attract or retain users or generate revenue and profits. Further, we may not be successful in our non- healthcare expansion, which could adversely affect our business, reputation or financial results ” for additional risks related to this expansion of our business. We are continuing to invest in sales and marketing resources to achieve market acceptance of our products, but are unable to guarantee that our technologies will achieve general market acceptance. The degree of market acceptance of our healthcare products will depend on a number of factors, including but not limited to: • perceived clinical benefits from our products; • perceived cost effectiveness of our products; • perceived safety and effectiveness of our products; • reimbursement available through government and private healthcare programs for using some of our products; and • introduction and acceptance of competing products or technologies . ~~Further, market acceptance of our non- healthcare products will depend on certain additional factors, including but not limited to: • perceived quality of our non- healthcare brands and technology; • our ability to accurately forecast consumer demand and maintain manufacturing capacity to meet such demand; • our ability to introduce new innovative products that align with rapidly changing consumer tastes; and • implementation of pricing and marketing strategies that drive consumer adoption without eroding our premium market position. If our products do not gain market acceptance or if our customers prefer our competitors' products, our potential revenue growth would be limited, which would adversely affect our business, financial condition and results of operations. If we are not able to maintain and enhance the value and reputation of our non- healthcare brands, or if our reputation is otherwise damaged, our business and operating results could be harmed. Our non- healthcare business in the premium audio market depends on the reputation associated with our brands, including Bowers & Wilkins ™, Denon ™, Marantz ™, HEOS ™, Classé ™, Polk Audio ™, Boston Acoustics ™ and Definitive Technology ™, for providing high- quality products and consumer experiences. The reputation of our brands is dependent on a number of factors, including product quality, research and development, trademark protection and sales and marketing initiatives, each of which requires a wide variety of talented professionals and significant expenditures. The value of our brands could be damaged by a number of factors, including defects or other quality issues, perceived lack of innovation, evolving consumer tastes, or ineffective marketing strategies. Further, certain third- parties, such as installers of home audio systems or independent retailers over which we exert no control may damage our reputation if their services or business practices negatively impact the consumer experience with our products. Damage to our brands' reputation or other negative consumer perceptions may adversely affect our business, financial condition and results of operations .~~ Since 1998, we have been a party to a cross-licensing agreement with Willow (as amended, the Cross- Licensing Agreement), under which we granted Willow: • an exclusive, perpetual and worldwide license, with sublicense rights, to use all Masimo SET ® technology owned by us, including all improvements to this technology, for the monitoring of non- vital signs parameters and to develop and sell devices incorporating Masimo SET ® for monitoring non- vital signs parameters **(alone or in combination with vital signs parameters)** in any product market in which a product is intended to be used by a patient or pharmacist rather than by a professional medical caregiver, which we refer to as the “ Willow Market ”; and • **an option for** a non- exclusive, perpetual and worldwide license, with sublicense rights, to use all Masimo SET ® technology owned by us for measurement of vital signs in

the “ Willow Market ”. Non- vital signs measurements consist of body fluid constituents other than vital signs measurements, including, but not limited to, carbon monoxide, methemoglobin, blood glucose, hemoglobin and bilirubin. Under the Cross- Licensing Agreement, we are only permitted to sell devices utilizing Masimo SET ® for the monitoring of non- vital signs parameters in markets where the product is intended to be used by a professional medical caregiver, including, but not limited to, hospital caregivers and alternate care facility caregivers, rather than by a patient or pharmacist, which we refer to as the “ Masimo Market ”. Accordingly, our ability to commercialize new products, new or improved technologies and additional applications for Masimo SET ® is limited. In particular, our inability to expand beyond the “ Masimo Market ” may limit our ability to maintain or increase our revenue and impair our growth. Pursuant to the Cross- Licensing Agreement, we have licensed from Willow the right to make and distribute products in the “ Masimo Market ” that utilize rainbow ® technology for certain noninvasive measurements. As a result, the opportunity to expand the market for our products incorporating rainbow ® technology is also limited, which could limit our ability to maintain or increase our revenue and impair our growth. We face competition from other companies, many of which have substantially greater resources than we do. If we do not successfully develop and commercialize enhanced or new products that remain competitive with products or alternative technologies developed by others, we could lose revenue opportunities and customers, and our ability to grow our business would be impaired, adversely affecting our financial condition and results of operations. The industries in which we compete are intensely competitive and significantly affected by new product introductions and other market activities of industry participants. A number of our competitors have substantially greater capital resources, larger product portfolios, larger customer bases, larger sales forces and greater geographic presence, have established stronger reputations with specific customers, and have built relationships with Group Purchasing Organizations and other hospital purchasing groups (collectively, GPOs) that may be more effective than ours. Our Masimo SET ® platform faces additional competition from companies developing products for use with third- party monitoring systems, as well as from companies that currently market their own pulse oximetry monitors. In addition, competitors with larger product portfolios than ours are engaging in bundling practices, whereby they offer increased discounts to hospitals that purchase their requirements for a variety of different products from the competitor, including products that we do not offer, effectively pricing their competing products at a loss. Continuing technological advances and new product introductions in the industries in which we compete place our products at risk of obsolescence. Our long- term success depends upon the development and successful commercialization of new products, new or improved technologies and additional applications for our existing technologies. In our non- healthcare business, we face significant risks associated with new product introductions, including accurately forecasting initial consumer demand, effectively managing any third- party strategic alliances related to manufacturing and commercialization, as well as the risk that new products may not achieve market acceptance or, if acceptance is achieved, may negatively impact the sales of older products. Accordingly, if we cannot properly manage the introduction of new products, our operating results and financial condition may be adversely impacted. In addition, the research and development process is time- consuming and costly and may not result in products or applications that we can successfully commercialize. In particular, we may not be able to successfully commercialize our healthcare products for applications other than arterial blood oxygen saturation and pulse rate monitoring, such as for respiration rate, hemoglobin, carboxyhemoglobin and methemoglobin monitoring. If we do not successfully adapt our products and applications, we could lose revenue opportunities and customers. Furthermore, one or more of our competitors may develop products that are substantially equivalent to those of our healthcare products that are cleared or approved for use, or those of our original equipment manufacturer (OEM) partners, in which case a competitor of ours may use our products or those of our OEM partners as predicate devices to more quickly obtain regulatory clearance or approval of their competing products. Competition could result in pressure from our customers to reduce the price of our products and could cause them to place fewer orders for our products, which could, in turn, cause a reduction in our revenues and product gross margins, thereby adversely impacting our business, financial condition and results of operations. Some of the world’ s largest technology companies that have not historically operated in the healthcare or medical device space, such as Alphabet Inc., Amazon. com, Inc., Apple Inc., Samsung Electronics Co., Ltd. and others, have developed or may develop products and technologies that may compete with our current or future products and technologies. For example, in September 2021, Apple, Inc. announced that its Apple Watch Series 7 includes a blood oxygen level monitoring feature and a sleep tracking function, both of which compete with our existing products. In August 2022, Apple, Inc. announced that its Apple Watch Series 8 includes an ECG app, as well as fall detection and temperature sensing capabilities, which may compete with certain of our existing products and products in development. In September 2022, Apple, Inc. announced that its Apple Watch OS9 will include expanded workout enhancements, medication reminders, sleep reporting, temperature tracking and atrial fibrillation history, which may compete with certain of our existing products and products in development. In our non- healthcare business, our competition includes the technology companies referenced above as well as sellers of consumer audio products, such as Bang & Olufsen ®, Bose ®, Harman International ®, JBL ®, Sonos ® and Sony ®. Many of these companies have substantially greater capital, research and development, and sales resources than we have. To effectively compete, we may need to expand our product offerings and distribution channels, which in the interim could increase our research and development costs and decrease our operating margins, thereby adversely impacting our business, financial condition and results of operations. We are, and will continue to be, dependent upon our domestic and international OEM partners for a portion of our revenue through their marketing, selling and distribution of certain of their products that incorporate our technologies. Although we expect that our OEM partners will accept and actively market, sell and distribute products that incorporate our technologies, they may not do so. Because products that incorporate our technologies may represent a relatively small percentage of business for some of our OEM partners, they may have less incentive to promote these products over other products that do not incorporate these technologies. In addition, some of our OEM partners offer products that compete with ours and also may be involved in intellectual property disputes with us. Therefore, we cannot guarantee that our OEM partners, or any company that may acquire any of our OEM partners, will

vigorously promote products incorporating our technologies. The failure of our OEM partners to successfully market, sell or distribute products incorporating our technologies, the termination of OEM agreements, the loss of OEM partners or the inability to enter into future OEM partnership agreements would have a material adverse effect on our business, financial condition and results of operations. Our ability to sell our healthcare products to hospitals depends, in part, on our relationships with GPOs. Many existing and potential customers for our products are members of GPOs. GPOs negotiate pricing arrangements and contracts with medical supply manufacturers and distributors that may include provisions for sole sourcing and bundling, which generally reduce the choices available to member hospitals. These negotiated prices are made available to a GPO's members. If we are not one of the providers selected by a GPO, the GPO's members may be less likely or unlikely to purchase our products. If a GPO has negotiated a strict sole source, market share compliance or bundling contract for another manufacturer's products, we may be prohibited from making sales to members of such GPO for the duration of such contractual arrangement. Shipments of our pulse oximetry products to customers that are members of GPOs represent approximately 95-98.0% of our U. S. healthcare product sales. Our failure to renew our contracts with GPOs may cause us to lose market share in our healthcare business and could have a material adverse effect on our business, financial condition and results of operations. In addition, if we are unable to develop new relationships with GPOs, our competitive position would likely suffer and our opportunities to grow our revenues and business would be harmed. Sales of our healthcare products depend in part on the reimbursement and coverage policies of governmental and private healthcare payers. The lack of adequate coverage and reimbursement for our healthcare products or the procedures in which our healthcare products are used may deter customers from purchasing our products. We cannot guarantee that governmental or third- party payers will reimburse or begin reimbursing a customer for the cost of our healthcare products or the procedures in which our healthcare products are used. For example, some insurance carriers have issued policies denying coverage for transcutaneous hemoglobin measurement on the grounds that the technology is investigational in the outpatient setting. Other payers are continuing to investigate our products to determine if they will provide reimbursement for the use of such products. In addition, we may incur significant expenses to generate clinical data to demonstrate not only the safety and efficacy, but also the cost- effectiveness of our products in order to obtain favorable reimbursement policies from payers. These trends could lead to pressure to reduce prices for our current and future healthcare products, hinder our ability to obtain market adoption, cause a decrease in the size of the market or potentially increase competition, any of which could have a material adverse effect on our business, financial condition and results of operations. We do not control payer decision- making with respect to coverage and payment levels for our products. Additionally, we expect many payers to continue to explore cost- containment strategies (e. g., comparative and cost- effectiveness analyses, so- called " pay- for- performance " programs implemented by various public government healthcare programs and private third- party payers, and expansion of payment bundling initiatives, and other such methods that shift medical cost risk to providers) that may potentially impact coverage and / or payment levels for our current products or products we develop in the future. Outside of the U. S., reimbursement systems vary by country. These systems are often subject to the same pressures to curb rising healthcare costs and control healthcare expenditures as those in the U. S. In addition, as economies of emerging markets develop, these countries may implement changes in their healthcare delivery and payment systems. If adequate levels of reimbursement from third- party payers outside of the U. S. are not obtained, sales of our products outside of the U. S. may be adversely affected. ~~Consolidation in the healthcare industry could lead to demands for price concessions or to the exclusion of existing market participants from certain markets, which could have an adverse effect on our business, results of operations or financial condition. Because healthcare costs have risen significantly over the past decade, numerous initiatives and reforms initiated by legislators, regulators and third- party payers to curb these costs have resulted in a consolidation trend in the healthcare industry to aggregate purchasing power. As the healthcare industry consolidates, competition to provide products and services to industry participants has become, and will continue to become, more intense. This has resulted in, and will likely continue to result in, greater pricing pressures and the exclusion of certain existing market participants from important market segments as GPOs, independent delivery networks and large single accounts continue to use their market power to consolidate purchasing decisions for hospitals. We expect that market demand, government regulation, third- party coverage and reimbursement policies and societal pressures will continue to impact the worldwide healthcare industry, resulting in further business consolidations and alliances among our customers, which may reduce competition, exert further downward pressure on the prices of our healthcare products and adversely impact our business, financial condition and results of operations.~~ Our healthcare customers may reduce, delay or cancel purchases due to a variety of factors, such as lower hospital census levels or third- party guidelines, which could adversely affect our business, financial condition and results of operations. Our healthcare customers are facing growing levels of uncertainties, including variations in overall hospital census for paying patients and the impact of such census variations on hospital budgets. As a result, many hospitals are reevaluating their entire cost structure, including the amount of capital they allocate to medical device technologies and products. In addition, certain of our products, including our rainbow ® measurements such as carbon monoxide, methemoglobin and hemoglobin, that are sold with upfront license fees and more complex and expensive sensors, could also be impacted by hospital budget reductions. Any reductions in capital spending budgets by hospitals could have a significant negative impact on our OEM customers who, due to their traditionally larger capital equipment sales model, could see declines in purchases from their hospital customers. This, in turn, could reduce our board sales to our OEM customers. From time to time, states and other local regulatory authorities may issue guidelines regarding the appropriate scope and use of our products. For example, some of our noninvasive monitoring devices may be subject to authorization by individual states as part of the Emergency Medical Services (EMS) scope of practice procedures. A lack of inclusion into scope of practice procedures may limit adoption of our products. Additionally, increases in demand resulting from global medical crises, such as the increase in demand we experienced during the COVID- 19 pandemic, may be short lived. If the increased demand results in a stockpiling of our healthcare products by, or excess inventory at, our customers, future orders may be delayed or canceled until such on- hand inventory is consumed. We may be unable to

accurately forecast our financial and operating results and appropriately plan our expenses in the future or we may fail to meet our publicly announced guidance about our business and future operating results. For example, during the second, third and fourth quarters of 2023, customers maintained elevated levels of single-patient use sensors and consumables in inventory due to the softer demand and lower hospital census, which had an adverse impact on our second, third and fourth quarter 2023 healthcare revenue. Continued stockpiling or excess inventory as a result of lower hospital census in future quarters could also negatively impact our healthcare revenue. Our healthcare business has a concentration of OEM, distributor and direct customers. For example, sales to one just-in-time distributor represented 10% or more of our consolidated revenue healthcare product sales for the year ended December 30-28, 2023-2024. Similarly, within **There were no revenue concentrations for** our non-healthcare business **that**, we sell products through distributors, resellers, direct-to-consumer and to large retailers. No individual retailer represented more than 10% of our **or non-healthcare product sales more of our consolidated revenue** for the year ended December 30-28, 2023-2024. We cannot provide any assurances that we will retain our current customers, **international tenders**, groups of customers or distributors, that they will maintain their current or forecasted demand for our products, or that we will be able to attract and retain additional customers in the future. If for any reason we were to lose our ability to sell to a specific group or class of customers or through a distributor, we could experience a significant reduction in revenue or loss of market share, which would adversely impact our operating results. Our revenues could also be negatively affected by any rebates, discounts or fees that are required by, or offered to, GPOs and customers, including wholesalers or distributors. Additionally, **some one** just-in-time distributors **distributor** of our healthcare products **have been demanding has recently demanded** higher fees, which we **have agreed** may be obligated to pay in order to continue to offer products to our customers through **these this distributors distributor** or which may obligate us to. **Specifically, in February 2024, we were notified by this distribute distributor our products directly of its intent to terminate our customers distribution agreement as a result of our refusal to increase distribution fees.** **The While we were ultimately able to reach an agreement with this distributor, the** loss of any large customer or distributor, an increase in distributor fees, or the risks associated with selling directly to our customers, **distributors or international tenders**, could have a material adverse effect on **our business, financial condition and results of operations. Additionally, any material non-payment or non-performance by any of our customers, distributors or international tenders, a significant disagreement or dispute with any of our customers, distributors or international tenders, a significant downturn or deterioration in the business or financial condition of any of our customers, distributors or international tenders, the early termination of any agreements with any of our customers, distributors or international tenders, or any other event significantly negatively impacting our contractual relationship with any of our customers, distributors or international tenders, or any losses we may incur from any disagreements or disputed transactions and the resulting impact on the timing and amount of any payments, or any delayed or withheld payments, due from our customers, distributors or international tenders could adversely affect** our business, financial condition and results of operations. We believe that other entities are manufacturing and selling counterfeit Masimo sensors. In addition, certain medical device reproducers have been collecting our used single-patient-use sensors from hospitals and then reprocessing, repackaging and reselling those sensors to hospitals. These counterfeit and third-party reprocessed sensors are sold at lower prices than new Masimo sensors. Our experience with both these counterfeit sensors and third-party reprocessed sensors is that they provide inferior performance, increased sensor consumption, reduced comfort and a number of monitoring problems. Notwithstanding these limitations, some of our customers have indicated a willingness to purchase some of their sensor requirements from these counterfeit manufacturers and third-party reproducers in an effort to reduce their sensor costs. These counterfeit and reprocessed sensors have led and may continue to lead to confusion with our genuine Masimo products, have reduced and may continue to reduce our revenue, and, in some cases, have harmed and may continue to harm our reputation if customers conclude incorrectly that these counterfeit or reprocessed sensors are original Masimo sensors. In addition, we have expended a significant amount of time and expense investigating issues caused by counterfeit and reprocessed sensors, troubleshooting problems stemming from such sensors, educating customers about why counterfeit and reprocessed sensors do not perform to their expectations, enforcing our proprietary rights against the counterfeit manufacturers and reproducers, and enforcing our contractual rights. In response to these counterfeit sensors and third-party reproducers, we have incorporated X-Cal® technology into certain products to ensure our customers get the performance they expect by using genuine Masimo sensors and that such sensors do not continue to be used beyond their useful life. However, some customers may object to the X-Cal® technology, potentially resulting in the loss of customers and revenues. We also offer our own Masimo reprocessed sensors, which meet the same performance specifications as our new Masimo sensors, to our customers. Reprocessed sensors sold by us are also offered at a lower price and, therefore, may reduce certain customer demand for our new sensors. As a result, increased sales of our own Masimo reprocessed sensors may result in lower revenues, which could negatively impact our business, financial condition and results of operations. **Several of our existing non-healthcare products compete, and future products may compete, with the product offerings of some of our significant channel and distribution partners.** These partners may choose to market and promote their own products over ours or could cease or reduce selling or promoting our products. Any reduction in our ability to place and promote our non-healthcare products, or increased competition from our distribution partners for available shelf or website placement, especially during peak retail sales periods, could adversely affect our non-healthcare business. In addition, the expansion of our direct-to-consumer channel in our non-healthcare business through our brand websites could increase our competition with our channel partners and cause these partners to reduce their purchases of our non-healthcare products. Conflicts in our sales channels could arise and cause channel partners to divert resources away from the promotion and sale of our products. Any of these situations could adversely impact our business, financial condition and results of operations. Certain of our non-healthcare products are dependent on integrations with third-party technology. We integrate our non-healthcare products with technologies from third parties, some of which have developed or may develop and sell competitive products. For example, the Masimo Freedom™ smartwatch is intended to

~~operate with Wear OS by Google. If these third parties view us as a competitive threat, they may refuse to give us access to their technologies, refuse to do business with us or cease to do business with us or disable (or require us to disable) their technologies. If one or more of these third parties do not maintain their integration with our products or seek to adversely modify the terms under which they provide integration in a manner that is unacceptable to us, our products may lose important functionality, our reputation may be harmed, and our business, financial condition and results of operations may be damaged.~~

Risks Related to Our Intellectual Property Our success depends significantly on our ability to protect our rights to the technologies used in our products. Our utilization of patent protection, trade secrets and a combination of copyright and trademark laws, as well as nondisclosure, confidentiality and other contractual arrangements, to protect our intellectual property afford us only limited protection and may not adequately protect our rights or permit us to gain or maintain any competitive advantage. Certain of our patents related to our technologies have begun to expire. Upon the expiration of our issued or licensed patents, we generally lose some of our rights to exclude competitors from making, using, selling or importing products using the technology based on the expired patents. Furthermore, in recent years, the U. S. Supreme Court has ruled on several patent cases and several laws have been enacted that, in certain situations, potentially narrow the scope of patent protection available and weaken the rights of patent owners. As a result, we believe large technology companies may be pursuing an “ efficient infringement ” strategy, having concluded that it is cheaper to infringe third- party intellectual property rights than to acquire, license or otherwise respect them. There can be no assurance that we will be successful in securing additional patents on commercially desirable improvements, that such additional patents will adequately protect our innovations or offset the effect of expiring patents, or that competitors will not be able to design around our patents. In addition, third- parties have challenged, and may continue to challenge, our issued patents through procedures such as Inter- Partes Review (IPR). In many IPR challenges, the U. S. Patent and Trademark Office (PTO) cancels or significantly narrows issued patent claims. IPR challenges could increase the uncertainties and costs associated with the maintenance, enforcement and defense of our issued and future patents and could have a material adverse effect on our business, financial condition and results of operations. Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we have licensed or that we may obtain in the future. For example, the complexity and uncertainty of European patent laws have also increased in recent years. In Europe, in June 2023, a new unitary patent system was introduced, which will significantly impact impacts European patents, including those granted before the introduction of the system. Under the unitary patent system, after a European patent is granted, the patent proprietor can request unitary effect, thereby getting a European patent with unitary effect (Unitary Patent). Each Unitary Patent is subject to the jurisdiction of the Unitary Patent Court (UPC). As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty of any litigation. Patents granted before the implementation of the UPC will have the option of opting out of the jurisdiction of the UPC and remaining as national patents in the UPC countries. Patents that remain under the jurisdiction of the UPC may be potentially vulnerable to a single UPC- based revocation challenge that, if successful, could invalidate the patent in all countries who are signatories to the UPC. We cannot predict with certainty the long- term effects of the new unitary patent system. We also utilize unpatented proprietary technology and know- how and often rely on confidentiality agreements and intellectual property assignment agreements with our employees, OEM partners, independent distributors and consultants to protect such unpatented proprietary technology and know- how. However, such agreements may not be enforceable or may not provide meaningful protection for our proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements, or in the event that our competitors discover or independently develop similar or identical designs or other proprietary information. We rely on the use of registered and common law trademarks with respect to our brands and the names of some of our products. Common law trademarks provide less protection than registered trademarks. Loss of rights in our trademarks could adversely affect our business, financial condition and results of operations. Searching for existing intellectual property rights may not reveal important intellectual property and our competitors may also have filed for patent protection, which may not be publicly- available information, or claimed trademark rights that have not been revealed through our searches. In addition, some of our employees were previously employed at our competitors. We may be subject to claims that our employees have disclosed, or that we have used, trade secrets or other proprietary information of our employees’ former employers. Our efforts to identify and avoid infringing on third- parties’ intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement against us, even those without merit, could: • be expensive and time- consuming to defend and result in payment of significant damages to third- parties; • force us to stop making or selling products that incorporate the intellectual property; • require us to redesign, reengineer or rebrand our products, product candidates and technologies; • require us to enter into royalty agreements that would increase the costs of our products; • require us to indemnify third- parties pursuant to contracts in which we have agreed to provide indemnification for intellectual property infringement claims; • divert the attention of our management and other key employees; and • result in our customers or potential customers deferring or limiting their purchase or use of the affected products impacted by the claims until the claims are resolved; any of which could have a material adverse effect on our business, financial condition and results of operations. In addition, new patents obtained by our competitors could threaten the continued commercialization of our products in the market even after they have already been introduced. We believe that the success of our business depends, in part, on obtaining patent protection for our products and technologies, defending our patents and preserving our trade secrets. We were previously involved in significant litigation to protect our patent positions related to some of our pulse oximetry signal processing patents that resulted in various settlements. We believe some of the new market entrants in the healthcare and monitoring space, including some of the world’ s largest technology companies, and some consumer audio companies may be infringing our intellectual property, and we may be required to engage in additional litigation to protect our intellectual property in the future. In addition, we believe that certain individuals who previously held high level technical and clinical positions with us misappropriated our intellectual property for

the benefit of themselves and other companies. For example, on January 9, 2020, we initiated litigation against Apple Inc. for infringement of a number of patents, for trade secret misappropriation and for ownership and correction of inventorship of a number of Apple Inc. patents that list one of our former employees as an inventor. ~~A trial on the trade secret, ownership, and inventorship claims was held from April 4, 2023 through May 1, 2023. On May 1, 2023, the court declared a mistrial because the jury was unable to reach a unanimous verdict. In addition, on June 30, 2021, we filed a complaint with the U. S. International Trade Commission (ITC) against Apple Inc. for infringement of a number of other patents. On October 20, 2022, Apple filed two complaints against us and Sound United alleging that the Masimo W1™ watch infringes a number of patents. On January 10, 2023, an Administrative Law Judge ruled that Apple Inc. violated Section 337 of the Tariff Act of 1930, as amended, by importing and selling within the United States certain Apple Watches with light-based pulse oximetry functionality and components. On October 26, 2023, the ITC issued a Notice of Final Determination finding a violation of Section 337 by Apple Inc. The ITC determined that the appropriate form of relief is a Limited Exclusion Order (LEO) prohibiting the unlicensed entry of infringing wearable electronic devices with light-based pulse oximetry functionality manufactured by or on behalf of Apple Inc., and a Cease and Desist Order (CDO). The LEO and CDO went into effect on December 26, 2023, after a 60-day Presidential review period. For additional information ~~on related to these~~ **the current status of our litigations** ~~litigation with Apple Inc.~~, please see Note 24, “Commitments and Contingencies”, to our accompanying consolidated financial statements included in Part IV, Item 15 (a) of this Annual Report on Form 10-K. Our ~~on-going~~ **going** and future litigation could result in significant additional costs and further divert the attention of our management and key personnel from our business operations and the implementation of our business strategy and may not be successful or adequate to protect our intellectual property rights. **Furthermore, in January 2024, we entered into a one year alternative fee agreement (Fee Agreement) with respect to certain on-going legal fees and costs incurred by a vendor. The Fee Agreement imposes certain limits on a quarterly and annual basis for actual legal fees incurred by the vendor that are payable based on work performed related to litigation matters against Apple. If the vendor is successful in obtaining a favorable judgement for us on any claim or counterclaim after exhaustion or dismissal of any appeals, or upon settlement resulting in monetary consideration to us, the vendor will be paid a success fee equal to three times the amount of the excess of the annual legal fee limit within 60 days after entry of a judgement or the effective date of any settlement. Therefore, to the extent that we may be successful in our litigation against Apple, we could be required to make a payments to this vendor in excess of the actual amount of fees incurred in connection with our litigation against Apple.**~~ Risks Related to Our Regulatory Environment Unless an exemption applies, each medical device that we market in the U. S. must first undergo premarket review pursuant to the Federal Food, Drug, and Cosmetic Act (FDCA) by receiving clearance of a 510 (k) premarket notification, receiving ~~clearance through the~~ **grant of a** de novo classification **request** ~~review process~~ or obtaining approval of a premarket approval (PMA) application. Even if regulatory clearance or approval of a product is granted, the U. S. Food and Drug Administration (FDA) may clear or approve our products only for limited indications for use. Additionally, the FDA may not grant 510 (k) clearance on a timely basis, if at all, for new products or new uses that we propose for Masimo SET® or licensed rainbow® technology. The traditional FDA 510 (k) clearance process for our medical devices has generally taken between four to nine months. However, our more recent experience and interactions with the FDA, along with information we have received from other medical device manufacturers, suggests that, in some cases, the FDA is requiring applicants to provide additional or different information and data for 510 (k) clearance than it had previously required, and that the FDA may not rely on approaches that it had previously accepted to support 510 (k) clearance. As a result, FDA 510 (k) clearance can be delayed for our products in some cases. To support our product applications to the FDA, we frequently are required to conduct clinical testing of our products. Such clinical testing must be conducted in compliance with FDA requirements pertaining to human research. Among other requirements, we must obtain informed consent from study subjects and approval by institutional review boards before such studies may begin. We must also comply with other FDA requirements such as monitoring, record-keeping, reporting and the submission of information regarding certain clinical trials to a public database maintained by the National Institutes of Health. In addition, if the study involves a significant risk device, we are required to obtain the FDA’s approval of the study under an Investigational Device Exemption (IDE). Compliance with these requirements can require significant time and resources. In addition, public health emergencies and other extraordinary circumstances may disrupt the conduct of our clinical trials. If the FDA determines that we have not complied with such requirements, the FDA may refuse to consider the data to support our applications or may initiate enforcement actions. Even though 510 (k) clearances have been obtained, if safety or effectiveness problems are identified with our products, we may need to initiate a recall of such products. ~~For example, in February 2024, we initiated a voluntary recall on select Rad-G® devices in connection with an issue that can result in an unintentional change in the power state of the device.~~ Furthermore, our new products or significantly modified marketed products could be denied 510 (k) clearance and be required to undergo the more burdensome PMA or de novo classification review processes. The process of obtaining a de novo classification or PMA approval is much more costly, lengthy and uncertain than the process for obtaining 510 (k) clearance. De novo classification review generally takes six months to one year from the time of submission of the de novo request, although it can take longer. Approval of a PMA generally takes one year from the time of submission of the PMA, but may be longer. ~~We sell consumer versions of our iSpO2® and MightySat® pulse oximeters, that are not intended for medical use.~~ Some of our products or product features may not be subject to the 510 (k) process and / or other regulatory requirements in accordance with specific FDA guidance and policies, such as the FDA guidance related to mobile medical applications. In additions, some of our products or product features may not be subject to device regulation pursuant to Section 520 (o) of the FDCA, which excludes certain software functions from the statutory definition of a device. If the FDA changes its policies or concludes that our marketing of these products is not in accordance with its current policies and / or Section 520 (o) of the FDCA, we may be required to seek clearance or approval of these devices through the 510 (k), de novo classification review or PMA processes.

The failure of our OEM partners to obtain required FDA clearances or approvals for products that incorporate our healthcare technologies could have a negative impact on our revenue. Our healthcare OEM partners are required to obtain their own FDA clearances in the U. S. for most products incorporating our technologies. The FDA clearances we have obtained may not make it easier for our OEM partners to obtain clearances of products incorporating these technologies, or the FDA may not grant clearances on a timely basis, if at all, for any future products incorporating our technologies that our OEM partners propose to market. ~~If we or our suppliers fail to comply with ongoing these regulatory requirements, or if we experience unanticipated problems with our products, these products could be subject to restrictions, enforcement actions, penalties or other harm to or our business withdrawal from the market.~~ Our healthcare products, along with the manufacturing processes, labeling and promotional activities for those products, are subject to continual review and periodic inspections by the FDA and other regulatory bodies. Among other requirements, we and certain of our suppliers are required to comply with the FDA's Quality System Regulation (QSR), which governs the methods and documentation of the design, control testing, production, component suppliers control, quality assurance, complaint handling, labeling control, packaging, storage and shipping of our healthcare products. The FDA enforces the QSR through announced and unannounced inspections. We are also subject to similar state requirements and licenses. In addition to the FDA, from time to time we are subject to inspections by the California Food and Drug Branch, international regulatory authorities and other similar governmental agencies. The standards used by these regulatory authorities are complex and may differ from those used by the FDA. Failure by us or one of our suppliers to comply with statutes and regulations administered by the FDA and other regulatory bodies or failure to adequately respond to any FDA Form 483 observations, any California Food and Drug Branch notices of violation or any similar reports could result in, among other things, any of the following: • warning letters or untitled letters issued by the FDA; • fines, civil penalties, in rem forfeiture proceedings, injunctions, consent decrees and criminal prosecution; • import alerts; • unanticipated expenditures to address or defend such actions; • delays in clearing or approving, or refusal to clear or approve, our products; • withdrawals or suspensions of clearance or approval of our products or those of our third- party suppliers by the FDA or other regulatory bodies; • product recalls or seizures; • orders for physician notification or device repair, replacement or refund; • interruptions of production or inability to export to certain foreign countries; and • operating restrictions. In addition, many of our healthcare and non- healthcare products are subject to various laws, regulations and legal requirements, including those governing consumer protection, product import and export, hazardous materials usage and discharge, product related energy consumption, electrical safety, wireless emissions, e- commerce, packaging and recycling. Compliance with these requirements, which vary widely depending on jurisdiction, is time consuming and expensive. If we fail to comply with applicable legal requirements, it would harm our reputation and adversely affect our business, financial condition and results of operations. Failure to obtain regulatory authorizations in foreign jurisdictions may prevent us from marketing our products abroad. We currently market and intend to continue to market our products internationally. Outside of the U. S., we can generally market our healthcare products only if we receive a marketing authorization (and / or meet certain pre- marketing requirements) and, in some cases, pricing approval, from the appropriate regulatory authorities. The regulatory registration / licensing process varies among international jurisdictions and may require additional or different product testing than required to obtain FDA clearance. FDA clearance does not ensure new product registration / licensing by foreign regulatory authorities, and we may be unable to obtain foreign regulatory registration / licensing on a timely basis, if at all. In addition, clearance by one foreign regulatory authority does not ensure clearance by any other foreign regulatory authority or by the FDA. If we fail to receive necessary approvals to commercialize our products in foreign jurisdictions on a timely basis, or at all, our business, financial condition and results of operations could be adversely affected. Furthermore, foreign regulatory requirements may change from time to time, which could adversely affect our ability to market new products, and / or continue to market existing products, internationally. Certain significant changes in the international regulatory landscape have recently taken place or will take place in the near future. These include the new EU Medical Devices Regulation (EU) 2017 / 745 (MDR), which came into effect on May 26, 2021 and a regulatory regime in the UK effective since January 1, 2021 as a result of the UK's exit from the EU (Brexit) **, which is continuing to evolve.** Modifications to our marketed medical devices may require new regulatory clearances or premarket approvals, or may require us to cease marketing or to recall the modified devices until clearances or approvals are obtained. We have made modifications to our medical devices in the past and we may make additional modifications in the future. Any modification to a medical device that is cleared by the FDA that could significantly affect its safety or effectiveness or that could constitute a major change in its intended use would require a new clearance or approval and certain modifications to devices cleared or approved by foreign regulatory authorities may also require a new clearance or approval. We may not be able to obtain such clearances or approvals in a timely fashion, or at all. Delays in obtaining future clearances would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would have an adverse effect on our business, financial condition and results of operations. For device modifications that we conclude do not require a new regulatory clearance or approval, we may be required to recall and to stop marketing the modified devices if the government agency disagrees with our conclusion and requires new clearances or approvals for the modifications. This could have an adverse effect on our business, financial condition and results of operations. ~~Regulatory reforms may impact our ability to develop and commercialize our healthcare products and technologies. From time to time, legislation is drafted and introduced by governments that could significantly change the statutory provisions governing the clearance or approval, manufacture and marketing of medical devices. For example, in December 2022, Congress enacted the Food and Drug Omnibus Reform Act of 2022 (FDORA). FDORA reauthorized the FDA to collect device user fees and contained substantive amendments to the device provisions of the FDCA. Among other changes, FDORA requires premarket submissions for "cyber devices" to include plans to address postmarket cybersecurity vulnerabilities and exploits and other cybersecurity-related information. FDORA also imposes a new requirement for sponsors of medical device clinical trials to develop diversity action plans that must be submitted to the FDA with an IDE~~

application, if an IDE is required for the study, or in the marketing application for the device if an IDE application is not required. The statute also authorizes the FDA to approve or clear predetermined change control plans (PCCPs) in PMAs or 510 (k) premarket notifications, and once such a PCCP is approved or cleared, then a supplemental PMA or a new 510 (k) is not required for a change to a device that is consistent with such approved or cleared PCCP. In addition, regulations and guidance are often revised or reinterpreted by the government agency in ways that may significantly affect our business or products. Future regulatory changes could make it more difficult for us to obtain or maintain approval to develop and commercialize our products and technologies. Public health emergencies may also prompt temporary or permanent regulatory reforms that could change the processes governing the clearance or approval, manufacture and marketing of medical devices. In the EU, for example, the new MDR became applicable to our medical devices on May 26, 2021. The MDR requires medical devices and their manufacturers to comply with more stringent standards than before. The MDR also imposes new and enhanced obligations on importers and distributors of medical devices in the EU. Although the MDR is subject to certain transitional periods, both we and others involved in the distribution and commercialization of our medical devices in the EU will need to comply with more stringent EU rules. Additionally, the EU legislators have reached preliminary agreement on a new regulation laying down harmonized rules on artificial intelligence (the EU AI Act), which will heavily regulate the use of artificial intelligence systems used in EU regulated medical devices, designating them “high risk” artificial intelligence. These new rules, which entail the application of specific requirements about the quality of the datasets used, technical documentation and record-keeping, transparency and the provision of information to users, human control, as well as robustness, accuracy and cybersecurity, are expected to apply from early 2026. Due to Brexit, from January 1, 2021, a new regulatory framework applies to medical devices commercialized in Great Britain (England, Scotland and Wales). This is now separate from the regime in the EU. Although certain transition periods apply, the medical devices we intend to commercialize in Great Britain may in the future need to conform to different requirements than the requirements in the EU. These factors are likely to add more complexity to our regulatory compliance obligations in Europe and our ability to commercialize medical devices in European markets. Regulatory agencies in many countries require us to report anytime our healthcare products cause or contribute to a death or serious injury, or malfunction in a way that would likely cause or contribute to a death or serious injury. For example, under the FDA medical device reporting regulations, we are required to report to the FDA any incident in which a product of ours may have caused or contributed to a death or serious injury or in which a product of ours malfunctioned and, if the malfunction were to recur, would be likely to cause or contribute to death or serious injury. In addition, all manufacturers placing medical devices on the market in the EU are legally required to report any serious or potentially serious incidents involving devices produced or sold by the manufacturer to the relevant authority in those jurisdictions where any such incident occurred. The FDA and similar foreign regulatory authorities have the authority to require the recall of our commercialized healthcare products in the event of material deficiencies or defects in, for example, design, labeling or manufacture. The FDA must find that there is a reasonable probability that the device would cause serious adverse health consequences or death in order to require a recall. The standard for recalling deficient products may be different in foreign jurisdictions. Manufacturers may, under their own initiative, recall a product if any material deficiency is found in a device or they become aware of a safety issue involving a marketed product. A government- mandated or voluntary recall by us or by one of our distributors could occur as a result of component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. We may initiate certain field actions, such as a product correction or removal of our products in the future. In addition, third- parties that commercialize products incorporating our technologies may initiate similar actions or product corrections. Any correction or removal initiated by us to reduce a health risk posed by our device, or to remedy a violation of the FDCA or other regulations caused by the device that may present a risk to health, must be reported to the FDA. If the FDA subsequently determines that a report was required for a correction or removal of our products that we did not believe required a report, we could be subject to enforcement actions. In addition, our non- healthcare products, including components we source from third parties, may be found to have design or manufacturing defects. Such defects may result in additional costs for product modifications, voluntary or mandated product recalls or other liabilities resulting from product malfunctions. For example, defects in our audio products may result in overheating or electrical shock, creating a risk of personal injury or property damage. Any recalls or corrections of our products or third- party products that incorporate our technologies, or enforcement actions would divert managerial and financial resources and could have an adverse effect on our financial condition and results of operations. In addition, given our dependence upon patient, physician and consumer perceptions, any negative publicity associated with any recalls could materially and adversely affect our business, financial condition, results of operations and growth prospects. In August 2023, **we decided the Company determined to initiate conduct** a voluntary recall of select Rad- G ® products in connection with an issue that can result in an unintentional change in the power state of the device. On February 14, 2024, we initiated the voluntary recall. On February 21, 2024, we received a subpoena from the Department of Justice (DOJ) seeking documents and information related to **our the Company’s Rad- G ® and Rad- 97 ® products, including information relating to complaints surrounding the products and our the Company’s decision to recall the Rad- G ®. Additionally, on March 25, 2024, we received a civil investigative demand from the DOJ seeking documents and information related to customer returns of our Rad- G ® and Rad- 97 ® products, including returns related our recall of select Rad- G ® products in 2024.** We are investigating the reasons for the delay between August 2023 and February 2024 when the recall was initiated. We are cooperating with the government and may expend significant financial and managerial resources in connection with responding to the subpoena **and the investigative demand** and any related investigation or any other future requests for information. Obtaining 510 (k) clearance permits us to promote our products for the uses cleared by the FDA. Use of a device outside its cleared or approved indications is known as “ off- label ” use. Physicians may use our products off- label because the FDA does not restrict or regulate a physician’s choice of treatment within the practice of medicine, but we may not promote our products “ off- label ”. While we may request additional cleared indications for our current products, the FDA may deny those requests, require additional expensive clinical data to support any

additional indications or **limit** impose limitations on the intended **cleared indications for use when clearing of any cleared product as a device condition of clearance**. If the FDA determines that our products were promoted for off-label use or that false, misleading or inadequately substantiated promotional claims have been made by us or our OEM partners, it could request that we or our OEM partners modify those promotional materials or it could take regulatory or enforcement actions, including the issuance of an untitled letter, warning letter, injunction, seizure, civil fine and criminal penalties. While certain U. S. courts have held that truthful, non-misleading, off-label information is protected under the First Amendment under certain circumstances, the FDA continues to take the position that off-label promotion is subject to enforcement action. It is also possible that other federal, state or foreign enforcement authorities may take action if they consider our communications, including promotional or training materials, to constitute promotion of an uncleared or unapproved use. If not successfully defended, enforcement actions related to off-label promotion could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. In any such event, our reputation could be damaged, adoption of our products could be impaired and we could be subject to extensive fines and penalties. Additionally, we must have adequate substantiation for the claims we make for our products. If any of our claims are determined to be false, misleading or deceptive, our products could be considered misbranded under the FDCA or in violation of the Federal Trade Commission Act. We could also face lawsuits from our competitors under the Lanham Act alleging that our marketing materials are false or misleading. Government agencies in the EU, UK, Japan and other countries and jurisdictions have similar regulations on the advertising and promotion of medical devices. If we fail to comply with any of these regulations, our reputation could be damaged, adoption of our products could be impaired and we could be subject to extensive fines and penalties. Personal privacy and data security have become significant issues in the U. S., Europe, the Middle East, Canada, China and many other jurisdictions where we offer our products. The regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. **Several A growing number of U. S. states have passed comprehensive privacy laws. For example, the California Consumer Privacy Rights Act (CCPA) amended and expanded the California Consumer Privacy Act (CCPA) effective January 1, 2023. Other states have also enacted data privacy laws that took effect in 2023, including the Virginia Consumer Data Protection Act, the Colorado Privacy Act, Utah's Consumer Privacy Act, and the Connecticut Data Privacy Act. Further, Delaware, Florida, Indiana, Iowa, Montana, Oregon, Tennessee and Texas also adopted privacy laws, which take effect from July 1, 2024 through 2026.** These state laws govern the processing of residents' personal information. Among many new requirements, some of the state privacy laws expand consumers' rights (such as opting out of **the certain data sales - sale of personal information** to third parties and targeted advertising, restricting certain uses and disclosures of sensitive data, and requesting access, deletion, or correction of personal information). **These Some** state laws also minimize what data ~~that~~ can be collected from consumers and how businesses may use and disclose it. These state privacy laws also require businesses to make disclosures to consumers about data collection, use and sharing practices, **and some state privacy laws require that businesses obtain consent from consumers for certain uses and disclosures of their sensitive data, including health information.** In addition, some of these **state privacy laws (including, along with the other CCPA) standalone state health privacy laws,** subject **certain** health-related information to additional safeguards and disclosures ~~and some specifically regulate consumer health data, such as the Washington My Health My Data Act, which will become effective in 2024.~~ There is significant uncertainty regarding how regulators will interpret and enforce this patchwork of new laws, particularly to the extent there are inconsistencies or differences in their requirements. **In addition, in states that allow for a private right of action to enforce these laws, we are subjected to a higher risk of individual and class action lawsuits. Further, many states have implemented biometric privacy laws that have resulted in individual and class-action lawsuits against businesses as well as state enforcement. Moreover, we have observed an increase in plaintiffs seeking to apply older privacy laws such as the Video Privacy Protection Act and the California Invasion of Privacy Act to newer technologies to allege claims of invasion of privacy rights.** We continue to be subject to federal privacy laws, such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), in certain circumstances, in connection with any personal health information or medical information that we may obtain or have access to in connection with the operation of our business. **Further, we are subject to regulation by the Federal Trade Commission (FTC), which, in recent years, has increased its scrutiny of the practices of entities that collect certain health-related information from consumers.** Moreover, comprehensive federal data privacy legislation has been proposed and, if passed, ~~will~~ **would** further change the privacy and data security compliance landscape. In addition, on July 26, 2023, the SEC adopted rules requiring registrants to disclose material cybersecurity incidents they experience and to disclose on an annual basis material information regarding their cybersecurity risk management, strategy, and governance. **The U. S. Cybersecurity and Infrastructure Security Agency (CISA) is in the process of implementing rules that would require that entities in certain critical infrastructure sectors, including health care, report any cybersecurity incidents or ransom payments in connection with a ransomware attack, among other requirements.** All 50 U. S. states have data breach notification laws that, if violated, could result in penalties, fines and litigation. ~~In addition, many states have implemented or are in the process of implementing related legislation, including state-specific biometric privacy laws that have resulted in class-action lawsuits against businesses.~~ The full impact of these laws on our business is yet to be determined, but it could result in increased operating expenses as well as additional exposure to the risk of litigation by or on behalf of consumers. **In addition, Colorado has enacted comprehensive legislation to regulate certain artificial intelligence systems that will subject businesses that develop and deploy these systems to increased compliance obligations, and a number of other states have proposed legislation to regulate the use of artificial intelligence.** Internationally, the European Data Protection Board continues to release guidelines for industries and impose fines related to the General Data Protection Regulation (GDPR), some of which have been very significant. To improve coordination among EU supervisory authorities, the European Commission has proposed a new regulation that would help to streamline enforcement of the GDPR in cross-border cases. Meanwhile, there continues to be persistent uncertainty relating to the transfer of personal data

from Europe to the U. S., or other non-adequate countries, following the Schrems II decision. On July 10, 2023, the European Commission adopted its adequacy decision on the EU- U. S. Data Privacy Framework (DPF). The decision, which took effect on the day of its adoption, concludes that the United States ensures an adequate level of protection for personal data transferred from the EEA to companies certified to the DPF. However, it remains too soon to tell how the future of Privacy Shield 2.0 will evolve and what impact it will have on our international activities. At least one challenge to the DPF is pending before the Court of Justice of the European Union. Further, Brexit has led and could also lead to legislative and regulatory changes that may increase our compliance costs. As of January 1, 2021 and the expiry of transitional arrangements agreed to between the UK and the EU, data processing in the UK is governed by a UK version of the GDPR (combining the GDPR and the Data Protection Act 2018), exposing us to two parallel regimes, each of which authorizes similar fines and other potentially divergent enforcement actions for certain violations. On June 28, 2021, the European Commission adopted an Adequacy Decision for the UK, allowing for the relatively free exchange of personal information between the EU and the UK, (as the UK correspondingly allows transfers back to the EU). However, the European Commission may suspend the Adequacy Decision if it considers that the UK no longer provides for an adequate level of data protection. **Following national elections in July 2024**, but is not expected to be passed before the new UK election. **Labour Government has introduced legislation that, if enacted, would bring about changes in the UK's data protection framework, although it remains too early to tell whether the Data Protection and Digital Information Bill will take the form of law. The UK government also signaled an intention to more heavily regulate the development of artificial intelligence.** Other international jurisdictions, including Canada, China, India, Saudi Arabia, South Africa, the UAE, Singapore, South Korea, Mexico, Australia, Argentina, India and Brazil, among others, have also implemented, or are in the process of implementing laws relating to data privacy and protection that are all already in effect or are anticipated to go into effect soon, or are amending existing laws. In addition, several jurisdictions such as South Korea have shown increased enforcement of their existing data privacy and security laws. Although we believe that we are complying with the GDPR and similar laws, these laws are still relatively new. Therefore, as international data privacy and protection laws continue to evolve, and as new regulations, interpretive guidance and enforcement information become available, we may incur additional costs to modify our business practices to comply with these requirements. We may be required to make costly system modifications to comply with applicable data privacy and security laws. Violations of these laws, or allegations of such violations, could subject us to criminal or civil, monetary or non-monetary penalties, disrupt our operations, involve significant management distraction, negatively impact our brand image, subject us to class action lawsuits and result in a material adverse effect on our business, financial condition and results of operations. Healthcare fraud and abuse laws potentially applicable to our operations include, but are not limited to: • the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving any bribe, kickback or other remuneration intended to induce the purchase, order or recommendation of an item or service reimbursable under a federal healthcare program (such as the Medicare or Medicaid programs); • the federal False Claims Act and other federal laws which prohibit, among other things, knowingly and willfully presenting, or causing to be presented, claims for payment from Medicare, Medicaid, other government payers or other third-party payers that are false or fraudulent; • the Physician Payments Sunshine Act, which requires medical device companies to track and publicly report, with limited exceptions, all payments and transfers of value to certain healthcare professionals and teaching hospitals in the U. S.; and • state laws analogous to each of the above federal laws, such as state anti-kickback and false claims laws that may apply to items or services reimbursed by governmental programs and non-governmental third-party payers, including commercial insurers. If we are found to have violated any such laws or other similar governmental regulations, including their foreign counterparts, that are directly or indirectly applicable to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion of our products from reimbursement under Medicare, Medicaid and other federal healthcare programs, and the curtailment or restructuring of our operations. Any penalties could adversely affect our ability to operate our business and our financial results. Any action against us for violation of these laws, even if we successfully defend against such action, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. ~~U. S. and international legislative and regulatory changes in the healthcare industry could have a negative impact on our financial performance. Our medical devices and business activities are subject to rigorous regulation by the FDA and other federal, state and international governmental authorities. These authorities and members of Congress have been increasing their scrutiny over the medical device industry. In recent years, Congress, the Department of Justice, the Office of Inspector General of the Department of Health and Human Services and the Department of Defense have issued subpoenas and other requests for information to medical device manufacturers, primarily related to financial arrangements with healthcare providers, regulatory compliance and marketing and product promotional practices. Furthermore, certain state governments have enacted legislation to limit and / or increase transparency of interactions with healthcare providers, pursuant to which we are required by law to disclose payments and other transfers of value to healthcare providers licensed by certain states. We anticipate that the government will continue to scrutinize the healthcare industry closely, and any new regulations or statutory provisions could result in delays or increased costs during the periods of product development, clinical trials and regulatory review and approval, as well as increased costs to assure compliance.~~ **Risks Related to Our Business and Operations** Prior to our initial public offering in August 2007, our stockholders owned 99% of the outstanding shares of capital stock of Willow, and we believe that a number of our stockholders, including certain of our directors and executive officers, continue to own shares of Willow stock. Joe Kiani, our Chairman and Chief Executive Officer (CEO), is also the Chairman and CEO of Willow. Due to the interrelated nature of Willow with us, conflicts of interest may arise with respect to transactions involving business dealings between us and Willow, potential acquisitions of businesses or products, the development and ownership of technologies and products, the sale of products, markets and other matters in which our best interests and the best interests of our stockholders may conflict with the best interests of the stockholders of Willow. In addition, we and Willow may disagree regarding the interpretation of certain

~~terms in the Cross-Licensing Agreement. We cannot guarantee that any conflict of interest will be resolved in our favor, or that, with respect to our transactions with Willow, we will negotiate terms that are as favorable to us as if such transactions were with another third-party.~~ Under the Cross-Licensing Agreement, if we develop certain products or technologies that relate to the noninvasive monitoring of non-vital sign parameters, including improvements to Masimo SET® for the noninvasive monitoring of non-vital sign parameters, we would be required to assign these developments to Willow and then license the technology back from Willow in consideration for upfront payments and royalty obligations to Willow. Therefore, these products and technologies would be deemed to have been developed or improved exclusively by Willow. In addition, we will not be reimbursed by Willow for our expenses relating to the development or improvement of any such products or technologies, which expenses may be significant. As a result of these terms, we may not generate any revenue from the further development of certain products and technologies for the monitoring of non-vital sign parameters, including improvements to Masimo SET®, which could adversely affect our business, financial condition and results of operations. Willow owns all of the proprietary rights to certain rainbow® technology developed with our proprietary Masimo SET® for products intended to be used in the “Willow Market”, and all rights to any non-vital signs measurement for which we do not exercise an option pursuant to the Cross-Licensing Agreement. In addition, Willow has the right to terminate the Cross-Licensing Agreement or grant licenses covering rainbow® technology to third-parties if we breach certain terms of the agreement, including any failure to meet our minimum royalty payment obligations or failure to use commercially reasonable efforts to develop or market products incorporating licensed rainbow® technology. **Willow may also disagree with us regarding the interpretation of certain terms in the Cross-Licensing Agreement and we cannot guarantee that any such dispute will be resolved in our favor.** If we lose our exclusive license to rainbow® technology, we would lose the ability to prevent others from making, using, selling or importing products using rainbow® technology in our market. As a result, we would likely be subject to increased competition within our market, and Willow or competitors who obtain a license to rainbow® technology from Willow would be able to offer related products. We may not be able to commercialize our products incorporating licensed rainbow® technology cost-effectively or successfully. As a result of the royalties that we must pay to Willow, it is generally more expensive for us to make products that incorporate licensed rainbow® technology than products that do not include licensed rainbow® technology. Accordingly, we may not be able to sell products incorporating licensed rainbow® technology at a price the market is willing to accept. If we cannot commercialize our products incorporating licensed rainbow® technology successfully, we may not be able to generate sufficient revenue from these products to be profitable, which could adversely affect our business, financial condition and results of operations. ~~Under the Cross-Licensing Agreement, a change in control includes the resignation or termination of Joe Kiani from his position as CEO of either Masimo or Willow. A change in control also includes other customary events, such as the sale or merger of Masimo or Willow to a non-affiliated third-party or the acquisition of 50% or more of the voting power of Masimo or Willow by a non-affiliated third-party. Among other things, the Cross-Licensing Agreement provides that if the surviving or acquiring entity ceases to use “Masimo” as a company name and trademark following a change in control, all rights to the “Masimo” trademark will automatically be assigned to Willow. This could delay or discourage transactions involving an actual or potential change in control of us, including transactions in which our stockholders might otherwise receive a premium for their shares over our then-current trading price. In addition, our requirement to assign all future improvements for non-vital signs to Willow could impede a change in control of our company.~~ We depend on certain sole or limited source suppliers for certain key materials and components, including digital signal processor chips and analog-to-digital converter chips for certain products. These suppliers are located around the world, and the production and shipment of such materials and components may be constrained globally due to freight carrier delays and other disruptions to the supply chain. We may experience manufacturing problems related to these suppliers and other outside sources if such suppliers fail to develop, manufacture or ship products and components to us on a timely basis, or provide us with products and components that do not meet our quality standards and required quantities. We previously experienced supply constraints with regard to certain digital signal processor chips and other components during the COVID-19 pandemic, which affected our sales during 2022. In addition, from time to time there have been industry-wide shortages of certain components that we use in certain products. We may also experience price increases for materials, components and shipping with no guarantee that such increases can be passed along to our customers, which could adversely impact our gross margins. If any of these problems occur, we may be unable to obtain substitute sources for these products and components on a timely basis or on terms acceptable to us, which could harm our ability to manufacture our own products and components profitably or on time. We have acquired several businesses since our inception and we may acquire additional businesses in the future. For example, on April 11, 2022, we completed our acquisition of Sound United. In connection with the Sound United acquisition, on April 11, 2022, we entered into a Credit Facility to partially fund the acquisition. Future acquisitions may require additional debt or equity financing, which could be dilutive to our existing stockholders or reduce our earnings per share or other financial metrics. Even if we complete acquisitions, there are many factors that could affect whether such acquisition, including our acquisition of Sound United, will be beneficial to our business, including, without limitation: • payment of above-market prices for acquisitions and higher than anticipated acquisition costs; • issuance of common stock as part of the acquisition price or a need to issue stock options or other equity-based compensation to newly-hired employees of target companies, resulting in dilution of ownership to our existing stockholders; • reduced profitability if an acquisition is not accretive to our business over either the short-term or the long-term; • difficulties in integrating any acquired companies, personnel, products and other assets into our existing business; • delays in realizing the benefits of the acquired company, products or other assets; • regulatory challenges and becoming subject to additional regulatory requirements; • cybersecurity and compliance-related issues; • diversion of our management’s time and attention from other business concerns; • limited or no direct prior experience in new markets or countries we may enter; • unanticipated issues dealing with unfamiliar suppliers, service providers or other collaborators of the acquired company; • higher costs of integration than we anticipated; • write-downs or impairments of goodwill or other

intangible assets associated with the acquired company; • difficulties in retaining key employees of the acquired business who are necessary to manage these acquisitions; • negative impacts on our relationships with our employees, clients, customers or collaborators; • intellectual property and other litigation, other claims or liabilities in connection with the acquisition; and • changes in the overall financial model as certain acquired companies may have a different revenue, gross profit margin or operating expense profile. Further, our ability to benefit from future acquisitions and / or external strategic investments, **joint ventures or any other business separation** depends on our ability to successfully conduct due diligence, negotiate acceptable terms, evaluate prospective opportunities and bring acquired technologies and / or products to market at acceptable margins and operating expense levels. **On September 25, 2024, we announced that our Board remains committed to the previously announced review of alternatives for both the consumer audio and consumer healthcare businesses, and that our Board has engaged Centerview Partners and Morgan Stanley as financial advisors and Sullivan & Cromwell as a legal advisor. For more information regarding the risks associated with the potential separation of any of our consumer businesses, see the risk factor below with the heading “ The potential separation of any of our consumer businesses is subject to various risks and uncertainties, and may not be completed on the terms currently contemplated, if at all, and, if completed, may not achieve the intended benefits. ”** We may also discover deficiencies in internal controls, data adequacy and integrity, product quality, regulatory compliance, product liabilities or other undisclosed liabilities that we did not uncover prior to our acquisition or investment, which could result in us becoming subject to penalties, other liabilities or asset impairments. In addition, if we do not achieve the anticipated benefits of an acquisition or other external investment as rapidly as expected, or at all, investors or analysts may downgrade our stock. We also expect to continue to carry out internal strategic initiatives that we believe are necessary to grow our revenues and expand our business, both in the U. S. and abroad. For example, we have continued to invest in international expansion programs designed to increase our worldwide presence and take advantage of market expansion opportunities around the world. Although we believe our investments in these initiatives continue to be in the long- term best interests of Masimo and our stockholders, there are no assurances that such initiatives will yield favorable results for us. Accordingly, if these initiatives are not successful, our business, financial condition and results of operations could be adversely affected. If these risks materialize, our stock price could be materially adversely affected. Any difficulties in the integration of acquired businesses or unexpected penalties, liabilities or asset impairments in connection with such acquisitions or investments could have a material adverse effect on our business, financial condition and results of operations. **Over time in connection with the Sound United acquisition,** we have expanded our business and product strategy to additionally focus on non- healthcare consumer products to integrate with our successful medical technology businesses. Further, we may introduce certain changes to our existing healthcare products or introduce new and unproven products. Prior to the Sound United acquisition, we did not have significant experience with consumer hardware products, and Sound United does not have experience with healthcare products, which may adversely affect our ability to successfully develop and market these products and technologies and integrate them with our existing products and platforms. We expect this will be a complex, evolving, and long- term strategic initiative that will involve the development of new and emerging technologies, continued investment in medical technology and consumer products, and collaboration with other companies, developers, partners and other participants. ~~However, our non- healthcare business may not develop in accordance with our vision and expectations, and market acceptance of features, products or services we build for our consumer business may be uncertain.~~ We may be unsuccessful in our research and product development efforts, including if we are unable to develop relationships with key participants in the consumer products business. Our new strategic efforts may also divert resources and management attention from other areas of our business. In addition, as our non- healthcare business continues to evolve, we may be subject to a variety of laws and regulations in the U. S. and international jurisdictions, which we were not previously affected by, including in the areas of privacy, which may delay or impede the development of our products and services, increase our operating costs, require significant management time and attention, or otherwise harm our business. As a result of these or other factors, our non- healthcare expansion and investments may not be successful in the foreseeable future, or at all, which could adversely affect our business, reputation, or financial results. Our Credit Facility contains various affirmative covenants and restrictions that limit our ability to engage in specified types of transactions, including: • incurring specified types of additional indebtedness, there can be no assurance that we will be able to obtain any additional debt or equity financing at the time needed or that such financing will be available on terms that are favorable or acceptable to us (including guarantees or other contingent obligations); • paying dividends on, repurchasing or making distributions in respect of our common stock or making other restricted payments, subject to specified exceptions; • making specified investments (including loans and advances); • selling or transferring certain assets; • creating certain liens; • consolidating, merging, selling or otherwise disposing of all or substantially all of our assets; and • entering into certain transactions with any of our affiliates. In addition, under our Credit Facility, we are required to satisfy and maintain specified financial ratios and other customary affirmative and negative covenants. Our ability to meet those financial ratios and affirmative and negative covenants could be affected by events beyond our control and, therefore, we cannot be assured that we will be able to continue to satisfy these requirements. A breach of any of these ratios or covenants could result in a default under our Credit Facility. Upon the occurrence of an event of default, the Lenders could elect to declare all amounts outstanding under our Credit Facility immediately due and payable, terminate all commitments to extend further credit and pursue legal remedies for recovery, all of which could adversely affect our business and financial condition. See Note 15, “ Debt ”, to our accompanying consolidated financial statements included in Part IV, Item 15 (a) of this Annual Report on Form 10- K for additional information on our Credit Facility. Further, if we do not achieve the anticipated benefits from the Sound United acquisition, our ability to service our indebtedness may be adversely impacted. Even if we achieve the anticipated benefits from the acquisition, we may be required to raise substantial additional financing to fund working capital, capital expenditures, acquisitions, or other general corporate purposes. Our ability to arrange additional financing and make payments of principal and interest on our indebtedness will depend on our future performance, which will be subject to general economic, financial, and

business conditions as well as other factors affecting our operations, many of which are beyond our control. During the third quarter of 2023, we experienced continued declines in our stock price and certain worsening macro- economic market conditions, including continued slowing in demand for consumer audio products, which contributed to a significant decline in our market capitalization. Based on these factors, we determined that there was a triggering event for the three months ended September 30, 2023, which required an interim impairment assessment. Accordingly, we performed an interim impairment test of goodwill and indefinite- lived intangibles, and a recoverability test for other long- lived assets with finite lives. This quantitative assessment indicated that the carrying value of certain trademarks in the non- healthcare reporting unit were impaired by approximately \$ 7. 0 million. No impairment of goodwill was identified, as the fair value of each reporting unit exceeded its carrying value as of September 30, 2023. During the fourth quarter of 2023, although we experienced a recovery in our stock price and stabilization in our market capitalization, we also experienced continued softening in customer demand for our non- healthcare core audio products and additional supply chain inefficiencies. Based on these factors and further quantitative assessment, we determined the carrying value of certain trademarks in the non- healthcare reporting unit were impaired by approximately \$ 3. 0 million. **During the fourth quarter of 2024, we performed our annual impairment analysis and, based on this assessment, we determined the carrying value of certain indefinite- lived trademarks in the non- healthcare reporting unit were impaired by approximately \$ 10. 0 million and goodwill for the non- healthcare reporting unit was impaired by approximately \$ 294 million.** We review goodwill, other intangibles and other long- lived assets with finite lives for impairment at least annually in the fourth quarter of the year or more frequently if an event occurs indicating the potential for impairment. In the event we are required to record additional non- cash impairment charges to our goodwill, other intangibles and other long- lived assets with finite lives in the future, such a non- cash charge could have a material adverse effect on our consolidated statements of operations and balance sheets in the reporting period in which we record the charge. For additional information, see the discussion of “ Impairment Charge ” in Part II, Item 7, “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations – ” . We anticipate that our existing cash and cash equivalents, amounts available under our Credit Facility, and cash provided by operations, taken together, provide adequate resources to fund ~~on- ongoing~~ **going** operating and capital expenditures, working capital requirements, and other operational funding needs for the next 12 months. However, we may require additional cash resources due to changed business conditions or other future developments. If our existing resources are insufficient to satisfy cash requirements, we may seek to obtain one or more additional credit facilities, sell equity or debt securities or pursue other forms of financing. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financing covenants that could potentially restrict our operations. The sale of additional equity securities, or securities convertible into equity securities, could result in dilution to stockholders. In addition, actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems and could increase our costs of borrowing. Our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties, including investors’ perception of, and demand for, our securities, conditions in the capital markets in which we may seek to raise funds, our future results of operations and financial condition, and general economic, macro- economic, political and geopolitical conditions. In addition, even if debt financing is available, the cost of additional financing may be significantly higher than those provided for in our current Credit Facility. Moreover, financing may not be available in amounts or on terms acceptable to us, or at all, or at times when we require it, each of which could limit our ability to grow and expand our business and operations and develop or enhance our products and offerings to respond to market demand or competitive or other business challenges. **On September 25, 2024, we announced that our Board remains committed to the previously announced review of alternatives for both the consumer audio and consumer healthcare businesses, and that our Board has engaged Centerview Partners and Morgan Stanley as financial advisors and Sullivan & Cromwell as a legal advisor. On November 5, 2024, we provided an update on the progress of our strategic review of the consumer business and the Boards committed to focusing on delivering the best outcome for our shareholders. Subsequently, the sales process has progressed in 2025, and the Sound United business will be classified as held- for- sale and will be reported in discontinued operations in the first quarter of 2025. Any proposed separation is expected to require significant time and attention from our senior management and employees. Completion of any proposed separation and its timing will be subject to a number of factors and conditions, including the finalization of the structure of any proposed separation, approval by our Board, and the satisfaction of any agreed or required conditions, among other things. There can be no assurances that we will be able to complete any proposed separation on a specified timeline or at all. These risks with respect to any proposed separation could negatively affect our business, financial condition and results of operations. The execution of the proposed separation has required and may continue to require significant time and attention from our senior management and employees, which could cause disruption in business processes and adversely affect our financial results and our results of operations, and our employees may be distracted due to uncertainty regarding the future state of our Company.** Risks Related to Our Stock As of December 30-28, 2023-2024, our current directors and executive officers and their affiliates, in the aggregate, beneficially owned approximately 18. 6-4% of our outstanding stock. Subject to any fiduciary duties owed to our other stockholders under Delaware law, these stockholders may be able to exercise significant influence over matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, and will have some control over our management and policies in their roles as stockholders. Some of these persons or entities may have interests that are different from yours. For example, these stockholders may support proposals and actions with which you may disagree or which are not in your best interests. The concentration of ownership could delay or prevent a change in control of us, or otherwise discourage a potential acquirer from attempting to obtain control of

us, which in turn could reduce the price of our stock. In addition, these stockholders could use their voting influence to maintain our existing management and directors in office or support or reject other management and Board proposals that are subject to stockholder approval, such as amendments to our employee stock plans and approvals of significant financing transactions. From time to time, we release earnings guidance or other financial guidance in our quarterly and annual earnings conference calls or otherwise, regarding our future performance that represents our management's estimates as of the date of release. Our guidance includes forward- looking statements based on projections prepared by our management. Projections are based upon a number of assumptions and estimates that are based on information known when they are issued, and, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies relating to our business, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. Some of those key assumptions include broader macro- economic conditions and the resulting impact of these factors on future consumer spending patterns and our business. These assumptions are inherently difficult to predict, particularly in the long term. Additionally, forecasted financial and operating results may differ materially from actual results, which may materially adversely affect our financial condition and stock price. For example, if certain of our assumptions or estimates prove to be wrong, including any of the economic trends and developments affecting our business discussed in Part II, Item 7 of this Annual Report on Form 10- K, this could cause us to miss our earnings guidance or negatively impact the results we report, either of which could negatively impact our stock price and expose us to potential ~~shareholder~~ **stockholder** litigation. We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to imply that actual results could not fall outside of the suggested ranges. Furthermore, analysts and investors may develop and publish their own projections of our business, which may form a consensus about our future performance. Our actual business results may vary significantly from such guidance or estimates or that consensus due to a number of factors, many of which are outside of our control, including global economic uncertainty and financial market conditions, geopolitical events, rising inflation, and rising interest rates, potential recessionary factors, and foreign exchange rate volatility, which could adversely affect our business and future operating results. We use the reports and models of economic experts in making assumptions relating to consumer discretionary spending and predictions as to timing and pace of any future economic impacts. If these models are incorrect or incomplete, or if we fail to accurately predict the full impact of certain factors, such as macro- economic factors, the guidance and other forward- looking statements we provide may also be incorrect or incomplete. Furthermore, if we make downward revisions of our previously announced guidance, or if our publicly announced guidance of future operating results fails to meet expectations of analysts, investors, or other interested parties, the price of our common stock could decline. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. In light of the foregoing, investors are urged not to rely upon our guidance in making an investment decision regarding our common stock. Provisions in our certificate of incorporation and bylaws may discourage, delay or prevent a merger or acquisition involving us that our stockholders may consider favorable. For example, our certificate of incorporation authorizes our Board to issue up to 5.0 million shares of "blank check" preferred stock. As a result, without further stockholder approval, our Board has the authority to attach special rights, including voting and dividend rights, to this preferred stock, including pursuant to a stockholder rights plan, such as those underlying the Rights Agreement we previously adopted on September 9, 2022, which we terminated in accordance with the terms of the Amendment to the Rights Agreement we entered into effective as of March 22, 2023. However, we may implement a new stockholder rights plan in the future, which may have the effect of discouraging or preventing a change in control by, among other things, making it uneconomical for a third party to acquire us without the consent of our Board. With such rights, preferred stockholders could make it more difficult for a third- party to acquire us. In addition, our certificate of incorporation previously provided for a staggered Board, whereby directors serve for three- year terms, with one- third of the directors coming up for reelection each year. However, at our 2023 ~~annual Annual meeting Meeting~~ of ~~stockholders Stockholders~~ held on June 26, 2023, our stockholders approved an amendment to our certificate of incorporation, pursuant to which we will phase- in the declassification of our Board over four years, whereby all members of our Board that are elected after our 2023 ~~annual Annual meeting Meeting~~ of ~~stockholders Stockholders~~ **Stockholders** would be elected for annual terms. Accordingly, the three- year term for the Class I directors elected at our 2023 ~~annual Annual meeting Meeting~~ of ~~stockholders Stockholders~~ **Stockholders** will expire at our 2026 ~~annual Annual meeting Meeting~~ of ~~stockholders Stockholders~~ **Stockholders**, the three- year term for the Class II directors elected at our 2021 ~~annual Annual meeting Meeting~~ of ~~stockholders Stockholders~~ **Stockholders** expired as originally scheduled at our 2024 ~~Annual Meeting of Stockholders~~ and the three- year term for the Class III directors elected at our 2022 ~~Annual Meeting of Stockholders~~ will expire as originally scheduled at our 2025 ~~Annual Meeting of Stockholders~~. **The implementation of the declassification of our Board commenced at our 2024 annual Annual meeting Meeting of stockholders Stockholders . and the three- year term for the Class III directors Directors** elected at our 2022 ~~annual meeting of stockholders~~ will expire as originally scheduled at our 2025 ~~annual meeting of stockholders~~. **The implementation of the declassification of our Board will commence at our 2024 annual Annual meeting Meeting of stockholders Stockholders .** Director nominees standing for election at our 2024 ~~annual meeting of stockholders~~ and each ~~annual Annual meeting Meeting~~ of ~~stockholders Stockholders~~ **Stockholders** thereafter will be elected to serve a one- year term. Beginning with our 2026 ~~annual Annual meeting Meeting~~ of ~~stockholders Stockholders~~ **Stockholders**, all directors ~~would~~ **will** stand for annual elections. We are also subject to anti- takeover provisions under the General Corporation Law of the State of Delaware (DGCL). Under these provisions, if anyone becomes an "interested stockholder," we may not enter into a "business combination" with that person for three years without special approval, which could discourage a third- party from making a takeover offer and could delay or prevent a change in control of us. For purposes of these provisions, an "interested stockholder" generally means someone owning 15 % or more of our outstanding voting stock or an affiliate of ours that owned 15 % or more of our outstanding voting stock during the past three years, subject to certain exceptions as described in the

Our senior leadership and our Board have been subject to shareholder activism experienced personnel turnover. See “Executive Leadership and Board Transitions” in Part II, Item 7 of this Annual Report on Form 10-K for additional information on our leadership. Changes in our executive leadership team and our Board may be subject to such activism in the future, which as before or cause uncertainty in, our business and could result in substantial costs and divert have a negative impact on our ability to management manage our Board’s attention and resources from our business effectively. Such shareholder activism Loss of key personnel with deep institutional or technical knowledge could give rise create continuity risks and challenges to perceived uncertainties as to our ability to execute future, adversely affect our business and strategy, including potentially disrupting our operations and relationships with our employees, customers, suppliers and or business partners. Such loss of, and the failure make it more difficult to attract and retain, qualified key personnel, and result in a change in control pursuant to the employment agreement between us and Joe Kiani, our Chairman and CEO. We value input from investors and regularly engage in dialogue with our stockholders regarding strategy and performance. Activist shareholders who disagree with the composition of our Board, our strategy or the way our Company is managed may seek to effect change through various strategies and channels, such as through commencing another proxy contest, making public statements critical of our performance or business or engaging in other similar activities. Responding to shareholder activism can be costly and time-consuming, disrupt our operations, and divert the attention of management and our employees from our strategic initiatives, and we may be required to incur significant fees and other expenses related to activist shareholder matters, including for third-party advisors. For example, in 2022, Politan Capital Management LP and Politan Capital NY LLC and certain of their affiliates (Politan), acquired a material portion of our outstanding shares and filed a proxy statement with the SEC seeking an election of two of its nominees to our Board at our 2023 Annual Meeting. At the 2023 Annual Meeting held on June 26, 2023, our stockholders voted to elect both nominees designated by Politan to serve on our Board. As a result of the contested director election, we incurred significant costs, as well as Board and management distraction during the fourth quarter of 2022 and majority of the 2023 fiscal year. Politan may encourage others or on its own to conduct an additional proxy contest in connection with our 2024 Annual Meeting of Stockholders. Responding to any future proxy contests from Politan or other activist shareholders is likely to be costly and time-consuming and could again divert management’s and our Board’s attention and resources from our business. This could have a material adverse effect on us for at least the following reasons: • shareholders may attempt to effect changes in our strategic direction and governance or to acquire control over our Board or our Company; • while we welcome the opinions of all shareholders, responding to proxy contests and related litigation by shareholders is likely to be costly and time-consuming, disrupt our operations, and potentially divert the attention of our Board, management team and other employees away from their regular duties and the pursuit of business opportunities to enhance shareholder value; • perceived uncertainties as to our future direction as a result of potential changes to the composition of our Board may lead to the perception of a change in the strategic direction of the business, the loss of key employees, including our executive officers, instability or lack of continuity, particularly if the activism campaign results in the appointment of one or more activist shareholders on the Board, which may cause concern to our existing or potential collaboration partners, employees and shareholders; may be exploited by our competitors; may result in the loss of potential business opportunities or limit our ability to timely initiate or advance clinical trials; and may make it more difficult to attract and retain qualified personnel and business partners; • if individuals are elected to our board of directors who have a specific agenda, including a plan to terminate our Chief Executive Officer or other executive officers, it may result in operational disruption and adversely affect our ability to effectively implement our strategic plan in a timely manner and create additional value for our shareholders; and • activist directors may make overly burdensome demands of Company management and materially and unnecessarily increase management’s workload; and • proxy contests and related litigation by shareholders could cause significant fluctuations in our share price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. The occurrence of any of the foregoing could adversely affect our business, results of operations, financial condition and results the price of operations our common stock. Our bylaws provide that the state or federal courts located within the State of Delaware are the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees or stockholders to our stockholders, (iii) any action asserting a claim against us arising pursuant to the DGCL, our certificate of incorporation or our bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim governed by the internal affairs doctrine. However, this choice of forum provision does not apply to (a) actions in which the Court of Chancery in the State of Delaware concludes that an indispensable party is not subject to the jurisdiction of Delaware courts, or (b) actions in which a federal court has assumed exclusive jurisdiction to a proceeding. This choice of forum provision is not intended to apply to any actions brought under the Securities Act of 1933, as amended (the Securities Act), or the Securities Exchange Act of 1934, as amended (the Exchange Act). Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees or stockholders, which may discourage such lawsuits against us and our directors, officers and other employees or stockholders. Furthermore, the enforceability of similar choice of forum provisions in other companies’ certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the choice of forum provision in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition and results of operations. General Risk Factors We may experience significant fluctuations in

our periodic financial results and may not maintain our current levels of profitability in the future. Our operating results have fluctuated in the past and are likely to fluctuate in the future. Many of the countries in which we operate, including the U. S. and several of the members of the EU, have experienced and continue to experience uncertain economic conditions resulting from global as well as local factors. In addition, continuing uncertainty in the U. S. economy may result in continued inflationary pressures globally and in the U. S. in particular, which may contribute to future interest rate volatility. Our business or financial results may be adversely impacted by these uncertain economic conditions, including: adverse changes in interest rates, foreign currency exchange rates, tax laws or tax rates; inflation; contraction in the availability of credit in the marketplace due to legislation or other economic conditions, which may potentially impair our ability to access the capital markets on terms acceptable to us or at all; changes in consumer spending during a recession; and the effects of government initiatives to manage economic conditions. We are also unable to predict how changing global economic conditions or potential global health concerns will affect our critical customers, **international tenders**, suppliers and distributors. Any negative impact of such matters on our critical customers, **international tenders**, suppliers or distributors may also have an adverse impact on our results of operations or financial condition. Our expense levels are based, in part, on our expectations regarding future revenue levels and are relatively fixed in the short- term. As a result, if our revenue for a particular period was below our expectations, we would not be able to proportionately reduce our operating expenses for that period. Any revenue shortfall would have a disproportionately negative effect on our operating results for the period. In addition, the methods, estimates and judgments that we use in applying our accounting policies are, by their nature, subject to substantial risks, uncertainties and assumptions. Factors may arise over time that lead us to change our methods, estimates and judgments, the impact of which could significantly affect our results of operations. See “ Critical Accounting Policies and Estimates ” contained in Part II, Item. 7 of this Annual Report on Form 10- K. Recent accounting changes related to our embedded leases within certain deferred equipment agreements have also resulted in the acceleration of the timing related to our recognition of revenue and expenses associated with certain equipment provided to healthcare customers at no up- front charge. Since we cannot control the timing of when our customers will request us to deliver such equipment, our revenue and costs with respect to leased equipment could vary substantially in any given quarter or year, which could further increase quarterly or annual fluctuations within our financial results. Due to these and other factors, you should not rely on our results for any one quarter as an indication of our future performance. If our operating results fail to meet or exceed the expectations of securities analysts or investors, our stock price could drop suddenly and significantly. **On September 19 Adverse developments affecting the financial services industry, 2024, Mr. Kiani delivered the September 19 Notice to our Board (as amended on September 25, the Notice) stating his decision to resign from his position as our CEO. The Notice asserts that Mr. Kiani’ s resignation is for “ Good Reason ” (as such term defined in Mr. Kiani’ s Amended Employment Agreement) and to demand “ the full amount of the benefits ” specified under the Amended Employment Agreement. On September 19, 2024, Mr. Kiani filed a claim in California Superior Court (the Kiani California Litigation) relating to his Amended Employment Agreement seeking, among other things, declaratory relief that he had validly terminated his employment for “ Good Reason ” and that he was entitled to certain benefits provided in the Amended Employment Agreement upon a termination for “ Good Reason ”. Mr. Kiani filed an amended complaint on October 31, 2024, which the Company answered on December 12, 2024. On October 24, 2024, we commenced litigation against Mr. Kiani in the Court of Chancery of the State of Delaware (the Kiani Delaware Litigation), alleging that certain provisions in the Amended Employment Agreement, including provisions entitling Mr. Kiani to receive substantial benefits upon his termination for Good Reason (as defined in the Amended Employment Agreement), are invalid, unenforceable, and amount to a waste of corporate assets. Following an investigation by outside counsel, in which counsel collected and reviewed relevant documents from fifteen custodians and interviewed ten individuals, it was determined that the Company had multiple grounds to terminate Mr. Kiani’ s employment for cause. On October 24, 2024, the Board adopted resolutions to terminate Mr. Kiani’ s employment for cause, effective that day. We believe that the Company ultimately will prevail in its dispute with Mr. Kiani, for three primary reasons. First, as noted, the Company asserts in the Kiani Delaware Litigation that numerous provisions in the Amended Employment Agreement are invalid and unenforceable as a matter of Delaware law. Indeed, in a prior litigation concerning the Amended Employment Agreement, the Delaware Court of Chancery, in a preliminary ruling, questioned the validity of some of the same provisions that the Company challenges in the Kiani Delaware Action. Second, the Company asserts that the Special Payment is invalid on the ground that it is an unenforceable penalty that fails to reflect an estimate of any actual damages incurred events or concerns involving liquidity, defaults or non- performance by financial institutions Mr. Kiani. Third, because the Company terminated Mr. Kiani’ s employment or for cause transactional counterparties, under the plain terms of the Amended Employment Agreement, Mr. Kiani is not entitled to any severance payments as a result of that termination. If the Company prevails in its litigation with Mr. Kiani, Mr. Kiani will not receive any of the benefits to which he has claimed he is entitled. There is, however, no guarantee that the Company will prevail in its dispute with Mr. Kiani. That dispute could be costly and become a distraction to our management and employees and adversely affect our current and projected business operations and its financial condition and results of operations. Actual events involving limited liquidity, defaults, non- performance-Any costs incurred to resolve any dispute arising from the Amended Employment Agreement and any severance or other compensation adverse developments that affect financial institutions,..... to access undrawn amounts thereunder. Although we become obligated are not a borrower or party to any such instruments with SVB, Signature or any other financial institution currently in receivership, if any of our- or lenders or counterparties to any such instruments were to be placed into receivership, we may be unable to access such funds. In addition, counterparties to SVB credit agreements and arrangements, and third parties such as beneficiaries of letters of credit (among others otherwise) determine, may experience direct impacts from the closure of SVB and uncertainty remains over liquidity concerns in the broader financial services industry. Similar impacts have occurred in the past, such as during the 2008-2010**

financial crisis. Although we assess our banking relationships as we believe necessary or appropriate, our access to pay funding sources and other credit arrangements in amounts adequate to Mr finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial institutions with which we have credit agreements or arrangements directly, or the financial services industry or economy in general. Kiani These factors could include, among others..... customers or suppliers, which in turn , could have a material adverse effect on our current and /or projected business operations and results of operations and financial condition . For example, a customer may..... of operations and cash flows from operations . If we lose the services of our key personnel, or if we are unable to attract and retain other key personnel, we may not be able to manage our operations or meet our growth objectives. We are highly dependent on our senior management , especially Joe Kiani, our CEO, and other key officers-. We are also heavily dependent on our engineers and field sales team, including sales representatives and clinical specialists . We believe certain of our competitors..... or any individual director at any time . We do not maintain any “ key person ” life insurance policies with respect to any of our key personnel. To the extent that key personnel depart, we may be required to bring on new hires that require training and take time before they achieve full productivity. New employees may not become as productive as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals. The loss of the services of members of our key personnel or the inability to attract and retain qualified personnel in the future could prevent the implementation and completion of our objectives, including the development and introduction of our products. In general, our key personnel may terminate their employment at any time and for any reason without notice, unless the individual is a participant in our 2007 Severance Protection Plan, in which case the individual has agreed to provide us with six months’ notice if such individual decides to voluntarily resign. In addition, regulation or legislation impacting the workforce, such as the proposed rule published by the Federal Trade Commission (FTC) purporting to which would, if issued, generally prevent employers from entering into non- competition agreements with employees and require employers to rescind existing non- competition agreements, may lead to increased uncertainty in hiring and competition for talent. For example, a customer may fail to make payments when due, default under their agreements with us, become insolvent or declare bankruptcy, or a supplier may determine that it will no longer deal with us as a customer. In addition, a customer or supplier could be adversely affected by any of the liquidity or other risks that are described above as factors that could result in material adverse impacts on our company, including but not limited to delayed access or loss of access to uninsured deposits or loss of the ability to draw on existing credit facilities involving a troubled or failed financial institution. Any customer or supplier bankruptcy or insolvency, or the failure of any customer to make payments when due, or any breach or default by a customer or supplier, or the loss of any significant supplier relationships, could result in material losses to our company and may have material adverse impacts on our business. A regional or global recession and other negative macro-economic trends could adversely affect our consumer businesses-- business. Our consumer products are generally considered non- essential, discretionary products. As such, many of these products can be especially sensitive to general downturns in the economy. Negative macro- economic conditions, such as high inflation, recession, changes to monetary policy, increasing interest rates and decreasing consumer confidence can adversely impact demand for these products, which could negatively impact our business, financial condition and results of operations. Future changes in accounting pronouncements and tax laws, or the interpretation thereof, could have a significant impact on our reported results, and may affect our historical reporting of previous transactions. New accounting pronouncements or taxation rules, and evolving interpretations thereof, have occurred and are likely to occur in the future. Future changes made by new accounting standards may apply prospectively or retrospectively, depending on the method of adoption, and may recast previously reported results. For additional information related to the impact of new accounting pronouncements, please see Note 2, “ Summary of Significant Accounting Policies ”, to our accompanying consolidated financial statements included in Part IV, Item 15 (a) of this Annual Report on Form 10- K. In addition, future changes to the U.S. tax code and its regulations could have a material impact on our effective tax rate and the implementation of these changes could require us to make substantial changes to our business practices, allocate resources, and increase our costs, which could negatively affect our business, results of operations and financial condition . For example, the Trump administration has proposed various U.S. federal tax law changes, which if enacted could have a material impact on our business, cash flows, financial condition or results of operations. In addition, it is uncertain if and to what extent various states will conform to federal tax laws. Future tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one- time charges, and could increase our future U.S. tax expense . The OECD (Organization for Economic Co- operation and Development) has proposed a global minimum tax of 15 % of reported profits (Pillar Two) that has been agreed upon in principle by over 140 countries. The OECD continues to release additional guidance, including administrative guidance on how Pillar Two rules should be interpreted and applied by jurisdictions as they adopt Pillar Two. A number of countries have utilized the administrative guidance as a starting point for legislation that became is effective January 1, 2024. We are The Company is continuing to evaluate the potential impact on future periods of Pillar Two, pending legislative adoption by individual countries. Our retirement and post- retirement pension benefit plans are subject to financial market risks that could adversely affect our future results of operations and cash flows. We sponsor several defined benefit plans with post- retirement benefits to certain employees in certain international markets. These defined benefit plans are funded with trust assets invested in a diversified portfolio of securities and other investments. Changes in interest rates, mortality rates, early retirement rates, investment returns, discount rates and the market value of plan assets could affect the funded status of our defined benefit plan and post- retirement benefit obligations, causing volatility in the net periodic benefit cost and future funding requirements of the plans. A significant increase in our obligations or future funding requirements could have a negative impact on our results of operations and cash flows from operations . We are involved, and may become involved in the future, in disputes and other legal or regulatory proceedings that, if adversely decided or settled, could materially and adversely affect our business, financial condition and results of operations. We are, and may in the future become, party to litigation, regulatory proceedings or other disputes. In general, claims made by or against us in disputes and other legal or regulatory

proceedings can be expensive and time-consuming to bring or defend against, requiring us to expend significant resources and divert the efforts and attention of our management and other personnel from our business operations. These potential claims may include, but are not limited to personal injury and class action lawsuits, intellectual property claims and regulatory investigations relating to the advertising and promotional claims about our products and employee claims against us based on, among other things, discrimination, harassment or wrongful termination. In addition, we may become subject to claims against companies we acquire based on circumstances arising prior to the acquisition, and the sellers of the acquired company may have no obligation to reimburse us for any resulting damages or expenses. Due to the complexity of our business and the variety of risks that we face, our internal risk mitigation policies and procedures may not always be sufficient to allow us to identify issues and take corrective action before a claim, lawsuit or regulatory action is initiated against us. Failure to detect and remediate issues at an early stage could have a material adverse effect on our business and result in increased liability in any ensuing proceeding. Any litigation, proceedings or dispute, even those without merit, may divert our financial and management resources that would otherwise be used to benefit the future performance of our operations. Any adverse determination against us in these proceedings, or even the allegations contained in the claims, regardless of whether they are ultimately found to be without merit, may also result in settlements, injunctions or damages that could have a material adverse effect on our business, financial condition and results of operations. Changes to government immigration regulations may materially affect our workforce and limit our supply of qualified professionals, or increase our cost of securing workers. We recruit professionals on a global basis and must comply with the immigration laws in the countries in which we operate, including the U. S. Some of our employees are working under Masimo-sponsored temporary work visas, including H1- B visas. Statutory law limits the number of new H1- B temporary work permit petitions that may be approved in a fiscal year. Furthermore, there is a possibility that the current U. S. immigration visa program may be significantly overhauled, and the number of H1- B visas available, as well as the process to obtain them, may be subject to significant change. Any resulting changes to this visa program could impact our ability to recruit, hire and retain qualified skilled personnel. If we are unable to obtain work visas in sufficient quantities or at a sufficient rate for a significant period of time, our business, operating results and financial condition could be adversely affected. The risks inherent in operating internationally, including the purchase, sale and shipment of our components and products across international borders, may adversely impact our business, financial condition and results of operations. We currently derive approximately 48-46% of our net sales from international operations. In addition, we purchase a portion of our raw materials and components from international sources. The sale and shipment of our products across international borders, as well as the purchase of materials and components from international sources, subject us to extensive U. S. and foreign governmental trade regulations, including those related to duties, tariffs and conflict minerals. Compliance with such regulations is costly and we could be exposed to potentially significant penalties, fines and interest if we are found not to be in compliance with such regulations. Any failure to comply with applicable legal and regulatory obligations could impact us in a variety of ways that include, but are not limited to, significant criminal, civil and administrative penalties, including imprisonment of individuals, fines and penalties, denial of export privileges, seizure of shipments, restrictions on certain business activities, and exclusion or debarment from government contracting. We have historically engaged in transactions with entities related to or located in countries subject to certain U. S. export restrictions. For example, we have had sales of medical products destined for Iran - Although these activities have not been financially material to our business, financial condition or results of operations, and were undertaken in accordance with general licenses authorizing such activities issued by the U.S. Treasury Department's Office of Foreign Assets Control, we may not be successful in ensuring compliance with limitations or restrictions on business in Iran or any other countries subject to economic sanctions and embargoes imposed by the U.S. Additionally, the export of U.S. technology or goods manufactured in the U.S. to some jurisdictions requires special U.S. export authorization or local market controls that may be influenced by factors, including political dynamics, outside our control. Also, the failure to comply with applicable legal and regulatory obligations could result in the disruption of our shipping, manufacturing and sales activities. In addition, changes in policy in the U. S. and other countries regarding international trade, including import and export regulation and international trade agreements, could negatively impact our business. In recent years, the U. S. has imposed tariffs on goods imported from China and certain other countries, which has resulted in retaliatory tariffs by China and other countries. **During his campaign, President Trump expressed various intentions to impose tariffs on goods shipped from China, Canada, Mexico and other countries to the United States, including up to 60 % tariffs on goods shipped from China. If the new administration implements these or other tariffs, our business, results of operations and financial condition could be negatively impacted.** Changes or uncertainty in tariffs or further retaliatory trade measures taken by China or other countries in response could affect the demand for our products and services, impact the competitive position of our products, prevent us from being able to sell products in certain countries or otherwise adversely impact our results of operations. The implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs or new barriers to entry, could negatively impact our business, results of operations and financial condition. In addition, our international operations expose us and our representatives, agents and distributors to risks inherent in operating in foreign jurisdictions. These risks include, but are not limited to: • the imposition of additional U. S. and foreign governmental controls or regulations; • the imposition of costly and lengthy new export licensing requirements; • a shortage of high-quality sales people and distributors; • the loss of any key personnel who possess proprietary knowledge, or who are otherwise important to our success in certain international markets; • changes in duties and tariffs, license obligations and other non-tariff barriers to trade; • the imposition of new trade restrictions; • the imposition of restrictions on the activities of foreign agents, representatives and distributors; • compliance with foreign tax laws, regulations and requirements; • pricing pressure; • changes in foreign currency exchange rates; • laws and business practices favoring local companies; • political instability and actual or anticipated military or political conflicts, including the **on-going** conflict between Ukraine and Russia, the global impact of restrictions and sanctions imposed on Russia and the Israel- Palestine **- Iran** war; • financial and civil unrest worldwide; • outbreaks of illnesses, pandemics or other local or

global health issues; • the inability to collect amounts paid by foreign government customers to our appointed foreign agents; • longer payment cycles, increased credit risk and different collection remedies with respect to receivables; and • difficulties in enforcing or defending intellectual property rights. ~~The U. S. government initiated substantial changes in U. S. trade policy and U. S. trade agreements, including tariffs on certain foreign goods. In response to these tariffs, certain foreign governments instituted or are considering imposing tariffs on certain U. S. goods. In addition, the U. S. has negotiated new trade agreements that could impact us, including the United States–Mexico–Canada Agreement (USMCA), which went into force on July 1, 2020 and replaced the North American Free Trade Agreement.~~ A trade war, trade barriers or other governmental actions related to tariffs, international trade agreements, import or export restrictions or other trade policies could adversely impact demand for our products, our costs, customers, suppliers and / or the U. S. economy or certain sectors thereof and, therefore, adversely affect our business, financial condition and results of operations. The U. S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws in non- U. S. jurisdictions generally prohibit companies and their intermediaries from promising or making improper payments to foreign officials for the purpose of obtaining an advantage to secure or retain business. Because of the predominance of government- sponsored healthcare systems around the world, many of our customer relationships outside of the U. S. are with governmental entities and are therefore subject to such anti- bribery laws. We have adopted policies and practices that help us ensure compliance with these anti- bribery laws. However, such policies and practice may require us to invest in additional monitoring resources or forgo certain business opportunities in order to ensure global compliance with these laws. Additionally, any alleged or actual violation could subject us to government scrutiny, severe criminal or civil fines, or sanctions on our ability to export product outside the U. S., which could adversely affect our reputation and financial condition. Although these activities have not been financially..... shipping, manufacturing and sales activities. Any material decrease in our international sales would adversely affect our business, financial condition and results of operations. The laws of foreign countries may not adequately protect our intellectual property rights. Intellectual property protection laws in foreign countries differ substantially from those in the U. S. If we fail to apply for intellectual property protection in foreign countries, or if we cannot adequately protect our intellectual property rights in these foreign countries, our competitors may be able to compete more effectively against us, which could adversely affect our competitive position, as well as our business, financial condition and results of operations. Our operations may be adversely impacted by our exposure to risks related to foreign currency exchange rates. We market our products in certain foreign markets through our subsidiaries and other international distributors. As a result, events that result in global economic uncertainty could significantly affect our results of operations in the form of gains and losses on foreign currency transactions and potential devaluation of the local currencies of our customers relative to the U. S. Dollar. While a majority of our sales are transacted in U. S. Dollars, some of our sales agreements with foreign customers provide for payment in currencies other than the U. S. Dollar. These foreign currency revenues, when converted into U. S. Dollars, can vary depending on the approximation of the exchange rates applied during a respective period. Similarly, certain of our foreign subsidiaries transact business in their respective country’ s local currency, which is also their functional currency. In addition, certain production costs related to our manufacturing operations are denominated in local currency. As a result, expenses of these foreign subsidiaries and certain production costs, when converted into U. S. Dollars, can vary depending on average monthly exchange rates during a respective period. We are also exposed to foreign currency gains or losses on outstanding foreign currency denominated receivables and payables, as well as cash deposits. When converted to U. S. Dollars, these receivables, payables and cash deposits can vary depending on the monthly exchange rates at the end of the period. In addition, certain intercompany transactions may give rise to realized and unrealized foreign currency gains or losses based on the currency underlying such intercompany transactions. Accordingly, our operating results are subject to fluctuations in foreign currency exchange rates. The balance sheets of our foreign subsidiaries whose functional currency is not the U. S. Dollar are translated into U. S. Dollars at the rate of exchange at the balance sheet date and the statements of operations and cash flows are translated into U. S. Dollars using an approximation of the average monthly exchange rates applicable during the period. Any foreign currency exchange gain or loss as a result of translating the balance sheets of our foreign subsidiaries whose functional currency is not the U. S. Dollar is included in equity as a component of accumulated other comprehensive income (loss). We currently do not hedge our foreign currency exchange rate risk. As a result, changes in foreign exchange rates could have a material adverse effect on our business, financial condition and results of operations. For additional information related to our foreign currency exchange rate risk, please see “ Quantitative and Qualitative Disclosures about Market Risk ” in Part I, Item 3 of this Annual Report on Form 10- K. We currently manufacture our products at a limited number of locations and any disruption to, expansion of, or changes in trade programs related to such manufacturing operations could adversely affect our business, financial condition and results of operations. We rely on manufacturing facilities in **North America** the U. S., **Mexico, Europe and Asia and Europe** that may be affected by natural or man- made disasters. Earthquakes are of particular significance since some of our facilities are located in earthquake- prone areas. We are also vulnerable to damage from other types of disasters, including power loss, attacks from extremist or terrorist organizations, epidemics, communication failures, fire, floods, hurricanes and similar events. Our facilities and the manufacturing equipment we use to produce our products would be difficult to replace and could require substantial time to repair if significant damage were to result from any of these occurrences. If one of our manufacturing facilities was affected by a natural or man- made disaster, we would be forced to rely on third- party manufacturers if we could not shift production to our other manufacturing facilities. Furthermore, our insurance for damage to our property and the disruption of our business from casualties may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, or at all. If the lease for any of our leased facilities is terminated, we are unable to renew any of our leases or we are otherwise forced to seek alternative facilities, or if we voluntarily expand one or more of our manufacturing operations to new locations, we may incur additional transition costs and experience a disruption in the supply of our products until the new facilities are available and operating. Additionally, we have occasionally experienced seasonality and other shortages among our manufacturing workforce, and if we continue to experience such

seasonality or other workforce shortages or otherwise have issues retaining employees or contractors at our manufacturing facilities, we may not be able to meet our customers' demands. Our global manufacturing and distribution are dependent upon our manufacturing facilities in multiple countries, and the expedient importation of raw materials and exportation of finished goods between these facilities. Undue delays and / or closures of cross-border transit facilities, or any restrictions by local governments related to the movement of goods to or from the U. S., may adversely affect our ability to fulfill orders and supply our customers, as well as adversely impact our business, operating results and financial condition. In addition, delays and closures of shipping ports, or ports of entry into and out of the U. S., including as a result of labor strikes or shortages, may delay our ability to fulfill order and supply of our non- healthcare consumer products, which could also adversely impact our business, operating results and financial condition. Our manufacturing facilities in Mexico are authorized to operate under the Mexican Maquiladora (IMMEX) program. The IMMEX program allows us to import certain items from the U. S. into Mexico duty- free, provided that such items, after processing, are exported from Mexico within a stipulated timeframe. Maquiladora status, which is renewed periodically, is subject to various restrictions and requirements, including compliance with the terms of the IMMEX program and other local regulations. Failure to comply with the IMMEX program regulations, including any changes thereto, could increase our manufacturing costs and adversely affect our business, operating results and financial condition. If we do not accurately forecast customer demand, we may hold suboptimal inventory levels that could adversely affect our business, financial condition and results of operations. If we are unable to meet the demand of our customers, our customers may cancel orders or purchase products from our competitors, which could reduce our revenue and gross profit margin. Conversely, if product demand decreases, we may be unable to timely adjust our manufacturing cost structure, resulting in excess capacity, which would lower gross product margins. Similarly, if we are unable to forecast demand accurately, we could be required to record charges related to excess or obsolete inventory, which would also lower our gross margin. Each of our business segments is individually influenced by many factors, including but not limited to: new product releases, acquisitions, regulatory approvals, holiday schedules, hospital census, the timing of the influenza season, holiday seasons, consumer pressures, inflationary and recessionary pressures, consumer demand and preferences, and competitors' marketing promotions and sales incentives; among many other factors. In addition, we may experience seasonal demand for our products and demand for such products could decrease significantly during a recession. For example, healthcare revenues in the third quarter of our fiscal years have generally historically represented a lower percentage of segment revenues due to the seasonality of the U. S., European and Japanese markets, where summer vacation schedules normally result in fewer elective procedures utilizing our healthcare products. The flu season concluded abnormally early and faded quickly in the first quarter of 2023, resulting in reduced inpatient census. In addition, some customers held elevated sensor inventory levels due to discounting in prior quarters, which was discontinued during the second quarter. Healthcare facilities and hospitals experienced fewer flu-related hospitalizations and medical office visits, which decreased consumption of our single- patient use sensors and consumables. The corresponding delays in reordering for our single- patient use sensors and consumables had an adverse impact on our ~~second, third and fourth quarter 2023~~ healthcare revenue **for the second half of 2023**. Similarly, our non- healthcare revenues in the fourth quarter of a fiscal year generally produce a higher percentage of our segment revenues than the other quarters of our fiscal year due to the holiday shopping season and our corresponding promotional activities. Our promotional discounting activity may negatively impact our gross margin ~~during the holiday periods~~. Any shortfalls in expected revenue due to a mismatch in supply of and demand for our products could cause our operating results to suffer significantly, and seasonal or similar variances may also result in fluctuations in our revenues. If we fail to comply with the reporting obligations of the Exchange Act or if we fail to maintain adequate internal control over financial reporting, our business, results of operations and financial condition and investors' confidence in us could be adversely affected. We are required to prepare and disclose certain information under the Exchange Act, in a timely manner and meet our reporting obligations in their entirety, and our failure to do so could subject us to penalties under federal securities laws and regulations of The Nasdaq Stock Market LLC, expose us to lawsuits and restrict our ability to access financing on favorable terms, or at all. If we fail to maintain adequate internal controls over financial reporting, we may not be able to conclude on an ~~on- ongoing~~ **going** basis that we have effective internal control over financial reporting in accordance with the Sarbanes- Oxley Act. Moreover, any material weakness in our internal control environment could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business, negatively impact the trading price of our stock, and adversely affect investors' confidence in our company and our ability to access capital markets for financing. Changing laws and increasingly complex corporate governance and public disclosure requirements could have an adverse effect on our business and operating results. Changing laws, regulations and standards relating to corporate governance and public disclosure ~~including the Dodd- Frank Wall Street Reform and Consumer Protection Act (Dodd- Frank Act), the California Transparency in Supply Chains Act, the UK Modern Slavery Act and new regulations issued by the SEC and The Nasdaq Stock Market LLC,~~ have created, and will create, additional compliance requirements for us ~~. For example, the Dodd- Frank Act includes provisions regarding, among other things, advisory votes on named executive officer compensation and "conflict minerals" reporting.~~ Complying with these rules and regulations has increased and will increase our legal and financial compliance costs, make some activities more difficult, time- consuming or costly and increase demand on our systems and resources. As a result, management' s attention may be diverted from other business concerns, which could adversely affect our business, financial condition and results of operations. We may also need to hire additional employees or engage outside consultants to comply with these requirements, which will increase our costs and expenses. To maintain high standards of corporate governance and public disclosure, we have invested in, and intend to continue to invest in, reasonably necessary resources to comply with evolving standards. **Our** ~~In addition, stockholder litigation surrounding executive compensation and disclosure of executive compensation has increased with the passage of the Dodd- Frank Act. Furthermore, our stockholders in certain instances have not approved our advisory vote on named executive officer compensation that is being voted on by our stockholders annually pursuant to the~~

~~Dodd-Frank Act~~. If we are involved in a lawsuit related to compensation matters or any other matters not covered by our directors' and officers' liability insurance, we may incur significant expenses in defending against such lawsuits, or be subject to significant fines or required to take significant remedial actions, each of which could adversely affect our business, financial condition and results of operations. If product liability claims are brought against us, we could face substantial liability and costs. Our products expose us to product liability claims and product recalls, including, but not limited to, those that may arise from unauthorized off-label use, malfunctions, design flaws or manufacturing defects related to our products or the use of our products with incompatible components or systems. In addition, as we continue to expand our product portfolio, we may enter or create new markets, including consumer markets, which may expose us to additional product liability risks. For example, with our previous acquisition of TNI®, we added softFlow® technology to our product portfolio. While this technology provides efficient, quiet and comfortable respiratory support to patients, it may present increased risk of infection to caregivers. In addition, with the Sound United ~~acquisition~~ **Acquisition**, we added multiple broadly distributed premium audio brands to our product portfolio and significantly expanded our consumer base worldwide, which could expose us to increased product liability claims. We cannot be certain that our product liability insurance will be sufficient to cover any or all damages for product liability claims that may be brought against us in the future. Furthermore, we may not be able to obtain or maintain insurance in the future at satisfactory rates or in adequate amounts to protect us against any product liability claims. Additionally, the laws and regulations regarding product liability are constantly evolving, both through the passage of new legislation at the state and federal levels and through new interpretations of existing legislation. ~~For example, in February 2017, the Washington Supreme Court determined that, under the Washington Product Liability Act, medical device manufacturers have a duty to warn hospitals of any potential risks posed by their products.~~ As the legal and regulatory landscape surrounding product liability change, we may become exposed to greater liability than currently anticipated. Any losses that we may suffer from product liability claims, and the effect that any product liability litigation may have upon the reputation and marketability of our technology and products, together with the corresponding diversion of the attention of our key employees, may subject us to significant damages and could adversely affect our business, financial condition and results of operations. We may incur environmental and personal injury liabilities related to certain hazardous materials used in our operations. Certain manufacturing processes for our products may involve the storage, use, generation and disposal of certain hazardous materials and wastes, including silicone adhesives, solder and solder paste, sealants, epoxies and various solvents such as methyl ethyl ketone, acetone and isopropyl alcohol. As a result, we are subject to certain environmental laws, as well as certain other laws and regulations, that restrict the materials that can be used in our products or in our manufacturing processes. For example, products that we sell in Europe are subject to regulation in the EU markets under the Restriction of the Use of Hazardous Substances Directive (RoHS). RoHS prohibits companies from selling products that contain certain hazardous materials in EU member states. In addition, the EU's Registration, Evaluation, Authorization, and Restriction of Chemicals Directive also restricts substances of very high concern in products. Compliance with such regulations may be costly and, therefore, we may incur significant costs to comply with these laws and regulations. In addition, new environmental laws may further affect how we manufacture our products, how we use, generate or dispose of hazardous materials and waste, or further affect what materials can be used in our products. Any required changes to our operations or products may increase our manufacturing costs, detrimentally impact the performance of our products, add greater testing lead-times for product introductions or have other similar effects. In connection with our research and manufacturing activities, we use, and our employees may be exposed to, materials that are hazardous to human health, safety or the environment. The risk of accidental injury to our employees or contamination from these materials cannot be eliminated, and we could be held liable for any resulting damages, the related liability for which could exceed our reserves. We do not specifically insure against environmental liabilities. If an enforcement action were to occur, our reputation and our business and financial condition may be harmed, even if we were to prevail or settle the action on terms favorable to us. We rely significantly on information technology and any failure, inadequacy, interruption or security lapse of that technology, including any cybersecurity incidents, could harm our ability to operate our business effectively. Increased global cybersecurity vulnerabilities, cybersecurity threats and sophisticated and targeted cybersecurity attacks pose a risk to the security of our systems and networks, including the confidentiality, availability and integrity of any underlying information and data, and those of our customers, partners, suppliers and third-party service providers. Our ability to effectively manage and maintain our internal business information, and to ship products to customers and invoice them on a timely basis, depends significantly on our enterprise resource planning system and other information systems. Portions of our information technology systems may experience interruptions, delays or cessations of service or produce errors in connection with ~~on-ongoing~~ **going** systems implementation work. In addition, interfaces between our products and our customers' computer networks could provide additional opportunities for cybersecurity attacks on us and our customers. The techniques used to attack computer systems are sophisticated, change frequently and may originate from less regulated and remote areas of the world. **We have experienced cybersecurity incidents in the past, and while none that we have experienced to date have been material in nature, we expect that we will continue to be subject to cybersecurity attacks in the future.** Cybersecurity ~~threats~~ **threats and** attacks in particular are evolving and include, but are not limited to: ~~threats~~, malicious software, ransomware, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, misappropriation of confidential or otherwise protected information and corruption of data. ~~As~~ **Although the cyber incidents experienced to date have not had a result** **material impact**, there can be no assurance that our protective measures will prevent or detect security breaches that could have a significant impact on our business, reputation, financial condition and results of operations. The failure of these systems to operate or integrate effectively with other internal, customer, supplier or third-party service provider systems and to protect the underlying information technology system and data integrity, including from cyber-attacks, intrusions or other breaches or unauthorized access of these systems, or any failure by us to remediate any such attacks or breaches, may also result in damage to our reputation or competitiveness, delays in product fulfillment and reduced efficiency of

our operations, and could require significant capital investments to remediate any such failure, problem or breach, all of which could adversely affect our business, financial condition and results of operations. **Failure to protect the confidentiality, integrity or availability of our systems and information contained within those systems could also subject us to significant litigation and regulatory enforcement risks in all of the jurisdictions in which we operate. Artificial intelligence presents risks and challenges that can impact our business, including by posing security risks to our confidential information, proprietary information and personal data. Issues in the development and use of artificial intelligence, combined with an uncertain regulatory environment, may result in reputational harm, liability, or other adverse consequences to our business operations. As with many technological innovations, artificial intelligence presents risks and challenges that could impact our business. We may adopt and integrate generative artificial intelligence tools into our systems for specific use cases reviewed by legal and information security. Our vendors may incorporate generative artificial intelligence tools into their offerings without disclosing this use to us, and the providers of these generative artificial intelligence tools may not meet existing or rapidly evolving regulatory or industry standards with respect to privacy and data protection and may inhibit our or our vendors' ability to maintain an adequate level of service and experience. If we, our vendors, or our third- party partners experience an actual or perceived breach or privacy or security incident because of the use of generative artificial intelligence, we may lose valuable intellectual property and confidential information and our reputation and the public perception of the effectiveness of our security measures could be harmed. Further, bad actors around the world use increasingly sophisticated methods, including the use of artificial intelligence, to engage in illegal activities involving the theft and misuse of personal information, confidential information, and intellectual property. Any of these outcomes could damage our reputation, result in the loss of valuable property and information, and have a material adverse effect on our business, financial condition and results of operations.** The impact of the Russian invasion of Ukraine, and the **Israel- Palestine- Iran** war in Israel, on the global economy, energy supplies and raw materials is uncertain, but may prove to negatively impact our business and operations. The short and long- term implications of Russia' s invasion of Ukraine, and the war in Israel are difficult to predict at this time. We continue to monitor any adverse impact that the outbreak of war in Ukraine and the subsequent institution of sanctions against Russia by the U. S. and several European and Asian countries; along with the war in Israel, may have on the global economy in general, on our business and operations and on the businesses and operations of our suppliers and customers. For example, a prolonged conflict may result in challenges associated with timely receipt of customer payments and banking transactions in Russia, increased inflation, escalating energy prices and constrained availability, and thus increasing costs, of raw materials. In addition, as a result of the current conflict, we have stopped selling non- healthcare products in Russia indefinitely. Furthermore, the Israel- Palestine - Iran war could result in disruption in the Middle East more broadly and negatively impact our operations in that region. We will continue to monitor these fluid situations and develop contingency plans as necessary to address any disruptions to our business operations as they develop. To the extent the wars in Ukraine or Israel may adversely affect our business as discussed above, it may also have the effect of heightening many of the other risks described herein. Such risks include, but are not limited to, adverse effects on macro- economic conditions, including inflation; disruptions to our global technology infrastructure, including through cyberattack, ransom attack, or cyber- intrusion; adverse changes in international trade policies and relations; our ability to maintain or increase our product prices; disruptions in global supply chains; our exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets, any of which could negatively affect our business and financial condition. Our stock price may be volatile, and your investment in our stock could suffer a decline in value. There has been and could continue to be significant volatility in the market price and trading volume of equity securities. For example, our closing stock price ranged from \$ ~~76-104~~ ~~73-79~~ to \$ ~~196-177~~ ~~47-70~~ per share from ~~January 1-December 31~~, 2023 to December ~~30-28~~, 2023-2024. Factors contributing to our stock price volatility may include our financial performance, as well as broader economic, political and market factors. In addition to the other risk factors previously discussed in this Annual Report on Form 10- K, there are many other factors that we may not be able to control that could have a significant effect on our stock price. These include, but are not limited to: • actual or anticipated fluctuations in our operating results or future prospects; • our announcements or our competitors' announcements of new products; • the public' s reaction to our press releases, including those relating to our earnings or financial guidance, our other public announcements and our filings with the SEC; • strategic actions by us or our competitors, such as acquisitions or restructurings; • **the success or perceived success of our strategic realignment initiative;** • new laws or regulations or new interpretations of existing laws or regulations applicable to our business; • changes in accounting standards, policies, guidance, interpretations or principles; • changes in our growth rates or our competitors' growth rates; • developments regarding our patents or proprietary rights or those of our competitors; • ~~on- ongoing~~ **going** legal proceedings; • our inability to raise additional capital as needed; • concerns or allegations as to the safety or efficacy of our products; • changes in financial markets or general economic conditions, including the effects of recession or slow economic growth in the U. S. and abroad; • effects of public health crises, epidemics and pandemics, such as the COVID- 19 pandemic; • sales of stock by us or members of our management team, our Board or certain institutional stockholders; • **our evaluation of a proposed separation of our consumer businesses;** • **shareholder activism ;** • **recent changes to our Board and management** ; • changes in stock market analyst recommendations or earnings estimates regarding our stock, other comparable companies or our industry generally; and • short selling or other hedging activity in our stock. Therefore, you may not be able to resell your shares at or above the price you paid for them. Our investors could experience substantial dilution of their investments as a result of subsequent exercises of our outstanding options, vesting of outstanding restricted stock units (RSUs) and performance stock units (PSUs), or the grant of future equity awards by us. As of December ~~30-28~~, 2023-2024, approximately ~~9-6~~ ~~9-1~~ million shares of our common stock were reserved for issuance under our equity incentive plans, of which approximately ~~2-1~~ ~~7-6~~ million shares were subject to options outstanding at such date at a weighted- average exercise price of \$ ~~87-110~~ ~~79-70~~ per share, approximately ~~3-0~~ ~~5-8~~ million shares were subject to

outstanding RSUs, approximately 0.3 million shares were subject to outstanding PSUs and approximately 3.4 million shares were available for future awards under our 2017 Equity Incentive Plan. ~~Over the past 48 months, we have experienced higher rates of stock option exercises compared to many earlier periods, and this trend may continue.~~ To the extent outstanding options are exercised or outstanding RSUs or PSUs vest, our existing stockholders may incur dilution. We rely on equity awards to motivate current employees and to attract new employees. The grant of future equity awards by us to our employees and other service providers may further dilute our stockholders. Future resales of our stock, including those by our insiders and a few investment funds, may cause our stock price to decline. A significant portion of our outstanding shares are held by our directors, our executive officers and a few investment funds. Resales by these stockholders of a substantial number of such shares, announcements of any proposed resale of substantial amounts of our stock or the perception that substantial resales may be made, could significantly reduce the market price of our stock. Some of our directors and executive officers have entered into Rule 10b5-1 trading plans pursuant to which they have arranged to sell shares of our stock from time to time in the future. Generally, these sales require public filings. Actual or potential sales by these insiders, including those under a pre-arranged Rule 10b5-1 trading plan, could be interpreted by the market as an indication that the insider has lost confidence in our stock and reduce the market price of our stock. We have registered and expect to continue to register shares reserved under our incentive equity plans pursuant to Registration Statements on Form S-8. All shares issued pursuant to a Registration Statement on Form S-8 can be freely sold in the public market upon issuance, subject to restrictions on our affiliates under Rule 144. If a large number of these shares are sold in the public market, the sales could reduce the trading price of our stock. We may elect not to declare cash dividends on our stock, may elect to only pay dividends on an infrequent or irregular basis, or may elect not to make any additional stock repurchases. As a result, any return on your investment may be limited to the value of our stock. In addition, the payment of any future dividends or the repurchase of our stock might limit our ability to pursue other growth opportunities. Our Board may from time to time declare, and we may pay, dividends on our outstanding shares in the manner and upon the terms and conditions permitted under applicable law. However, we may elect to retain all future earnings for the operation and expansion of our business, rather than paying cash dividends on our stock. In addition, under certain circumstances, our Credit Facility may limit our ability to pay cash dividends, repurchase our common stock or make other distributions to stockholders. Any payment of cash dividends on our stock will be at the discretion of our Board and will depend upon our results of operations, earnings, capital requirements, financial condition, business prospects, contractual restrictions and other factors deemed relevant by our Board. In addition, our Credit Facility places limitations on our ability to pay dividends. In the event our Board declares any dividends, there is no assurance with respect to the amount, timing or frequency of any such dividends. Any repurchase of our common stock under the stock repurchase plan authorized by our Board in June 2022 (Repurchase Program) will be at the discretion of a committee comprised of our CEO and Chief Financial Officer, and will depend on several factors, including, but not limited to, results of operations, capital requirements, financial conditions, available capital from operations or other sources, including debt, and the market price of our common stock. In addition, on August 16, 2022, the U. S. enacted the Inflation Reduction Act of 2022, which, among other things, imposes an excise tax of 1 % tax on the fair market value of net stock repurchases made after December 31, 2022. Therefore, there is no assurance with respect to the amount, price or timing of any such repurchases. We may elect to retain all future earnings for the operation and expansion of our business, rather than repurchasing additional outstanding shares. For additional information related to our Repurchase Program, please see Note 19, “Equity”, to our accompanying consolidated financial statements included in Part IV, Item 15 (a) of this Annual Report on Form 10-K. In the event we pay dividends, or make any stock repurchases in the future, our ability to finance any material expansion of our business, including through acquisitions, investments or increased capital spending, or to fund our operations, may be limited. In addition, any repurchases we may make in the future may not prove to be at optimal prices. Our Board may modify or amend the Repurchase Program, or adopt a new stock repurchase program, at any time at its discretion without stockholder approval. Environmental, social and corporate governance (ESG) regulations, global climate change, corporate citizenship and related matters may adversely affect our business. There is an increasing focus on ESG risks. Our customers, including distributors and retail partners have adopted, or may adopt, procurement policies that include ESG provisions that their suppliers or manufacturers must comply with, or they may seek to include such provisions in their terms and conditions. An increasing number of participants in our industries are also joining voluntary ESG groups or organizations. These ESG provisions and initiatives are subject to change, can be unpredictable, and may be difficult and expensive for us to comply with, given the complexity of our supply chain and the outsourced manufacturing of certain components of our products. If we are unable to comply, or are unable to cause our suppliers to comply, with such policies or provisions, a customer may cease purchasing products from us, and may take legal action against us, which could harm our reputation, revenue and results of operations. Further, increased public awareness and concern regarding global climate change may result in new or enhanced legal requirements. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Such uncertainty may have an impact on our business, from the demand for our products to our costs of compliance in the manufacturing and servicing of our products, all of which may impact our results of operations. In addition, climate change initiatives and legislation could also disrupt our operations by impacting the availability and cost of materials within our supply chain, and could also increase insurance and other operating costs. In addition, **on March 6, 2024, the SEC finalized new rules for public companies that will require extensive climate-related disclosures and significant analysis of the impact of climate-related issues on our business strategy, results of operations, and financial condition (the SEC Climate Disclosure Rules), and extensive attestation requirements. The new rules require disclosure of**, among other ~~matters~~ **things**, ~~our material~~ **will establish a framework for reporting climate-related risks and opportunities, greenhouse gas emissions inventory, climate-related targets and goals, and financial impacts of physical and transition risks**. ~~Subsequently, in April 2024, the extent that SEC issued any proposed order staying implementation of the SEC Climate Disclosure Rules~~ **impose additional reporting obligations pending the resolution of**

certain challenges. Nonetheless, our legal, accounting, and other compliance expenses may increase significantly, and compliance efforts may divert management time and attention as we could face increased costs prepare for the potential implementation of the SEC Climate Disclosure Rules, and such expenses, efforts and diversions of management time and attention may be even greater if the SEC Climate Disclosure Rules ultimately go into effect. We may also be exposed to legal or regulatory action or claims as a result of these new regulations. Separately, the SEC has also announced that it is scrutinizing existing climate change related disclosures in public filings, increasing the potential for enforcement if the SEC were to allege our existing climate disclosures are misleading or deficient. All of these risks could have a material adverse effect on our business, financial position, and / or stock price. Investors, stockholders, consumers, customers, suppliers and other third- parties are increasingly focusing on ESG and corporate social responsibility endeavors and reporting and transparency. Certain institutional investors, investment funds, other influential investors, customers, suppliers and other third- parties are also increasingly focused on ESG practices. If we do not adapt to or comply with evolving investor or stakeholder expectations and standards, or if we are perceived to have not responded appropriately, we may suffer from reputational damage and our business, financial condition and / or stock price may be materially and adversely affected. Further, this increased focus on ESG issues may result in new regulations and / or third- party requirements that could adversely impact our business, or certain shareholders stockholders reducing or eliminating their holdings of our stock, causing our stock price to decline. 66

Implementation of our strategic realignment initiative may not be successful, which could affect our ability to increase our revenues or could reduce our profitability. During the fourth quarter of 2024, our Board approved a strategic realignment initiative of our healthcare segment to drive progress towards a more streamlined and efficient organization, which included right- sizing the organization, cost rationalization, driving research and development efficiencies and enhancing key launch and innovation processes. The strategic realignment initiative includes a targeted realignment of current and future planned products, workforce reductions, global footprint rationalization and other third- party spend. The strategic realignment initiative is expected to simplify our business and accelerate shareholder returns. We recorded in the aggregate approximately \$ 128. 0 million in business transition and transformation charges associated with the strategic realignment initiative. Although we believe that the strategic realignment initiative will reduce overhead costs, enhance operational simplicity, and result in improved operating profit, we cannot guarantee that the strategic realignment initiative will achieve or sustain the targeted benefits, or that the benefits, even if achieved, will be adequate to meet our long- term profitability and operational expectations. Risks associated with the continuing impact of the strategic realignment initiative also include additional unexpected costs, employee attrition beyond our intended reduction in force and adverse effects on employee morale, diversion of management attention, adverse effects to our reputation as an employer, which could make it more difficult for us to hire new employees in the future, and potential failure or delays to meet operational and growth targets due to the loss of qualified employees. If we do not realize the expected benefits or synergies of the strategic realignment initiative, our business, stock price, financial condition, cash flows and results of operations could be negatively impacted.