

Risk Factors Comparison 2025-02-27 to 2024-02-29 Form: 10-K

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

The following are important factors that could cause actual results or events to differ materially from those contained in any forward- looking statements made by us or on our behalf. 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 deem immaterial also may impair our business operations. If any of the following risks or such other risks actually occurs, our business, financial condition, results of operations and cash flows could be harmed. Risk Factors Related to Our ~~Financial Condition~~ **Business and Our Industry**. We ~~are subject~~ **may need additional funding and may be unable to raise capital when needed** ~~the cyclical nature of the semiconductor industry. The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change~~, **which long sales cycles, rapid product obsolescence, price erosion, evolving standards, short product life cycles, and wide fluctuations in product supply and demand. From time to time, these factors, together with changes in macroeconomic conditions, can cause significant upturns and downturns in the semiconductor industry, and in our business. Downturns in the semiconductor industry have been characterized by diminished product demand, production overcapacity, high inventory levels for us and our customers, and erosion of average selling prices. Any downturns in the semiconductor industry could harm** ~~force us to delay, reduce, or our~~ **eliminate planned activities** ~~business, financial condition, and results of operations~~. Our total revenue was approximately \$ 63. 8 million ~~Any significant upturn in the semiconductor industry could result in increased competition for access to third- party foundry~~ **the year ended December 31, 2023, and \$ 60 assembly capacity**. ~~We are dependent~~ **0 million for the year ended December 31, 2022. As of December 31, 2023, we had cash and cash equivalents of approximately \$ 36. 9 million. Based on our current operating plan, we believe our existing cash and cash equivalents, coupled with our anticipated growth and sales levels, will be sufficient to meet our anticipated cash requirements for at least the next 12 months. However, our existing capital may be insufficient to meet our long- term requirements. We have no committed sources of funding and there--** **the is availability of this capacity to manufacture and assemble our products and we can provide** ~~no assurance that additional funding~~ **adequate capacity** will be available to us in the future ~~or be secured on acceptable terms.....~~ ~~stockholders, in the event of liquidation~~. We cannot **predict the duration** ~~be certain that we will sustain profitability. While our-~~ ~~or~~ **products offer unique benefits over** ~~timing of any downturn or upturn in~~ ~~other--~~ **the semiconductor** ~~industry~~ ~~memory technologies, the rate of adoption of our products and our ability to capture market share from legacy technologies is uncertain. Our revenue may also be adversely impacted by a number of other possible reasons, many of which are outside our control, including business conditions that adversely affect the semiconductor memory industry resulting in a decline in end market demand for our products, adverse impacts resulting from COVID- 19, increased competition, ongoing supply chain constraints, or our failure to capitalize on growth opportunities. We also rely on achieving specific cost reduction targets that have uncertainty in their timing and magnitude. We may also incur unforeseen expenses in the ongoing operation of our business that cause us to exceed our operational spending plan. As a result, our ability to generate sufficient revenue growth and /or control expenses to transition to profitability and generate consistent positive cash flows is uncertain. Risk Factors Related to Our Business and Our Industry~~ ~~The limited history of STT- MRAM adoption makes it difficult to evaluate our current business and future prospects. We have been in existence as a stand- alone company since 2008, when Freeseal Semiconductor, Inc. (subsequently acquired by NXP Semiconductor) spun out its MRAM business as Everspin. We have been shipping magnetoresistive random- access memory (MRAM) products since our incorporation in 2008. However, we only began to manufacture and ship our STT- MRAM products in the fourth quarter of 2017. We began to manufacture our second set of STT- MRAM products targeting the NVSRAM markets in the fourth quarter of 2022. Our limited experience in selling our STT- MRAM products, combined with the rapidly evolving and competitive nature of our markets, makes it difficult to evaluate our current business and future prospects. In addition, we have limited insight into emerging trends that may adversely affect our business, financial condition, results of operations and prospects. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including unpredictable and volatile revenue and increased expenses as we continue to grow our business. The viability and demand for our products may be affected by many factors outside of our control, such as the factors affecting the growth of the industrial, automotive, transportation, and data center market segments and changes in macroeconomic conditions. If we do not manage these risks and overcome these difficulties successfully, our business will suffer. We may be unable to match production with customer demand for a variety of reasons including macroeconomic factors due to the cyclical nature of the semiconductor industry,~~ ~~our inability to accurately forecast customer demand, supply chain constraints, or the capacity constraints of our suppliers, which could adversely affect our operating results. We make planning and spending decisions, including determining production levels, production schedules, component procurement commitments, personnel needs, and other resource requirements, based on our estimates of product demand and customer requirements. Our products are typically purchased pursuant to individual purchase orders. While our customers may provide us with their demand forecasts, they are not contractually committed to buy any quantity of products beyond purchase orders. Furthermore, many of our customers may increase, decrease, cancel, or delay purchase orders already in place without significant~~ ~~penalty~~ **penalties**. The short- term nature of commitments by our customers and the possibility of unexpected changes in demand for their products reduce our ability to accurately estimate future customer requirements. On occasion, customers may require rapid increases in production, which can strain our resources, necessitate more onerous procurement commitments, and reduce our gross margin. If we overestimate customer demand, we may purchase products that we may not be able to sell, which could result in decreases

in our prices or write-downs of unsold inventory. Conversely, we could lose sales opportunities and could lose market share or damage our customer relationships if, for example, we underestimate customer demand, are affected by supply chain constraints, or sufficient manufacturing is unavailable. We manufacture MRAM products at our **leased** 200mm facility ~~we lease~~ in Chandler, Arizona and use a single foundry, GLOBALFOUNDRIES, for production of higher density products on advanced technology nodes, which may not have sufficient capacity to meet customer demand. The rapid pace of innovation in our industry could also render significant portions of our inventory obsolete. Excess or obsolete inventory levels could result in unexpected expenses or write-downs of inventory values that could adversely affect our business, operating results, and financial condition. As we expand into new potential markets, we expect to face intense competition, including from our customers and potential customers, and may not be able to compete effectively, which could harm our business. We expect that our new and future MRAM products will be applicable to markets in which we are not currently operating. The markets in which we operate and may operate in the future are extremely competitive and are characterized by rapid technological change, continuous evolving customer requirements and declining average selling prices. We may not be able to compete successfully against current or potential competitors, which include our current ~~or~~ **and** potential customers as they seek to internally develop solutions competitive with ours or as we develop products potentially competitive with their existing products. If we do not compete successfully, our market share and revenue may decline. We compete with large semiconductor manufacturers and designers and others, and **some of** our current and ~~12potential--~~ **potential** competitors have longer operating histories, significantly greater resources and name recognition and a larger base of customers than we do. This may allow them to respond more quickly than we can to new or emerging technologies or changes in customer requirements. In addition, these competitors may have greater credibility with our existing and potential customers. Some of our current and potential customers with their own internally developed solutions may choose not to purchase products from third-party suppliers like us. We rely on third parties to distribute, manufacture, package, assemble and test our products, which exposes us to a number of risks, including reduced control over manufacturing and delivery timing and potential ~~exposure to~~ price fluctuations, which could result in a loss of revenue or reduced profitability. Although we operate an integrated magnetic fabrication line located in Chandler, Arizona, we purchase wafers from third parties and outsource the manufacturing, packaging, assembly and testing of our products to third-party foundries and assembly and testing service providers. We use a single foundry, GLOBALFOUNDRIES Singapore Pte. Ltd., for production of higher density products on advanced technology nodes. Our primary product package and test operations are located in China, Taiwan and other Asian countries. We also use standard CMOS wafers from third-party foundries, which we process at our Chandler, Arizona facility. Relying on third-party distribution, manufacturing, assembly, packaging, and testing presents a number of risks, including but not limited to: ● our interests could diverge from those of our foundries, or we may not be able to agree with them on ongoing development, manufacturing and operational activities, or on the amount, timing, or nature of further investments in our joint development; ● capacity and materials shortages during periods of high demand or supply constraints; ● reduced control over delivery schedules, inventories and quality; ● the unavailability of, or potential delays in obtaining access to, key process technologies; ● the inability to achieve required production or test capacity and acceptable yields on a timely basis; ● misappropriation of our intellectual property; ● the third party's ability to perform its obligations due to bankruptcy or other financial constraints; ● exclusive representatives for certain customer engagements; ● limited warranties on wafers or products supplied to us; and ● potential increases in prices including due to **tariffs and / or** inflation. Our manufacturing agreement with GLOBALFOUNDRIES includes a ~~customary~~ forecast and ordering mechanism for the supply of certain of our wafers, and we are obligated to order and pay for, and GLOBALFOUNDRIES is obligated to supply, wafers consistent with the binding portion of our forecast. ~~Our~~ **However, our** manufacturing arrangement is also subject to both a minimum and maximum order quantity ~~that while, which~~ we believe currently addresses our projected foundry capacity needs, **but** may not address our maximum foundry capacity requirements in the future. We may also be obligated to pay for unused capacity if our demand decreases in the future, or if our estimates prove inaccurate. **We do not currently source these wafers from anyone other than** GLOBALFOUNDRIES ~~also, which~~ has the ability to discontinue its manufacture of any of our wafers upon due notice and completion of the notice period. This ~~could~~ **would** cause us to have to find another foundry to manufacture those wafers or redesign our core technology and would mean that we may not have products to sell until such time. Any time spent engaging a new manufacturer or redesigning our core technology could be costly and time ~~consuming~~ **11consuming** and may allow potential competitors to take opportunities in the marketplace. Moreover, if we are unable to find another foundry to manufacture our products or if we have to redesign our core technology, this could cause material harm to our business and operating results. ~~13If~~ **If** we need other foundries or packaging, assembly, and testing contractors, or if we are unable to obtain timely and adequate deliveries from our providers, we might not be able to cost-effectively and quickly retain other vendors to satisfy our requirements. Because the lead time needed to establish a relationship with a new third-party supplier could be several quarters, there ~~is~~ **may not be any** readily available alternative source of supply for any specific component. In addition, the time and expense to qualify a new foundry could result in additional expense, diversion of resources or lost sales, any of which would negatively impact our financial results. If any of our current or future foundries or packaging, assembly and testing subcontractors significantly increases the costs of wafers or other materials or services, interrupts or reduces our supply, including for reasons outside of their control, such as due to **COVID health - 19-related events or outbreaks**, or if any of our relationships with our suppliers is terminated, our operating results could be adversely affected. Such occurrences could also damage our customer relationships, result in lost revenue, cause a loss in market share, or damage our reputation. Disruptions in our supply chain and increased cost of components used in our products may adversely impact our business, results of operations and financial condition, including our ability to fulfill customer demand. If we fail to procure sufficient components used in our products, we may be unable to deliver our products to our customers on a timely basis, which could lead to customer dissatisfaction and could harm our reputation and ability to compete. We would likely experience significant delays or cessation in producing some of our products if a labor strike, natural

disaster, public health crisis, geopolitical event, or other supply disruption were to occur, including **health as a result of COVID-19 related events** or **outbreaks** ~~the military conflict in Ukraine~~, at any of our main suppliers. Further, the upturn in the semiconductor industry has stretched the supply chain, and we are subject to supply shortages, as well as higher costs as suppliers opportunistically raise prices. For example, there is currently a worldwide shortage of semiconductor, memory and other electronic components affecting many industries. Our products are dependent on some of these electronic components. A continued shortage of electronic components may impact us **significantly** and could cause us to experience extended lead times and increased prices from our suppliers, which could be significant. Extended lead times and decreased availability of key components could result in a significant disruption to our production schedule, all of which would have an adverse effect on our business, results of operations and financial condition. ~~Additionally, the military conflict in Ukraine creates additional uncertainty and risks relating to our supply chain and the cost of components. See “—General Risk Factors—Unfavorable economic, market and geopolitical conditions, domestically and internationally, may adversely affect our business, financial condition, results of operations and cash flows” for additional information.~~ We do not have any guarantees of supply from our third-party suppliers, **other than GLOBALFOUNDRIES**, and in certain cases we have limited contractual arrangements or are relying on standard purchase orders or on component parts available on the open market, which may further result in increased costs combined with reduced availability. A continued delay in our ability to produce and deliver our products could also cause our customers to purchase alternative products from our competitors and / or harm our reputation. Our joint development agreement and strategic relationships involve numerous risks. We have entered into strategic relationships to manufacture products and develop new manufacturing process technologies and products. These relationships include our joint development agreement with GLOBALFOUNDRIES to develop advanced MTJ technology and STT- MRAM. These relationships are subject to various risks that could adversely affect the value of our investments and our results of operations. These risks include the following: • our interests could diverge from those of our foundries, or we may not be able to agree with them on ongoing development, manufacturing and operational activities, or on the amount, timing, or nature of further investments in our joint development; • we may experience difficulties in transferring technology to a foundry; • we may experience difficulties and delays in getting to and / or ramping production at foundries; • ~~our we do not have~~ control over the operations of foundries ~~is limited~~; ~~14 • due to financial constraints~~, our joint development collaborators may be unable to meet their commitments to us ~~and may pose credit risks for our transactions with them~~; **12 •** due to differing business models or long-term business goals, our collaborators may decide not to join us in funding capital investment, which may result in higher levels of cash expenditures by us; • our cash flows may be inadequate to fund increased capital requirements; • we may experience difficulties or delays in collecting amounts due to us from our collaborators; • the terms of our arrangements may turn out to be unfavorable; • we are migrating toward a fabless model as 300mm production becomes required and this increases risks related to less control over our critical production processes; and • changes in tax, legal, or regulatory requirements may necessitate changes in our agreements. ~~The term of the agreement, as amended, is the completion, termination, or expiration of the last statement of work entered into pursuant to the joint development agreement.~~ If our strategic relationships are unsuccessful, our business, results of operations, or financial condition may be materially adversely affected. We must continuously develop new and enhanced products ~~and~~ **face intense competition in a market characterized by rapid technological change**, if we are unable to successfully **timely develop products, and** market **and secure design wins for** our new and enhanced products for which we incur significant expenses to develop, our results of operations and financial condition will be materially **and** adversely affected. To compete effectively in our markets, we must continually design, develop, and introduce new and improved technology and products with improved features in a cost-effective manner in response to changing technologies and market demand. This requires us to devote substantial financial and other resources to research and development. We are developing new technology and products, which we expect to be one of the drivers of our revenue growth in the future. We also face the risk that customers may not **elect value or be willing to bear the cost of incorporating incorporate** our new and enhanced products into their products ~~, particularly if they believe their customers are satisfied with current solutions.~~ ~~Regardless of the improved features or superior performance of our new and enhanced products, customers may be unwilling to adopt our solutions due to design or pricing constraints, or because they do not want to rely on a single or limited supply source.~~ ~~Because of the extensive time and resources that we invest in developing new and enhanced products, if we are unable to sell customers our new products, our revenue could decline and our business, financial condition, results of operations and cash flows would be negatively affected.~~ For example, if we are unable to generate more customer adoption of our 1Gb **MRAM** product and address new growth opportunities with subsequent STT- MRAM products, we may not be able to materially increase our revenue. If we are unable to successfully develop and market our new and enhanced products that we have incurred significant expenses developing, our results of operations and financial condition will be materially and adversely affected. ~~Our success and future revenue depend on our ability to secure design wins and on our customers’ ability to successfully sell the products that incorporate our solutions. Securing design wins is a lengthy, expensive, and competitive process, and may not result in actual orders and sales, which could cause our revenue to decline.~~ We sell to customers, including OEMs and ODMs, that incorporate MRAM into their products. A design win occurs after a customer has tested our product, verified that it meets the customer’s requirements and qualified our solutions for their products. ~~The~~ **We believe we are dependent, among other things, on the** adoption of our 256Mb and 1Gb MRAM products by our customers **is critical for us** to secure design wins. Our customers may need several months to years to test, evaluate, and adopt our product and additional time to begin volume production of the product that incorporates our solution. Due to this generally lengthy design cycle, we may experience significant delays from the time we increase our operating expenses and make investments in our products to the time that we generate revenue from sales of these products. Moreover, even if a customer selects our solution, we cannot guarantee that this will result in any sales of our products, as the customer may ultimately change or cancel its product plans, or efforts by our customer to market and sell its ~~15 product~~ **product** may not be successful. We may not generate any revenue from design wins

after incurring the associated costs, which would cause our business and operating results to suffer. **The markets in which we operate and may operate in the future are extremely competitive and are characterized by rapid technological change, continuous evolving customer requirements and declining average selling prices. Some of our current and potential customers with their own internally developed solutions may choose not to purchase products from third- party suppliers like us.** If a current or prospective customer incorporates a competitor's solution into its product, it becomes significantly more difficult for us to sell our solutions to that customer because changing suppliers involves significant time, cost, effort, and risk for the customer even if our solutions are superior to other solutions and remain compatible with their product design. Our ability to compete successfully depends on customers viewing us as a stable and reliable supplier to mission- critical customer applications when we have less production capacity and less financial resources compared to most of our larger competitors. If current or prospective customers do not include our solutions in their products and we fail to achieve a sufficient number of design wins, our results of operations and business may be harmed. The loss of one or several of our customers or reduced orders or pricing from existing customers may have a significant adverse effect on our operations and financial results. **We** **13****We** have derived and expect to continue to derive a significant portion of our revenues from a small group of customers during any particular period due in part to the concentration of market share in the semiconductor industry. ~~Our two largest end customers together accounted for 22 % of our total revenue for the year ended December 31, 2023, and each of these customers accounted for more than 10 % of our revenue during that period. Our four largest end customers together accounted for 24 % of our total revenue for the year ended December 31, 2022, and one of those customers individually accounted for more than 10 % of our total revenue during the period.~~ The loss of a significant customer, a business combination among our customers, a reduction in orders or decrease in price from a significant customer or disruption in any of our commercial or distributor arrangements may result in a significant decline in our revenues and could have a material adverse effect on our business, liquidity, results of operations, financial condition, and cash flows. ~~We face competition and expect competition to increase in the future. If we fail to compete effectively, our revenue growth and results of operations will be materially and adversely affected. The global semiconductor market in general, and the semiconductor memory market in particular, are highly competitive. We expect competition to increase and intensify as other semiconductor companies enter our markets, many of which have greater financial and other resources with which to pursue technology development, product design, manufacturing, marketing and sales and distribution of their products. Increased competition could result in price pressure, reduced revenue, and profitability and loss of market share, any of which could materially and adversely affect our business, revenue, and operating results. Currently, our competitors range from large, international companies offering a wide range of traditional memory technologies to companies specializing in other alternative, specialized emerging memory technologies. Our primary memory competitors include Fujitsu, Infineon, Integrated Silicon Solution, Intel, Macronix, Microchip, Micron, Renesas, Samsung, and Toshiba. In addition, as the MRAM market opportunity grows, we expect new entrants may enter this market and existing competitors, including leading semiconductor companies, may make significant investments to compete more effectively against our products. These competitors could develop technologies or architectures that make our products or technologies obsolete. Our ability to compete successfully depends on factors both within and outside of our control, including:~~ ● the functionality and performance of our products and those of our competitors; ● our relationships with our customers and other industry participants; ● prices of our products and prices of our competitors' products; ● our ability to develop innovative products; ● our competitors' greater resources to make acquisitions; ● our ability to obtain adequate capital to finance operations; ● our ability to retain high- level talent, including our management team and engineers; and ~~16~~ ● the actions of our competitors, including merger and acquisition activity, launches of new products and other actions that could change the competitive landscape. In the event of a market downturn, competition in the markets in which we operate may intensify as our customers reduce their purchase orders. Our competitors that are significantly larger and have greater financial, technical, marketing, distribution, customer support and other resources or more established market recognition than us may be better positioned to accept lower prices and withstand adverse economic or market conditions. Our costs may increase substantially if we or our third- party manufacturing contractors do not achieve satisfactory product yields or quality. **The complexity of our products may lead to defect, which could negatively impact our reputation with customers and result in liability.** The fabrication process is extremely complicated and small changes in design, specifications or materials can result in material decreases in product yields or even the suspension of production. From time to time, we and / or the third- party foundries ~~that with which~~ we contract to manufacture our products may experience manufacturing defects and reduced manufacturing yields. In some cases, we and / or our third- party foundries may not be able to detect these defects early in the fabrication process or determine the cause of such defects in a timely manner. There may be a higher risk of product yield issues in newer STT- MRAM products. Generally, in pricing our products, we assume that manufacturing yields will continue to improve, even as the complexity of our products increases. Once our products are initially qualified either internally or with our third- party foundries, minimum acceptable yields are established. We are responsible for the costs of the units if the actual yield is above the minimum set with our third- party foundries. If actual yields are below the minimum, we are not required to purchase the units. Typically, minimum acceptable yields for our new products are generally lower at first and gradually improve as we achieve full production but yield issues can occur even in mature processes due to ~~breakdowns~~ **break-downs** in mechanical systems, equipment failures or calibration errors. Unacceptably low product yields or other product manufacturing problems could substantially increase overall production time and costs and adversely impact our operating results. Product yield losses may also increase our costs and reduce our gross margin. In addition to significantly harming our results of operations and cash flow, poor yields may delay shipment of our products and harm our relationships with existing and potential customers. ~~The complexity of our products may lead to defects, which could negatively impact our reputation with customers and result in liability.~~ Products as complex as ours may contain defects, **particularly** when first introduced to customers or as new versions are released. Delivery of products with production defects or reliability, quality or compatibility problems could significantly

delay or hinder market acceptance of the products or result in a costly recall and could damage our reputation and adversely affect our ability to retain existing customers and attract new customers. Defects could cause problems with the functionality of our products, resulting in interruptions, delays, or cessation of sales of these products to our customers. We may also be required to make significant expenditures of capital and resources to resolve such problems. ~~We cannot assure our stockholders that problems will not be found in new products, both before and after commencement of commercial production, despite testing by us, our suppliers, or our customers.~~ For example, any such problems could result in: • delays in development, manufacture and roll- out of new products; • additional development costs; • loss of, or delays in, market acceptance; • diversion of technical and other resources from our other development efforts; • claims for damages by our customers or others against us; and • loss of credibility with our current and prospective customers. • Any such event could have a material adverse effect on our business, financial condition, and results of operations. ~~17~~ ~~We~~ ~~We~~ may experience difficulties in transitioning to new wafer fabrication process technologies or in achieving higher levels of design integration, which may result in reduced manufacturing yields, delays in product deliveries and increased expenses. We aim to use the most advanced manufacturing process technology appropriate for our solutions that is available from our third- party foundries. As a result, we periodically evaluate the benefits of migrating our solutions to other technologies to improve performance and reduce costs. These ongoing efforts require us from time to time to modify the ~~manufacturing~~ ~~14~~ ~~manufacturing~~ processes for our products and to redesign some products, which in turn may result in delays in product deliveries. For example, as smaller line width geometry manufacturing processes become more prevalent, we intend to move our future products to increasingly smaller geometries to integrate greater levels of memory capacity and / or functionality into our products. This transition will require us and our third- party foundries to migrate to new designs and manufacturing processes for smaller geometry products. We may face difficulties, delays, and increased expense as we transition our products to new processes, and potentially to new foundries. We will depend on our third- party foundries as we transition to new processes. ~~Our~~ ~~We cannot assure our stockholders that our~~ ~~third- party foundries will~~ ~~may not~~ be able to effectively manage such transitions ~~and / or that we will~~ ~~may not~~ be able to maintain our relationship with our third- party foundries or develop relationships with new third- party foundries. If we or any of our third- party foundries experience significant delays in transitioning to new processes or fail to efficiently implement transitions, we could experience reduced manufacturing yields, delays in product deliveries and increased expenses, any of which could harm our relationships with our customers and our operating results. Changes to industry standards and technical requirements relevant to our products and markets could adversely affect our business, results of operations and prospects. Our products are only a part of larger electronic systems. All products incorporated into these systems must comply with various industry standards and technical requirements created by regulatory bodies or industry participants to operate efficiently together. Industry standards and technical requirements in our markets are evolving and may change significantly over time. For our products, the industry standards are developed by the Joint Electron Device Engineering Council, an industry trade organization. In addition, large industry- leading semiconductor and electronics companies play a significant role in developing standards and technical requirements for the product ecosystems within which our products can be used. Our customers also may design certain specifications and other technical requirements specific to their products and solutions. These technical requirements may change as the customer introduces new or enhanced products and solutions. Our ability to compete ~~in the future~~ will depend on our ability to identify and comply with evolving industry standards and technical requirements. The emergence of new industry standards and technical requirements could render our products incompatible with products developed by other suppliers or make it difficult for our products to meet the requirements of certain of our customers in automotive, transportation, industrial, data storage, and other markets. As a result, we could be required to invest significant time and effort and ~~to~~ incur significant expense to redesign our products to ensure compliance with relevant standards and requirements. If our products are not in compliance with prevailing industry standards and technical requirements for a significant period of time, we could miss opportunities to achieve crucial design wins, our revenue may decline and we may incur significant expenses to redesign our products to meet the relevant standards, which could adversely affect our business, ~~results of operations and prospects.~~ Our success depends on our ability to attract and retain key employees, and our failure to do so could harm our ability to grow our business and execute our business strategies. Our success depends on our ability to attract and retain our key employees, including our management team and experienced engineers. Competition for personnel in the semiconductor memory technology field, and in the MRAM space in particular, is intense, and the availability of suitable and qualified candidates is limited. We compete to attract and retain qualified research and development personnel with other semiconductor companies, universities, and research institutions. Given our experience as an early entrant in the MRAM space, our employees are frequently contacted by MRAM startups and MRAM groups within larger companies seeking to employ them. The members of our management and our key employees are ~~at-~~ ~~will.~~ If we lose the services of any key senior management member or employee, we may not be able to ~~locate~~ ~~attract~~ suitable or qualified replacements, and may incur additional expenses to recruit and train new ~~18~~ ~~personnel~~ ~~personnel~~, which could severely impact our business and prospects. The loss of the services of one or more of our key employees, especially our key engineers, or our inability to attract and retain qualified engineers, could harm our business, financial condition, and results of operations. ~~We are also working to promote our talent management efforts through the implementation of initiatives designed to build and maintain a diverse and inclusive environment throughout our organization. However, there has been increasing scrutiny on corporate diversity, equity and inclusion (DEI) initiatives, including from activists and policymakers~~ ~~15~~ ~~challenging how such initiatives comply with civil rights protections. Such anti- DEI initiatives and scrutiny could expose us to the risk of litigation or investigations, resulting in injunctions, penalties, or reputational harm. In addition, if we become unable to (or are perceived not to) successfully implement certain of our workforce initiatives, including in keeping with current or potential future laws or interpretations thereof, our ability to recruit, attract and retain talent may be adversely impacted.~~ We currently maintain and are seeking to expand operations outside of the United States which exposes us to significant risks. The success of our business depends, in large part, on our ability to

operate successfully from geographically disparate locations and to further expand our international operations and sales. Operating in international markets requires significant resources and management attention and subjects us to regulatory, economic, and political risks that are different from those we face in the United States. We cannot be sure that further international expansion will be successful. In addition, we face risks in doing business internationally that could expose us to reduced demand for our products, lower prices for our products or other adverse effects on our operating results. The success and profitability, as well as the expansion, of our international operations are subject to numerous risks and uncertainties, many of which are outside of our control, such as the following: • public health issues, such as COVID-19-related events or outbreaks, which can result in varying impacts to our business, employees, partners, customers, distributors or suppliers internationally as discussed elsewhere in this “ Risk Factors ” section; • difficulties, inefficiencies and costs associated with staffing and managing foreign operations; • longer and more difficult customer qualification and credit checks; • greater difficulty collecting accounts receivable and longer payment cycles; • the need for various local approvals to operate in some countries; • difficulties in entering some foreign markets without larger- scale local operations; • changes in import / export laws, trade restrictions, regulations and customs and duties and tariffs (foreign and domestic); • compliance with local laws and regulations; • unexpected changes in regulatory requirements, including the elimination of tax holidays; • reduced protection for intellectual property rights in some countries; • adverse tax consequences as a result of repatriating cash generated from foreign operations to the United States; • adverse tax consequences, including potential additional tax exposure if we are deemed to have established a permanent establishment outside of the United States; • the effectiveness of our policies and procedures designed to ensure compliance with the Foreign Corrupt Practices Act of 1977 and similar regulations; • fluctuations in currency exchange rates, which could increase the prices of our products to customers outside of the United States, increase the expenses of our international operations by reducing the purchasing power of the U. S. dollar and expose us to foreign currency exchange rate risk if, in the future, we denominate our international sales in currencies other than the U. S. dollar; • new and different sources of competition; • political, economic, and social instability; • terrorism and acts of war, such as the military conflict in between Russia and Ukraine, which could have a negative impact on sales throughout Europe and Asia the operations of our business or our customers’ businesses ; and • US Department of Commerce regulations or restrictions on exports of certain semiconductor technologies and equipment to China. Our failure to manage any of these risks successfully could harm our operations and reduce our revenue cash and cash equivalents, coupled with our or anticipated growth and sales levels, will be secured sufficient to meet our anticipated cash requirements for at least the next 12 months. We have no committed sources of funding and there are no assurances that additional funding will be available to us in the future or on acceptable terms. If adequate funding is not available when needed, we may be forced to curtail operations, including our commercial activities and research and development programs, or cease operations altogether, file for bankruptcy, or undertake any combination of the foregoing. In such event, our stockholders may lose their entire investment in our company. Further, we may need to raise additional funds through financings or borrowings in order to accomplish our long- term planned objectives. If we raise additional funds through issuances of equity, convertible debt securities or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of our company, and any new equity securities we issue could have rights, preferences, and privileges senior to those of holders of our common stock. In addition, if we do not meet our payment obligations to third parties as they become due, we may be subject to litigation claims and our creditworthiness would be adversely affected. Even if we are successful in defending against these claims, litigation could result in substantial costs and would be a distraction to management, and may have other unfavorable results that could further adversely impact our financial condition. Stockholders should not rely on our balance sheet as an indication of the amount of proceeds that would be available to satisfy claims of creditors, and potentially be available for distribution to stockholders, in the event of liquidation. We cannot Risk Factors Related to Our Intellectual Property and Technology Failure to protect our intellectual property could substantially harm our business. Our success and ability to compete depend in part upon our ability to protect our intellectual property. We rely on a combination of intellectual property rights, including patents, mask work protection, copyrights, trademarks, trade secrets and know- how, in the United States and other jurisdictions. The steps we take to protect our intellectual property rights may not be adequate, particularly in foreign jurisdictions such as China. Any patents we hold may not adequately protect our intellectual property rights or our products against competitors, and third parties may challenge the scope, validity, or enforceability of our issued patents, which third parties may have significantly more financial resources with which to litigate their claims than we have to defend against them. In addition, other parties may independently develop similar or competing technologies designed around any patents or patent applications that we hold. Some of our products and technologies are not covered by any patent or patent application, as we do not believe patent protection of these products and technologies is critical to our business strategy at this time. A failure to timely seek patent protection on products or technologies generally precludes us from seeking future patent protection on these products or technologies. In addition to patents, we also rely on contractual protections with our customers, suppliers, distributors, employees, and consultants, and we implement security measures designed to protect our trade secrets and know- how. However, we cannot ensure assure our stockholders that these contractual protections and security measures will not be breached, that we will have adequate remedies 17 remedies for any such breach or that our customers, suppliers, distributors, employees, or consultants will not assert rights to intellectual property or damages arising out of such contracts. We may initiate claims against third parties to protect our intellectual property rights if we are unable to resolve matters satisfactorily through negotiation. Litigation brought to protect and enforce our intellectual property rights could be costly, time- consuming, and distracting to management. It could also result in the impairment or loss of portions of our intellectual property, as an adverse decision could limit our ability to assert our intellectual property rights, limit the value of our technology or otherwise negatively impact our business, financial condition, and results of operations. Additionally, any enforcement of our patents or other intellectual property may provoke third parties to assert counterclaims against us. Our failure to secure, protect and enforce our intellectual property rights could

materially harm our business. We may face claims of intellectual property infringement, which could be time- consuming, costly to defend or settle, result in the loss of significant rights, harm our relationships with our customers and distributors, or otherwise materially adversely affect our business, financial condition, and results of operations. The semiconductor memory industry is characterized by companies that hold patents and other intellectual property rights and that vigorously pursue, protect, and enforce intellectual property rights. These companies include patent holding companies or other adverse patent owners who have no relevant product revenue and against whom our own patents may provide little or no deterrence. From time to time, third parties may assert ~~against us and our customers~~² patent and other intellectual property rights **claims against us and to technologies that are important to our business customers**. We have in the past, and may in the future, face such claims.

~~20~~**Claims** -- **Claims** that our products, processes, or technology infringe third- party intellectual property rights, regardless of their merit or resolution, could be costly to defend or settle and could divert the efforts and attention of our management and technical personnel. We may also be obligated to indemnify our customers or business partners in connection with any such litigation, which could result in increased costs. Infringement claims also could harm our relationships with our customers or distributors and might deter future customers from doing business with us. If any such proceedings result in an adverse outcome, we could be required to: • cease the manufacture, use or sale of the infringing products, processes or technology; • pay substantial damages for infringement; • expend significant resources to develop non- infringing products, processes or technology, which may not be successful; • license technology from the third- party claiming infringement, which license may not be available on commercially reasonable terms, or at all; • cross- license our technology to a competitor to resolve an infringement claim, which could weaken our ability to compete with that competitor; or • pay substantial damages to our customers to discontinue their use of or to replace infringing technology sold to them with non- infringing technology, if available. Any of the foregoing results could have a material adverse effect on our business, financial condition, and results of operations. Furthermore, our exposure to the foregoing risks may also be increased if we acquire other companies or technologies. For example, we may have a lower level of visibility into the development process with respect to intellectual property or the care taken to safeguard against infringement risks with respect to the acquired company or technology. In addition, third parties may make infringement and similar or related claims after we have acquired technology that had not been asserted prior to the acquisition. ~~We make significant investments in new technologies and products that may not achieve technological feasibility or profitability or that may limit our revenue growth. We have made and will continue to make significant investments in research and development of new technologies and products, including new and more technically advanced versions of our MRAM technology. Investments in new technologies are speculative and technological feasibility may not be achieved. Commercial success depends on many factors including demand for innovative technology, availability of materials and equipment, selling price the market is willing to bear, competition and effective licensing or product sales. We may not achieve significant revenue from new product investments for a number of years, if at all. Moreover, new technologies and products may not be profitable, and even if they are profitable, operating margins for new products and businesses may not be as high as the margins we have experienced historically or originally anticipated. Our inability to capitalize on or realize substantial revenue from our significant investments in research and development could harm our operating results and distract management, harming our business.~~ Interruptions in or other compromises of our information technology systems or data or that of third parties upon whom we rely could adversely affect our business. We rely on the efficient, uninterrupted and uncompromised operation of complex information technology systems and networks (and those of third parties) to operate our business. Any significant disruption to or other compromise of our systems, networks or data (or those of third parties upon whom we rely), including, but not limited to, due to new system implementations, computer viruses, social- engineering attacks, personnel (including former personnel) ~~misconduct~~¹⁸**misconduct** or error, supply- chain attacks, ransomware attacks, software bugs, software or hardware failure, security breaches, facility issues, natural disasters, terrorism, war, telecommunication failures, energy blackouts, loss, theft or similar threats, could have a material adverse impact on our operations, sales, and financial results. Such disruption or other compromise could result in a loss of our intellectual property or the release of sensitive competitive information or supplier, customer, personnel or other relevant stakeholder’ s personal data. Additionally, future or past business ~~21~~**transactions** -- **transactions** (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities’ systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. Any loss of such information could harm our competitive position, result in a loss of customer confidence, result in breaches of applicable obligations (such as laws and contracts) and cause us to incur significant costs to remedy the damages caused by any such disruptions or security breaches. Additionally, any failure to ~~properly~~ manage the collection, handling, transfer, or disposal of personal data of employees and customers may result in regulatory penalties, bans on processing personal data or orders not to use or destroy data, enforcement actions, remediation obligations, litigation, fines, and other actions. We may experience attacks on our data and / or information systems, attempts to breach our security and attempts to introduce malicious software into our IT systems. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, **including traditional computer “ hackers, ” threat actors and “ hacktivists, ” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors**. During times of war and other major conflicts, we and the third parties upon which we rely may be vulnerable to a heightened risk of these attacks. If attacks are successful, we may be unaware of the incident, its magnitude, or its effects until significant harm is done. Any such attack or disruption could result in additional costs related to rebuilding of our internal systems, defending litigation, responding to regulatory actions, or paying damages. Such attacks or disruptions could have a material adverse impact on our business, operations, and financial results. Attempts to gain unauthorized access to our IT systems or other attacks have in the past, in certain instances and to certain degrees, been

successful (but have not caused significant harm), and may in the future be successful, and in some cases, we might be unaware of an incident or its magnitude and effects. Third-party service providers, such as wafer foundries, assembly and test contractors, distributors and other vendors have access to certain portions of our and our customers' sensitive data. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. In the event that these service providers do not properly adequately safeguard the data that they hold, security breaches and loss of data could result. Any such loss of data by our third-party service providers could negatively impact our business, operations, and financial results, as well as our relationship with our customers. **In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.** While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and / or software, including that of third parties upon which we rely). We may not, however, detect and remediate all such vulnerabilities including on a timely and effective basis. Further, we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident. We may expend significant resources or modify our business activities to try to protect against security incidents. Additionally, certain data privacy and security obligations may require us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive data.

Risk 19 Risk Factors Related to Regulatory Matters and Compliance To comply with environmental laws and regulations, we may need to modify our activities or incur substantial costs, and if we fail to comply with environmental regulations, we could be subject to substantial fines or be required to have our suppliers alter their processes. The semiconductor memory industry is subject to a variety of international, federal, state, and local governmental regulations directed at preventing or mitigating environmental harm, as well as to the storage, discharge, handling, generation, disposal and labeling of toxic or other hazardous substances. Failure to comply with environmental regulations could subject us to civil or criminal sanctions and property damage or personal injury claims. Compliance with current or future environmental laws and regulations could restrict our ability to expand our business or require us to modify processes or incur other substantial expenses which could harm our business. In response to environmental concerns, some customers and government agencies impose requirements for the elimination of hazardous substances, such as lead (which is widely used in soldering connections in the process of semiconductor packaging and assembly), from electronic equipment. For example, the European Union (EU) adopted its Restriction on Hazardous Substance Directive which prohibits, with specified exceptions, the sale in the EU market of new electrical and electronic equipment ~~containing~~ **containing** more than agreed levels of lead or other hazardous materials and China has enacted similar regulations. Environmental laws and regulations such as these could become more stringent over time, causing a need to redesign technologies, imposing greater compliance costs, and increasing risks and penalties associated with violations, which could seriously harm our business. Increasing public attention has been focused on the environmental impact of electronic manufacturing operations. While we have not experienced any materially adverse effects on our operations from recently adopted environmental regulations, our business and results of operations could suffer if for any reason we fail to control the storage or use of, or to adequately restrict the discharge or disposal of, hazardous substances under present or future environmental regulations. Regulations related to "conflict minerals" may force us to incur additional expenses, may make our supply chain more complex and may result in damage to our reputation with customers. Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has adopted requirements for companies that use certain minerals and metals, known as conflict minerals, in their products, whether or not these products are manufactured by third parties. These requirements require companies to perform diligence and disclose and report whether or not such minerals originate from the Democratic Republic of Congo and adjoining countries. These requirements could adversely affect the sourcing, availability and pricing of minerals used in the manufacture of our products, and affect our costs and relationships with customers, distributors, and suppliers as we must obtain additional information from them to ensure our compliance with the disclosure requirement. In addition, we incur additional costs in complying with the disclosure requirements, including costs related to determining the source of any of the relevant minerals and metals used in our products. Since our supply chain is complex, we have not been able to sufficiently verify the origins for these minerals and metals used in our products through the due diligence procedures that we implement, which may harm our reputation. In such event, we may also face difficulties in satisfying customers who require that all of the components of our products are certified as conflict mineral free and these customers may discontinue, or materially reduce, purchases of our products, which could result in a material adverse effect on our results of operations and our financial condition may be adversely affected. Our ability to use net operating losses to offset future taxable income may be subject to certain limitations. In general, under Section 382 of the U. S. Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses, or NOLs, to offset future taxable income and tax credits to offset tax. As of December 31, ~~2023~~ **2024**, we had gross federal net operating loss carryforwards of approximately \$ ~~96~~ **89**. 2 million, of which \$ ~~55~~ **53**. 8 ~~2~~ million will expire in ~~2028~~ **2030** through 2037 if not utilized, and \$ ~~36~~ **40.5** million ~~that~~ will carryover indefinitely. **The Company experienced an ownership change in October 2016 and as a result, \$ 43. 8 million of the federal NOLs are expected to expire unutilized due to limitation under IRC Section 382. Consistent with prior years, the NOLs expected to expire unutilized are included in the NOL carryforward amounts disclosed, subject to a valuation allowance.** As of December 31, ~~2023~~ **2024**, we had state net operating loss carryforwards of approximately \$ 48. ~~7~~ **3** million, of which \$ 45. ~~9~~ **5** million will expire in ~~2028~~ **2030** through ~~2043~~ **2040** if not utilized, and \$ 2. 8 million ~~that~~ will ~~carryover~~ **carry over** indefinitely. The federal NOLs

generated prior to 2018 will continue to be governed by **20by** the NOL tax rules as they existed prior to the adoption of the 2017 Tax ~~Cuts and Jobs Act (2017 Tax Act)~~, which means that generally they will expire 20 years after they were generated if not used prior thereto. The 2017 Tax Act repealed the 20- year carryforward and two- year carryback of NOLs originating after December 31, 2017, and also limits the NOL deduction to 80 % of taxable income for tax years beginning after December 31, 2017. Any NOLs generated in 2018 and forward will be carried forward and will not expire. ~~There is no current impact to us as the NOLs that we are utilizing in the current year were generated prior to 2018, and therefore, are not subject to the 80 % limitation.~~ Future changes in our stock ownership, many of which are outside of our control, could result in an **additional** ownership ~~change~~ **changes** under **IRC** Section 382 of the Code. The ability to utilize our net operating losses and tax credits could also be impaired under state law. As a result, we might not be able to utilize a material portion of our state NOLs and tax credits.

Risks Related to Our Common Stock We expect that the price of our common stock will fluctuate substantially. The market price of our common stock is likely to be highly volatile and may fluctuate substantially due to many factors, including:

- the introduction of new products or product enhancements by us or others in our industry; ~~23~~ • announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, capital commitments or restructurings; • disputes or other developments with respect to our or others' intellectual property rights; • product liability claims or other litigation; • quarterly variations in our results of operations or those of others in our industry; • sales of large blocks of our common stock, including sales by our executive officers and directors; • changes in senior management or key personnel; • changes in earnings estimates or recommendations by securities analysts; and • general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors, including the effects of **COVID-19** ~~health~~ **related events or outbreaks** and the military conflict **in-between Russia and** Ukraine. Stock markets generally have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Further, the semiconductor memory industry is highly cyclical, and our markets may experience significant cyclical fluctuations in demand as a result of changing economic conditions, budgeting and buying patterns of customers and other factors. Fluctuations in our revenue and operating results could also cause our stock price to decline. In addition, in the past, class action litigation has often been instituted against companies whose securities have experienced periods of volatility in market price, or for other reasons. Securities litigation brought against us following volatility in our stock price or otherwise, regardless of the merit or ultimate results of such litigation, could result in substantial costs, which would hurt our financial condition and operating results and divert management' s attention and resources from our business. These and other factors may make the price of our stock volatile and subject to unexpected fluctuation. Provisions in our corporate charter documents and under Delaware law could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our current management. Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay, or prevent a merger, acquisition, or other change in control of us that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders ~~to~~ **21to** replace members of our board of directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. Among others, these provisions include that: • our board of directors has the right to expand the size of our board of directors and to elect directors to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors; • our stockholders may not act by written consent or call special stockholders' meetings; as a result, a holder, or holders, controlling a majority of our capital stock would not be able to take certain actions other than at annual stockholders' meetings or special stockholders' meetings called by the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors, the chairman of the board or the chief executive officer; ~~24~~ • our amended and restated certificate of incorporation prohibits cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; • the affirmative vote of holders of at least 66- 2 / 3 % of the voting power of all of the then outstanding shares of voting stock, voting as a single class, will be required (a) to amend certain provisions of our certificate of incorporation, including provisions relating to the size of the board, special meetings, actions by written consent and cumulative voting and (b) to amend or repeal our amended and restated bylaws, although such bylaws may be amended by a simple majority vote of our board of directors; • stockholders must provide advance notice and additional disclosures to nominate individuals for election to the board of directors or to propose matters that can be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror' s own slate of directors or otherwise attempting to obtain control of our company; and • our board of directors may issue, without stockholder approval, shares of undesignated preferred stock; the ability to issue undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us. Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15 % of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15 % of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our amended and restated certificate of incorporation provides that the Court of Chancery of

the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: • any derivative action or proceeding brought on our behalf; • any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders; • any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; and • any action asserting a claim against us that is governed by the internal- affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, ~~among~~ **22among** other considerations, our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find either exclusive- forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant **25** **additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business. General Risk Factors** We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws. Our products are subject to various restrictions under U. S. export control and sanctions laws and regulations, including the U. S. Department of Commerce's Export Administration Regulations (EAR) and various economic and trade sanctions regulations administered by the U. S. Department of the Treasury's Office of Foreign Assets Control (OFAC). These laws and regulations impose restrictions or prohibitions on the sale or supply of products and services to sanctioned countries, governments, persons and entities, and to persons engaged in restricted or prohibited end- uses. Although we have taken precautions to protect against our products being exported or used in violation of law, we have inadvertently provided products and services to some customers in apparent violation of U. S. export control laws. In October 2024, we submitted to the U. S. Department of Commerce's Bureau of Industry and Security (BIS) an initial notification of voluntary self- disclosure concerning apparent violations. If we are found to be in violation of U. S. sanctions or export control regulations, it can result in significant fines or penalties and possible incarceration for responsible employees and managers, as well as reputational harm and loss of business. While we are working to implement additional controls designed to prevent similar occurrences in the future, these controls may not be fully effective. Changes to our products, export control or import regulations, economic sanctions or related laws, shifts in the enforcement or scope of existing regulations or changes in the countries, governments, persons or technologies targeted by such regulations could decrease our ability to export or sell our products to existing or potential customers. Any of the foregoing could adversely affect our business, financial condition, results of operations and cash flows. Our business may be adversely impacted by natural disasters and other catastrophic events. Our operations and business, and those of our manufacturing partners, customers, distributors, or suppliers, can be disrupted by natural disasters; industrial accidents; public health- related events or outbreaks; cybersecurity incidents; interruptions of service from utilities, transportation, telecommunications, or IT systems providers; manufacturing equipment failures; or other catastrophic events. For example, some of our foundries and suppliers' facilities in Asia are located near known earthquake fault zones and, therefore, are vulnerable to damage from earthquakes. We are also vulnerable to damage from other types of disasters, such as power loss, fire, floods, and similar events. If any such natural disasters or other catastrophic events were to occur, our ability to operate our business could be seriously impaired. In addition, we may not have adequate insurance to cover our losses resulting from disasters or other similar significant business interruptions. Any significant losses that are not recoverable under our insurance policies could seriously impair our business and financial condition. **23**