Risk Factors Comparison 2024-03-13 to 2023-03-09 Form: 10-K

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Investing in our common stock involves a high degree of risk. You should carefully consider the material risks and uncertainties described below and all information contained in this report before you decide to purchase our common stock. Many of these risks and uncertainties are beyond our control, including business cycles and seasonal trends of the computing, infrastructure, semiconductor and related industries and end markets. A manifestation of any of the following risks and uncertainties could, in circumstances we may or may not be able to accurately predict, render us unable to conduct our business as currently planned and materially and adversely affect our reputation, business, prospects, financial condition, cash flows, liquidity and operating results. In addition, the trading price of our common stock could decline due to the occurrence of any of these risks, and you could lose all or part of your investment. It is not possible to predict or identify all such risks and uncertainties; our operations could also be affected by risks or uncertainties that are not presently known to us or that we currently do not consider to present significant risks to our operations. Therefore, you should not consider the following discussion to be a complete statement of all the potential risks or uncertainties that we face. SUMMARY OF FACTORS THAT MAY AFFECT OUR FUTURE RESULTS The following summarizes the principal factors that make an investment in the Company speculative or risky. This summary should be read in conjunction with the remainder of this " Risk Factors " section and should not be relied upon as an exhaustive summary of the material risks facing our business. The occurrence of any of these risks could harm our business, financial condition, results of operations and / or growth prospects or cause our actual results to differ materially from those contained in forward- looking statements we have made in this report and those we may make from time to time. You should consider all of the risk factors described in our public filings when evaluating our business. • risks related to changes in general ~~economic~~ **macroeconomic** conditions such as economic slowdowns, inflation, stagflation, rising interest rates **, financial institution instability** , and recessions or political conditions, such as the tariffs and trade restrictions with China, Russia and other foreign nations, and specific conditions in the end markets we address, including the continuing volatility in the technology sector and semiconductor industry and the U. S. National Science and Technology Council' s designation of semiconductors as a critical and emerging technology; • risks related to cancellations, rescheduling or deferrals of significant customer orders or shipments, as well as the ability of our customers to manage inventory; • risks related to ~~the impact of the COVID- 19 pandemic or~~ **our ability to scale** ~~other future pandemics, on the global economy and on~~ our ~~customers, suppliers, employees and~~ business; • risks related to our **debt obligations** ~~ability to scale our business; • risks related to the extension of lead time due to supply chain disruptions, component shortages that impact the costs and production of our products and kitting process, and constrained availability from other electronic suppliers impacting our customers' ability to ship their products, which in turn may adversely impact our sales to those customers~~ ; • risks related to the ability of our customers, particularly in jurisdictions such as China that may be subject to trade restrictions (including the need to obtain export licenses) to develop their own solutions or acquire fully developed solutions from third- parties; • risks related to our ability to design, develop and introduce new and enhanced products, in particular in the 5G ~~and~~ **,** Cloud **and Artificial Intelligence (" AI ")** markets, in a timely and effective manner, as well as our ability to anticipate and adapt to changes in technology; • risks related to our ability to successfully integrate and to realize anticipated benefits or synergies, on a timely basis or at all, in connection with our past, current, or any future acquisitions, divestitures, significant investments or strategic transactions ~~; • risks related to our debt obligations~~ ; • risks related to the highly competitive nature of the end markets we serve, particularly within the semiconductor and infrastructure industries; • risks related to our dependence on a few customers for a significant portion of our revenue including risks related to severe financial hardship or bankruptcy or other attrition of one or more of our major customers, particularly as our major customers comprise an increasing percentage of our revenue; • risks related to our ability to execute on changes in strategy and realize the expected benefits from restructuring activities; • risks related to our ability to maintain a competitive cost structure for our manufacturing, assembly, testing and packaging processes and our reliance on third parties to produce our products; • risks related to **the extension of lead time due to supply chain disruptions, component shortages that impact the costs and production of our products and kitting process, and constrained availability from other electronic suppliers impacting our customers' ability to ship their products, which in turn may adversely impact our sales to those customers; • risks related to** our ability to attract, retain and motivate a highly skilled workforce, especially engineering, managerial, sales and marketing personnel; • risks related to any current and future litigation, regulatory investigations, or contractual disputes with customers that could result in substantial costs and a diversion of management' s attention and resources that are needed to successfully maintain and grow our business; • risks related to gain or loss of a design win or key customer; • risks related to seasonality or volatility related to sales into the infrastructure, semiconductor and related industries and end markets; • risks related to failures to qualify our products or our suppliers' manufacturing lines; • risks related to failures to protect our intellectual property, particularly outside the United States; • risks related to the potential impact of significant events or natural disasters or the effects of climate change (such as drought, flooding, wildfires, increased storm severity, sea level rise, and power outages), particularly in certain regions in which we operate or own buildings, such as Santa Clara, California, and where our third **-** party manufacturing partners or suppliers operate, such as Taiwan and elsewhere in the Pacific Rim; • risks related to our **sustainability** ~~Environmental, Social and Governance (ESG)~~ programs **; • cybersecurity risks; • risks related to the impact of the COVID- 19 pandemic or other future pandemics, on the global economy and on our customers, suppliers, employees and business** ; and • risks related to failures of our customers to agree to pay for NRE (non- recurring engineering) costs, failure to pay enough to cover the costs we incur in connection with NREs or non- payment of previously agreed NRE costs due to us. Our quarterly results of operations have fluctuated in the past and could do so in the future. Because our results of operations are difficult to predict, you should not rely on quarterly comparisons of our results of operations as an indication of our future performance. Due to fluctuations in our quarterly results of operations and other factors, the price at which our common stock will trade is likely to continue to be highly volatile. Accordingly, you may not be able to resell your common stock at or above the price you paid. In future periods, our stock price could decline if, among other factors, our revenue or operating results are below our estimates or the estimates or expectations of securities analysts and investors. Our stock is traded on the Nasdaq Global Select Market under the ticker symbol " MRVL ". As a result of stock price volatility, we may be subject to securities class action litigation. Any litigation could result in substantial costs and a diversion of management' s attention and resources that are needed to successfully maintain and grow our business. CHANGES IN PRODUCT DEMAND CAN ADVERSELY AFFECT OUR FINANCIAL RESULTS We face risks related to recessions, inflation, stagflation and other ~~economic~~ **macroeconomic** conditions **.** Customer demand for our products may be impacted by weak ~~economic~~ **macroeconomic** conditions, inflation, stagflation, recessionary or lower- growth environments, rising interest rates, equity market volatility or other negative economic factors in the U. S. or other nations. For example, under these conditions or expectation of such conditions, our customers may cancel orders, delay purchasing decisions or reduce their use of our services. In addition, these economic conditions **have resulted in the past, and** could result **in the future,** in higher inventory levels and the ~~possibility of~~ resulting excess capacity charges from our manufacturing partners if we need to slow production to reduce inventory levels. Further, in the event of a recession or threat of a recession our manufacturing partners, suppliers, distributors, and other third- party partners may suffer their own financial and economic challenges and as a result they may demand pricing accommodations, delay payment, or become insolvent, which could harm our ability to meet our customer demands or collect revenue or otherwise could harm our business. Similarly, disruptions in financial and / or credit markets may impact our ability to manage normal commercial relationships with our manufacturing partners, customers, suppliers and creditors and might cause us to not be able to continue to access preferred sources of liquidity when we would like, and our borrowing costs could increase. Thus, if general macroeconomic conditions, or conditions in the semiconductor industry, or conditions in our customer end markets continue to deteriorate or experience a sustained period of weakness or slower growth, our business and financial results could be materially and adversely affected. In addition, we are also subject to risk from inflation and increasing market prices of certain components, supplies, and commodity raw materials, which are incorporated into our end products or used by our manufacturing partners or suppliers to manufacture our end products. These components, supplies and commodities have from time to time become restricted, or general market factors and conditions have in the past and may in the future affect pricing of such components, supplies and commodities (such as inflation or supply chain constraints). See also, " Our gross margin and results of operations may be adversely affected in the future by a number of factors, including decreases in our average selling prices of products over time, shifts in our product mix, or price increases of certain components or third- party services due to inflation, supply chain constraints, or for other reasons. " Unfavorable or uncertain conditions in the 5G ~~and~~ **,** Cloud **and AI** markets may cause fluctuations in our rate of revenue growth or financial results. World- wide markets for our 5G ~~and~~ **,** Cloud **and AI** products may not develop in the manner or in the time periods we anticipate. If domestic and global economic conditions continue to worsen, overall spending on our 5G ~~and~~ **,** Cloud **and AI** products may be reduced, which would adversely impact demand for our products in these markets. In addition, unfavorable developments with evolving laws and regulations worldwide related to these products and suppliers may limit global adoption, impede our strategy, and negatively impact our long- term expectations in this area. Even if the 5G ~~and~~ **,** Cloud **and AI** markets develop in the manner or in the time periods we anticipate, if we do not have timely, competitively priced, market- accepted products available to meet our customers' planned roll- out of 5G wireless communication systems ~~or~~ **,** Cloud systems **, or products for the AI market** , we may miss a significant opportunity and our business, financial condition, results of operations and cash flows could be materially and adversely affected. In addition, as a result of the fact that the markets for 5G ~~and~~ **,** Cloud **, and AI** are still ~~developing~~ **emerging** , demand for these products may be unpredictable and may vary significantly from one period to another. See also, " Our sales are concentrated in a few large customers. If we lose or experience a significant reduction in sales to any of these key customers, if any of these key customers experience a significant decline in market share, or if any of these customers experience significant financial difficulties, our revenue may decrease substantially and our results of operations and financial condition may be harmed. " See also, " Adverse changes in the political **, regulatory** and economic policies of ~~the U. S. government~~ **governments** in connection with trade with China **and Chinese customers** have reduced the demand for our products and damaged our business " for additional risks related to export restrictions that may impact certain customers in the 5G ~~and~~ **,** Cloud **and AI** markets. We receive a significant amount of our revenue from a limited number of customers. For example, during fiscal ~~2023~~ **2024** , we had one distributor ~~,~~ whose revenue as a percentage of our net revenue was 10 % or greater of total net revenues. In addition, net revenue from our ten (10) largest customers, including this distributor, represented ~~63~~ **72** % of our net revenue for the fiscal year ended ~~January 28~~ **February 3** , ~~2023~~ **2024** . Sales to our largest customers have fluctuated significantly from period to period and year to year and will likely continue to fluctuate in the future, primarily due to the timing and number of design wins with each customer, the continued diversification of our customer base as we expand into new markets, adverse changes in the political and economic policies of the U. S. or other governments (such as changes in export policies), and natural disasters or other issues. The loss of any of our large customers or a significant reduction in sales we make to them would likely harm our financial condition and results of operations. To the extent one or more of our large customers experience financial challenges, bankruptcy or insolvency, this could have a material adverse effect on our sales and our ability to collect on receivables, which could harm our financial condition and results of operations. **See also, " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Sales and Customer Composition. "** If we are unable to increase the number of large customers in key markets, then our operating results in the foreseeable future would be expected to continue to depend on sales to a relatively small number of customers, as well as the ability of these customers to sell products that incorporate our products. In the future, these customers may decide not to purchase our products at all, purchase fewer products than they did in the past, or alter their purchasing patterns in some other way, particularly because: • a significant portion of our sales are made on a purchase order basis, which allows our customers to cancel, change or delay product purchase commitments with relatively short notice to us; • customers may purchase similar products from our competitors; • customers may discontinue sales or lose market share in the markets for which they purchase our products; • customers, particularly in jurisdictions such as China that may be subject to trade restrictions or tariffs, may develop their own solutions or acquire fully developed solutions from third- parties; or • customers may be subject to severe business disruptions, including, but not limited to, those driven by recessions, financial instability, actual or threatened public health emergencies, such as the COVID- 19 pandemic, other global or regional macroeconomic developments, or natural disasters. In addition, there has been a trend toward customer consolidation in the semiconductor industry through business combinations, including mergers, asset acquisitions and strategic partnerships (for example, Western Digital acquired SanDisk in 2017, Toshiba Corporation sold control of a portion of its semiconductor business in 2018, and Cisco acquired Acacia Communications in 2021). Mergers or restructuring among our customers, or their end customers, could increase our customer concentration with a particular customer or reduce total demand as the combined entities reevaluate their business and consolidate their suppliers. Such future developments, particularly in those end markets that account for more significant portions of our revenues, could harm our business and our results of operations. In addition, we may be unable to negotiate as favorable terms with larger customers whether those customers resulted from customer consolidation, merger integrations or other reasons, and any such less favorable terms could harm our business and our results of operations. **Given their dependence on semiconductor products to operate their data centers and to ensure continuity of supply and reduce direct costs, some large customers may begin developing their own semiconductor solutions with the use of generally available intellectual property licensed from third- parties which could result in a loss of business for Marvell.** We are subject to order and shipment uncertainties. If we are unable to accurately predict customer demand, we may hold excess or obsolete inventory, which would reduce our gross margin. Conversely, we may have insufficient inventory or be unable to obtain the supplies or contract manufacturing capacity to meet ~~that~~ demand **,** which would result in lost revenue opportunities and potential loss of market share as well as damaged customer relationships. We typically sell products pursuant to purchase orders rather than long- term purchase commitments. Some of our customers have, and others may in the future, cancel or defer purchase orders on short notice without incurring a significant penalty. In addition, customers who have purchase commitments may not honor those commitments. Due to their inability to predict demand or other reasons, during the last few years some of our customers have accumulated excess inventories and, as a consequence, they either have deferred or they may defer future purchases of our products. We cannot accurately predict what or how many products our customers will need in the future. Anticipating demand is difficult because our customers face unpredictable demand for their own products and are increasingly focused more on cash preservation and tighter inventory management. We place orders with our suppliers based on forecasts of customer demand and, in some instances, may establish buffer inventories to accommodate anticipated demand. Our forecasts are based on multiple assumptions, each of which may introduce error into our estimates. For example, our ability to accurately forecast customer demand may be impaired by the delays inherent in our customer' s product development processes, which may include extensive qualification and testing of components included in their products, including ours. In many cases, they design their products to use components from multiple suppliers. This creates the risk that our customers may decide to cancel or change product plans for products incorporating our semiconductor solutions prior to completion, which makes it even more difficult to forecast customer demand. In addition, while many of our customers are subject to purchase orders or other agreements that do not allow for cancellation, there can be no assurance that these customers will honor these contract terms and cancellation of these orders may adversely affect our business operations and demand forecast which is the basis for us to have products made. Our products are incorporated into complex devices and systems, which creates supply chain cross- dependencies. Due to cross dependencies, supply chain disruptions have in the past and may in the future negatively impact the demand for our products. We have a limited ability to predict the timing of a supply chain correction. As we have a broad product portfolio and diversified products with many different SKUs, significant supply chain disruptions will cause us to have more work- in- process inventories **that** we hold to ~~ensure we have~~ **provide us with more** flexibility to support our customers. If we cannot predict future customer demand or supply chain disruptions, then we may hold excess or obsolete inventory. Moreover, significant supply chain disruption may negatively impact the timing of our product shipments and revenue shipment linearity which may impact and extend our cash conversion cycle. In addition, the market share of our customers could be adversely impacted on a long- term basis due to any continued supply chain disruption, which could negatively affect our results of operations. See also, " We rely on our manufacturing partners for the manufacture, assembly, testing and packaging of our products, and the failure of any of these third- party vendors to deliver products or otherwise perform as requested **or to be able to fulfill our orders** could damage our relationships with our customers, decrease our sales and limit our ability to grow our business " for additional information on the impacts of supply chain cross- dependencies on our business. If we overestimate customer demand, our excess or obsolete inventory may increase significantly, which would reduce our gross margin and adversely affect our financial results. The risk of obsolescence and / or excess inventory is heightened for semiconductor solutions ~~designed for consumer electronics~~ due to the rapidly changing market for these types of products. Conversely, if we underestimate customer demand or if insufficient manufacturing capacity is available, we would miss revenue opportunities and potentially lose market share and damage our customer relationships. In addition, any future significant cancellations or deferrals of product orders or the return of previously sold products could materially and adversely affect our profit margins, increase product obsolescence and restrict our ability to fund our operations. We operate in intensely competitive markets. Our failure to compete effectively would harm our results of operations. The semiconductor industry, and specifically the storage, networking ~~and~~ **,** infrastructure **and AI** markets **are** ~~, is~~ extremely competitive. We currently compete with a number of large domestic and international companies in the business of designing semiconductor solutions and related applications, some of which have greater financial, technical and management resources than us. Our efforts to introduce new products into markets with entrenched competitors will expose us to additional competitive pressures. For example, we are facing, and expect we will continue to face, significant competition in the infrastructure, networking and SSD storage markets. Additionally, customer expectations and requirements have been evolving rapidly. For example, customers now expect us to provide turnkey solutions and commit to future roadmaps that have technical risks. Some of our competitors may be better situated to meet changing customer needs and secure design wins. Increasing competition in the markets in which we operate may negatively impact our revenue and gross margins. For example, competitors with greater financial resources may be able to offer lower prices than us, or they may offer additional products, services or other incentives that we may not be able to match. We also may experience discriminatory or anti- competitive practices by our competitors that could impede our growth, cause us to incur additional expense or otherwise negatively affect our business. In addition, some of these competitors may use their market power to dissuade our customers from purchasing from us. In addition, many of our competitors operate and maintain their own fabrication facilities and have longer operating histories, greater name recognition, larger customer bases, and greater sales, marketing and distribution resources than we do. Moreover, the semiconductor industry has experienced increased consolidation over the past several years. For example, NVIDIA Corporation acquired Mellanox Technologies in April 2020, Infineon acquired Cypress Semiconductors in April 2020, Renesas Electronics Corporation acquired Dialog Semiconductor in August 2021, **Analog Devices acquired Maxim Integrated Products in 2021,** AMD acquired Xilinx, Inc. in February 2022 and Pensando Systems in May 2022 ~~and~~ **,** Qualcomm acquired Veonner in **April** 2022 ~~. In addition~~ , ~~MaxLinear, Inc. announced plans to acquire Silicon Motion in May 2022~~ and Broadcom ~~announced plans to acquire~~ **acquired** VMware in ~~May~~ **November** ~~2022~~ **2023** . Consolidation among our competitors has led, and in the future could lead, to a changing competitive landscape, capabilities and market share, which could put us at a competitive disadvantage and harm our results of operations. The products we develop and sell are primarily used for high-volume applications. While prices of our products have increased recently due to inflation and additional costs resulting from securing an increase in supply, the prices of our products have historically decreased. We expect that the average unit selling prices of our products will continue to be subject to significant pricing pressures. In addition, our more recently introduced products tend to have higher associated costs because of initial overall development and production expenses. Therefore, over time, we may not be able to maintain or improve our gross margins. Our financial results could suffer if we are unable to offset any reductions in our average selling prices by other cost reductions through efficiencies, introduction of higher margin products and other means. To attract new customers or retain existing customers, we may offer certain price concessions to certain customers, which could cause our average selling prices and gross margins to decline. In the past, we have reduced the average selling prices of our products in anticipation of future competitive pricing pressures, new product introductions by us or by our competitors and other factors. We expect to continue to have to reduce prices of existing products in the future. Moreover, because of the wide price differences across the markets we serve, the mix and types of performance capabilities of our products sold may affect the average selling prices of our products and have a substantial impact on our revenue and gross margin. We may enter new markets in which a significant amount of competition exists, and this may require us to sell our products with lower gross margins than we earn in our established businesses. If we are successful in growing revenue in these markets, our overall gross margin may decline. Fluctuations in the mix and types of our products may also affect the extent to which we are able to recover the fixed costs and investments associated with a particular product, and as a result may harm our financial results. Additionally, because we do not operate our own manufacturing, assembly, testing or packaging facilities, we are not able to reduce our costs as rapidly as companies that operate their own facilities and our costs may even increase, which could also reduce our gross margins. Our gross margin could also be impacted for example by the following factors: increased costs (including increased costs caused by tariffs, inflation, higher interest rates, or supply chain constraints); loss of cost savings if parts ordering does not correctly anticipate product demand or if the financial health of either our manufacturers partners or our suppliers deteriorates; excess inventory, or inventory holding and obsolescence charges. In addition, we are subject to risks from fluctuating market prices of certain components, which are incorporated into our products or used by our suppliers to manufacture our products. Supplies of these components may from time to time become restricted, or general market factors and conditions such as inflation or supply chain constraints have in the past affected and may in the future affect pricing of such commodities. For example, during the first few quarters of fiscal ~~year~~ 2023 supply shortages in the semiconductor industry of multi- layer complex substrates, IC packaging capacity and fab constraints resulted in increased lead times, inability to meet demand, and increased costs. Any increase in the price of components used in our products will adversely affect our gross margins. ~~Entry~~ **We may enter** into new markets, **including** ~~such as~~ markets with different business models, as a result of our acquisitions **or for other reasons that** may reduce our gross margin and operating margin. For example, for certain products we use an ASIC model to offer end- to- end solutions for intellectual property, design team, fab and packaging to deliver a tested, yielded product to customers. This business model tends to have a lower gross margin. In addition, the costs related to this type of business model typically include significant NRE ~~(non- recurring engineering)~~ costs that customers pay based on the completion of milestones. Our operating margin may decline if our customers do not agree to pay for NREs, if they do not pay enough to cover the costs we incur in connection with NREs, or non- payment of previously agreed NRE costs. In addition, our operating margin may decline if we are unable to sell products in sufficient volumes to cover the development costs that we have incurred. In addition, the ASIC business model requires us to use third- party intellectual property and we may lose business or experience reputational harm if third parties, including customers, lose confidence in our ability to protect their intellectual property rights. With respect to risks related to our use of third- party intellectual property, see also, “ We have been named as a party to several legal proceedings and may be named in additional ones in the future, including litigation involving our patents and other intellectual property, which could subject us to liability, require us to indemnify our customers, require us to obtain or renew licenses, require us to stop selling our products or force us to redesign our products. ” ~~WE ARE SUBJECT~~

~~TO RISKS ASSOCIATED WITH THE CORONAVIRUS (COVID- 19) PANDEMIC We face risks related to the COVID- 19 pandemic which has, and may continue in the future to, significantly disrupt and adversely impact our manufacturing, research and development, operations, sales and financial results. Our business has been, and may continue to be, adversely impacted by the effects of the COVID- 19 pandemic or other future pandemics. In addition to global and domestic macroeconomic effects, during fiscal years 2022 and 2023 the COVID- 19 pandemic and related adverse public health measures caused disruption to our global operations and sales. Our third- party manufacturing partners, suppliers, distributors, sub- contractors and customers have been, and may continue to be, disrupted by worker absenteeism, quarantines and restrictions on their employees' ability to work; office and factory closures; disruptions to ports and other shipping infrastructure; border closures; and other travel or health-related restrictions. Depending on the magnitude of such effects on our manufacturing, assembling, testing, and packaging activities or the operations of our manufacturing partners, suppliers, distributors, sub- contractors and customers, our supply chain, manufacturing and product shipments will be delayed, which could adversely affect our business, operations and customer relationships. Although the pandemic related restrictions above have eased in many places, the ongoing pandemic, including large outbreaks, resurgences of COVID- 19 in various regions and appearances of new variants of the virus, has resulted, and may continue to result, in their full or partial reinstitution. In addition, although many countries have vaccinated large segments of their population, during fiscal year 2023 COVID- 19 continued to disrupt business activities, trade, and supply chains in many countries. We expect lingering impacts related to COVID- 19 to continue for the foreseeable future. For example, we were impacted by COVID outbreaks in Asia during the first half of fiscal 2023 that resulted in closed factories, clogged ports and a shortage of workers as officials imposed lockdowns and mass testing requirements. In addition to operational and customer impacts, the COVID- 19 pandemic has had, and is expected to continue to have, (and future pandemics are expected to have) a significant impact on the economies and financial markets of many countries including an economic downturn, which has affected and may in the future affect demand for our products and impact our operating results in both the near and long term. There can be no assurance that any decreases in sales resulting from the COVID- 19 pandemic (or any future pandemic) will be offset by increased sales in subsequent periods. Our ongoing efforts to manage these and other potential impacts of the COVID- 19 pandemic (and any impacts of future pandemics) may be unsuccessful. As the COVID- 19 pandemic reaches endemic stages, due to the continued uncertainty regarding its severity and duration (including resurgences or mutations of the virus), related public health measures and macroeconomic impacts, at this time we are unable to predict its full impact on our business, financial condition, operating results and cash flows.~~ WE ARE SUBJECT TO RISKS ASSOCIATED WITH THE RAPID GROWTH OF THE COMPANY AND WITH OUR STRATEGIC TRANSACTIONS We may not be able to scale our business quickly enough to meet our customers' needs or in an efficient manner, which could harm our operating results. Over the last few years, we have rapidly increased in size. As a result, we have had to, and expect in the future to continue to need to, appropriately scale our business, internal systems and organization, and to continue to improve our operational, financial and management controls, reporting systems and procedures, to serve our growing customer base. Even if we are able to upgrade our systems and expand our staff, any such expansion will likely be expensive and complex, requiring management' s time and attention. We could also face inefficiencies, reduced productivity or operational failures as a result of our efforts to scale our business. Moreover, there are inherent risks associated with upgrading, improving and expanding our information technology systems. We cannot be sure that the expansion and improvements to our business operations will be fully or effectively implemented on a timely basis, if at all. Any failure of, or delay in, these efforts could negatively impact performance ~~our~~ **and** financial results. Recent, current and potential future acquisitions, strategic investments, divestitures, mergers or joint ventures may subject us to significant risks, any of which could harm our business. Our long- term strategy has included in the past, and may continue to include in the future, identifying and acquiring, investing in or merging with suitable companies, or divesting ~~of~~ certain business lines, assets or activities. In particular, over time, we may acquire, make investments in, or merge with providers of product offerings that complement our business or may terminate or dispose of business lines, assets or activities if they are no longer in alignment with our operational strategy and priorities **. This strategy, and our willingness to use cash to pay for such transactions, may be adversely impacted by increasing interest rates** . Mergers, acquisitions and divestitures include a number of risks and present financial, managerial and operational challenges. Given that our resources are limited, any decision to pursue a transaction has opportunity costs; accordingly, if we pursue a particular transaction, we may need to forgo the prospect of entering into other transactions or making other capital allocation decisions that could help us achieve our strategic objectives. Any acquired business, technology, service or product could significantly underperform relative to our expectations. Our acquisitions may not further our business strategy as we expected, we may not integrate an acquired company or technology as successfully as we expected, we may impose our business practices that adversely impact the acquired business or we may overpay for, or otherwise not realize the expected return on our investments, each or all of which could adversely affect our business or operating results and potentially cause impairment to assets that we recorded as a part of an acquisition including intangible assets and goodwill. In addition, the use of our stock to finance an acquisition, will result in an increase in the number of outstanding shares and will reduce the ownership percentage of each of our outstanding stockholders. When we decide to sell assets or a business, we may have difficulty selling on acceptable terms in a timely manner or at all. These circumstances could delay the achievement of our strategic objectives or cause us to incur additional expense, or we may sell a business at a price or on terms that are less favorable than we had anticipated, resulting in a loss on the transaction. If we do enter into agreements with respect to acquisitions, divestitures, or other transactions, these transactions, or parts of these transactions, may fail to be completed due to factors such as: failure to obtain regulatory or other approvals; disputes or litigation; or difficulties obtaining financing for the transaction. In addition, such transactions are increasingly being subjected to regulatory review and other burdens, which could delay the closing of any transaction and greatly increase the costs related to such transaction. If we fail to complete a transaction, we may nonetheless have incurred significant expenses in connection with such transaction. Failure to complete a pending transaction may result in negative publicity and a negative perception of us among the investment community. In addition, we used a significant portion of our cash and incurred substantial indebtedness in connection with the financing of our acquisition of Inphi, which was completed in fiscal 2022. Our use of cash to fund our acquisitions has reduced our liquidity and may (i) limit our flexibility in responding to other business opportunities **,** and (ii) increase our vulnerability to adverse economic and industry conditions. Furthermore, the financing agreements in connection with our outstanding indebtedness contain negative covenants, limitations on indebtedness, liens, sale and leaseback transactions and mergers and other fundamental changes. Our ability to comply with these negative covenants can be affected by events beyond our control. Our indebtedness and these negative covenants will also have the effect, among other things, of limiting our ability to obtain additional financing, if needed, limiting our flexibility in the conduct of our business and making us more vulnerable to economic downturns and adverse competitive and industry conditions. In addition, a breach of the negative covenants could result in an event of default with respect to the indebtedness, which, if not cured or waived, could result in the indebtedness becoming immediately due and payable and could have a material adverse effect on our business, financial condition or operating results. See also, " We are subject to risks related to our debt obligations. " For all these reasons, our pursuit of an acquisition, investment, divestiture, merger or joint venture could cause our actual results to differ materially from those anticipated. WE ARE VULNERABLE TO PRODUCT DEVELOPMENT AND MANUFACTURING- RELATED RISKS We rely on our manufacturing partners for the manufacture, assembly, testing and packaging of our products, and the failure of any of these third- party vendors to deliver products or otherwise perform as requested or to be able to fulfill our orders could damage our relationships with our customers, decrease our sales and limit our ability to grow our business. We do not have our own manufacturing, assembly or packaging facilities and have very limited in- house testing facilities. Therefore, we currently rely on several third- party manufacturing partners to produce our products. We also currently rely on several third- party assembly, testing and packaging subcontractors to assemble, package and test our products. This exposes us to a variety of risks, including the following: Regional Concentration Most of our products are manufactured by third- party foundries located in Taiwan, and other sources are located in China, Germany, South Korea, Singapore and the United States. In addition, substantially all of our third- party assembly, testing and packaging facilities are located in China, Malaysia, Singapore, Taiwan and Canada. Because of the geographic concentration of **most of** these third- party foundries, as well as our assembly, testing and packaging subcontractors, we are exposed to the risk that their operations may be disrupted by regional events including, for example, droughts, earthquakes (particularly in Taiwan and elsewhere in the Pacific Rim close to fault lines), tsunamis or typhoons, severe storms, power outages, or by actual or threatened public health emergencies such as the COVID- 19 pandemic and future pandemics, or by political, social or economic instability, or by geopolitical tensions and conflicts. For example, we were impacted by COVID outbreaks in Asia in the first half of fiscal 2023 that resulted in closed factories, clogged ports and a shortage of workers as officials imposed lockdowns and mass testing requirements. In the case of such an event, our revenue, cost of goods sold and results of operations may be negatively impacted. In addition, there are limited numbers of alternative foundries capable of producing advanced technologies and identifying and implementing alternative manufacturing facilities would be time consuming. Although there is a movement in the U. S. to build more foundries locally and the U. S. government is providing funds or other incentives for certain companies to do so, we do not expect that such foundries will be available to us to produce advanced technologies any time soon, if ever. If we need to utilize alternate manufacturing facilities, either in Taiwan or elsewhere we could experience significant expenses and delays in product shipments, which could harm our results of operations. No Guarantee of Capacity or Supply The ability of each of our manufacturing partners to provide us with materials and services is limited by its available capacity and existing obligations. When demand is strong, availability of our partners' capacity may be constrained or not available, and with certain exceptions, our vendors are not obligated to perform services or supply products to us for any specific period, in any specific quantities, or at any specific price, except as may be provided in a particular purchase order. We place our orders on the basis of our customers' purchase orders or our forecast of customer demand, and most of our manufacturing partners can allocate capacity to the production of other companies' products and reduce deliveries to us on short notice. It is possible that their customers that are larger and better financed than we are or that have long- term agreements with our main foundries may induce them to reallocate capacity to those customers. Most of our manufacturing partners may reallocate capacity to their customers offering them a better margin or rate of return than provided by us. This reallocation could impair our ability to secure the supply of components that we need. Moreover, if any of our third- party manufacturing partners or other suppliers are unable to secure the necessary raw materials from their suppliers, lose benefits under material agreements, experience power outages or labor shortages, or lack sufficient capacity to manufacture our products, encounter financial difficulties or suffer any other disruption or reduction in efficiency, we may encounter supply delays or disruptions, which could harm our business or results of operations. There are a very limited number of foundries and consolidation of the foundries that provide services to us or to the semiconductor industry due to bankruptcy or through business combinations, including mergers, asset acquisitions and strategic partnerships may adversely impact us. A foundry, supplier or other manufacturing partner could become unavailable to us if it is acquired by a competitor or a large company that may change the scope of the offerings ~~. For example, Intel Corporation announced in February 2022 of its intent to acquire Tower Semiconductor~~ . Or a foundry may not be suitable for us if it does not invest in, or have the ability to manufacture, advanced technologies. In particular, as we and others in our industry transition to smaller geometries, our manufacturing partners may be supply constrained or may charge premiums for these advanced technologies, which may harm our business or results of operations. See also, " We may experience increased actual and opportunity costs as a result of our transition to smaller geometry process technologies. " In addition, a foundry or supplier may become unavailable to us as a result of economic or political instability. Any disruption to our manufacturing partners could result in a material decline in our revenue, net income and cash flow. We have in the past including in the first few quarters of fiscal ~~year~~ 2023, and may in the future, experience a number of industry- wide supply constraints affecting the type of high complexity products we provide for data infrastructure. These supply constraints have impacted, and are expected in the future to impact, the kitting process for our products. These supply challenges have in the past, and may in the future, limit our ability to fully satisfy ~~the increase in~~ demand for some of our products. While we attempt to create multiple sources for our products, most of our products are not manufactured at more than one foundry at any given time, and our products typically are designed to be manufactured in a specific process at only one of these foundries. Accordingly, if one of our foundries is unable to provide us with components as needed, it would be difficult for us to transition the manufacture of our products to other foundries, and we could experience significant delays in securing sufficient supplies of those components. Any disruption to our or foundry partners could result in a material decline in our revenue, net income and cash flow. In addition, our assembly testing and packaging partners may be single sourced and it may be difficult for us to transition to other manufacturing partners for these services. In order to secure sufficient capacity when demand is high and to mitigate the risks described in the foregoing paragraph, we have entered into, and in the future may enter into, various arrangements with certain manufacturing partners or other suppliers that could be costly and harm our results of operations, such as nonrefundable deposits with, or loans to, such parties in exchange for capacity commitments, or contracts that commit us to purchase specified quantities of components over extended periods. We may not be able to make such arrangements in a timely fashion or at all, and any arrangements may be costly, reduce our financial flexibility, and not be on terms favorable to us. Moreover, if we are able to secure capacity, we may be obligated to use all of that capacity or incur penalties. These penalties may be expensive and could harm our financial results. During the first few quarters of fiscal ~~year~~ 2023, supply shortages in the semiconductor industry of multi- layer complex substrates, IC packaging capacity, and specific wafer process node constraints resulted in increased lead times, inability to meet demand, and increased costs. ~~Of these shortages, ABF substrates and specific wafer process nodes were the most constrained and most of these suppliers are located in Japan and Taiwan.~~ Because of the geographic concentration **of some** of these suppliers, we are exposed to the risk that their operations may be disrupted by regional events including droughts, earthquakes (particularly in Taiwan and elsewhere in the Pacific Rim close to fault lines), tsunamis or typhoons, severe storms, power outages, or by actual or threatened public health emergencies such as the COVID- 19 pandemic, or by political, social or economic instability. In addition, while the Russian invasion of Ukraine has not had a direct material impact on us due to our limited sales to Russia and Ukraine, we are unable to predict the indirect impact this conflict will have on us **due to impacts on the supply chain, global and domestic economies, interest rates and stock markets. Moreover, while Israel’ s declaration of war on Hamas, a U. S. designated Foreign Terrorist Organization, and current armed conflict in Israel and the Gaza Strip is not expected to have a material impact on us, we are unable to predict the full impact this conflict will have on us or our operations in Israel** due to impacts on the supply chain, global and domestic economies, interest rates and stock markets. Uncertain Yields and Quality The fabrication of our products is a complex and technically demanding process. Our technology is transitioning from planar to FINFET transistors. This transition may result in longer qualification cycles and lower yields. Our manufacturing partners have from time to time experienced manufacturing defects and lower manufacturing yields, which are difficult to detect at an early stage of the manufacturing process and may be time consuming and expensive to correct. Changes in manufacturing processes or the inadvertent use of defective or contaminated materials by our foundries could result in lower than anticipated manufacturing yields or unacceptable performance. In addition, we may face lower manufacturing yields and reduced quality in the process of ramping up and diversifying our manufacturing partners. Poor yields from our partners, or defects, integration issues or other performance problems with our products could cause us significant customer relations and business reputation problems, harm our financial performance and result in financial or other damages to our customers. Our customers could also seek damages in connection with product liability claims, which would likely be time consuming and costly to defend. In addition, defects could result in significant costs. See also, “ Costs related to defective products could have a material adverse effect on us. ” Because we rely on outside manufacturing partners, we have a reduced ability to directly control product delivery schedules and quality assurance, which has in the past and may in the future result in product shortages or quality assurance problems that delay shipments or increase costs. Commodity Prices We are also subject to risk from increasing or fluctuating market prices of certain commodity raw materials, including gold and copper, which are incorporated into our end products or used by our suppliers to manufacture our end products. Supplies for such commodities have from time to time become restricted, or general market factors and conditions have in the past affected and may in the future affect pricing of such commodities (such as inflation or supply chain constraints). In order to remain competitive, we have transitioned, and expect to continue to transition, our semiconductor products to increasingly smaller line width geometries. We periodically evaluate the benefits, on a product- by- product basis, of migrating to smaller geometry process technologies. We also evaluate the costs of migrating to smaller geometry process technologies including both actual costs such as increased mask costs and wafer costs and increased costs related to EDA **(electronic design automation)** tools and the opportunity costs related to the technologies we choose to forego. These transitions are imperative for us to be competitive with the rest of the industry and to target some of our product development in high growth areas to these advanced nodes, which has resulted in significant initial design and development costs. We have been, and may continue to be, dependent on our relationships with our manufacturing partners to transition to smaller geometry processes successfully. We cannot ensure that the partners we use will be able to effectively manage any future transitions. In addition, there are a very limited number of foundries capable of producing advanced technologies, and identifying and implementing alternative manufacturing facilities would be time consuming. If we or any of our partners experience significant delays in a future transition or fail to efficiently implement a transition, we could experience reduced manufacturing yields, delays in product deliveries and increased expenses, all of which could harm our relationships with our customers and our results of operations. As smaller geometry processes become more prevalent, we expect to continue to integrate greater levels of functionality, as well as customer and third- party intellectual property, into our products. However, we may not be able to achieve higher levels of design integration or deliver new integrated products on a timely basis, if at all. Moreover, even if we are able to achieve higher levels of design integration, such integration may have a short- term adverse impact on our results of operations, as we may reduce our revenue by integrating the functionality of multiple chips into a single chip. We rely on our customers to design our products into their systems, and the nature of the design process requires us to incur expenses prior to customer commitments to use our products or recognizing revenues associated with those expenses which may adversely affect our financial results. One of our primary focuses is on winning competitive bid selection processes, known as " design wins, " to develop products for use in our customers' products. We devote significant time and resources in working with our customers' system designers to understand their future needs and to provide products that we believe will meet those needs and these bid selection processes can be lengthy. If a customer' s system designer initially chooses a competitor' s product, it becomes significantly more difficult for us to sell our products for use in that system because changing suppliers can involve significant cost, time, effort and risk for our customers. Thus, our failure to win a competitive bid can result in our foregoing revenues from a given customer' s product line for the life of that product. In addition, design opportunities may be infrequent or delayed. Our ability to compete in the future will depend, in large part, on our ability to design products to ensure compliance with our customers' and potential customers' specifications. We expect to invest significant time and resources and to incur significant expenses to design our products to ensure compliance with relevant specifications. We often incur significant expenditures in the development of a new product without any assurance that our customers' system designers will select our product for use in their applications. We often are required to anticipate which product designs will generate demand in advance of our customers expressly indicating a need for that particular design. Even if our customers' system designers select our products, a substantial period of time will elapse before we generate revenues related to the significant expenses we have incurred. The reasons for this delay generally include the following elements of our product sales and development cycle timeline and related influences: • our customers usually require a comprehensive technical evaluation of our products before they incorporate them into their designs; • it can take from six months to three years from the time our products are selected to commence commercial shipments; and • our customers may experience changed market conditions or product development issues. The resources devoted to product development and sales and marketing may not generate material revenue for us, and from time to time, we may need to write off excess and obsolete inventory if we have produced product in anticipation of expected demand. We may spend resources on the development of products that our customers may not adopt. If we incur significant expenses and investments in inventory in the future that we are not able to recover, and we are not able to compensate for those expenses, our operating results could be adversely affected. In addition, if we sell our products at reduced prices in anticipation of cost reductions but still hold higher cost products in inventory, our operating results would be harmed. Additionally, even if system designers use our products in their systems, we cannot assure you that these systems will be commercially successful or that we will receive significant revenue from the sales of our products for those systems. As a result, we may be unable to accurately forecast the volume and timing of our orders and revenues associated with any new product introductions. We have in the past, and may continue to, make custom or semi- custom products on an exclusive basis for some of our customers for a negotiated period of time. The percentage of our sales related to custom or semi- custom products has been increasing over the last few years. Any revenue from sales of our custom or semi- custom products is directly related to sales of the third- party customer' s products and reflective of their success in the market. We have no control over the marketing efforts of these third- party customers and can' t make any assurances that sales of their products will be successful in current or future years. In addition, if these customers are bought by our competitors or other third parties, they may terminate agreements related to these custom or semi- custom products or otherwise limit our access to technology necessary for the production of these products. As a result, there may be no other customers for these products due to their custom or semi- custom nature. Consequently, we may not fully realize our expectations for custom or semi- custom product revenue and our operating results may be adversely affected. Additionally, failure of our customers to agree to pay for NRE ~~(non- recurring engineering)~~ costs or failure to pay enough to cover the costs we incur in connection with NREs, or non- payment of previously agreed NRE costs due to us, can harm our financial results. See also, " Research and Development " under **Item 7 of Part II, " Management' s Discussion and Analysis of Financial Condition and** Results of Operations. **"** If we are unable to develop and introduce new and enhanced products that achieve market acceptance in a timely and cost- effective manner, our results of operations and competitive position will be harmed. Our future success will depend on our ability to develop and introduce new products and enhancements to our existing products that address customer requirements, in a timely and cost- effective manner and are competitive as to a variety of factors. For example, we must successfully identify customer requirements and design, develop and produce products on time that compete effectively as to price, functionality and performance. We sell products in markets that are characterized by rapid technological change, evolving industry standards, frequent new product introductions, and increasing demand for higher levels of integration and smaller process geometries. In addition, the development of new semiconductor solutions is highly complex and, due to a variety of factors, including supply chain cross- dependencies, dependencies on EDA and similar tools, dependencies on the use of third **-** party, business partner or customer intellectual property, collaboration and synchronization requirements with business partners and customers, requirements to establish new manufacturing, testing, assembly and packing processes, and other factors, we may experience delays in completing the design, development, production and introduction of our new products. Any delays could result in increased development costs, hurt our customer relationships including our ability to win new designs, resulting in lost potential future revenue, or impact our ability to allocate resources to other projects. See also, " We rely on our manufacturing partners for the manufacture, assembly, testing and packaging of our products, and the failure of any of these third- party vendors to deliver products or otherwise perform as requested **or to be able to fulfill our orders** could damage our relationships with our customers, decrease our sales and limit our ability to grow our business " for additional information on the impacts of supply chain cross- dependencies on our business. Our ability to adapt to changes and to anticipate future **industry** standards, and the rate of adoption and acceptance of those standards, will be a significant factor in maintaining or improving our competitive position and prospects for growth. We may also have to incur substantial unanticipated costs to comply with these new standards. Our success will also depend on the ability of our customers to develop new products and enhance existing products for the markets they serve and to introduce and promote those products successfully and in a timely manner. Even if we and our customers introduce new and enhanced products to the market, those products may not achieve market acceptance. Some of our customers require our products and our third- party manufacturing partners to undergo a lengthy and expensive qualification process which does not assure product sales. If we are unsuccessful or delayed in qualifying these products with a customer, our business and operating results would suffer. Prior to purchasing our products, some of our customers require that both our products and our third- party manufacturing partners undergo extensive qualification processes, which involve testing of our products in the customers' systems, as well as testing for reliability. This qualification process can take several months and qualification of a product by a customer does not assure any sales of the product to that customer. Even after successful qualification and sales of a product to a customer, a subsequent revision in our third **-** party manufacturing partners' process or our selection of a new supplier may require a new qualification process with our customers, which may result in delays and in our holding excess or obsolete inventory. After our products are qualified, it can take several months or more before the customer commences volume production of components or systems that incorporate our products. Despite these uncertainties, we devote substantial resources, including design, engineering, sales, marketing and management efforts, to qualify our products with customers in anticipation of sales. If we are unsuccessful or delayed in qualifying these products with a customer, sales of the products to the customer may be precluded or delayed, which may impede our growth and cause our business to suffer. We make highly complex semiconductor solutions and, accordingly, there is a risk of defects in our products. Such defects can give rise to the significant costs noted below. Moreover, since the cost of replacing defective products is often much higher than the value of the products themselves, we are subject to damage claims from customers in excess of the amounts they pay us for our products, including consequential damages. We also face exposure to potential liability resulting from the fact that our customers typically integrate the semiconductor solutions we sell into numerous consumer products, including automobiles. We are exposed to product liability claims if our semiconductor solutions or the consumer products integrated with our semiconductor solutions (such as automobiles), malfunction and lead to personal injury or death. In addition, our customers may issue recalls on their products if they prove to be defective or make compensatory payments in accordance with industry or business practice or in order to maintain good customer relationships. If such recalls or payments are the result of a defect in one of our products, our customers may seek to recover all or a portion of their losses from us. Recalls of our customers' products in certain end- markets, such as with our automotive and base station customers, may cause us to incur significant costs. In addition, despite our testing procedures, we cannot ensure that errors will not be found in new products or releases after commencement of commercial shipments in the future. Such errors could result in: • loss of or delay in market acceptance of our products; • material recall and replacement costs; • delay in revenue recognition or loss of revenue; • writing down the inventory of defective products; • the diversion of the attention of our engineering personnel from product development efforts; • our having to defend against litigation related to defective products or related property damage or personal injury; and • damage to our reputation in the industry that could adversely affect our relationships with our customers. In addition, the process of identifying a recalled product in devices that have been widely distributed may be lengthy and require significant resources. We may have difficulty identifying the end customers of the defective products in the field, which may cause us to incur significant replacement costs, contract damage claims from our customers and further reputational harm. Any of these problems could materially and adversely affect our results of operations. Despite our best efforts, security vulnerabilities may exist with respect to our products. Mitigation techniques designed to address such security vulnerabilities, including software and firmware updates or other preventative measures, may not operate as intended or effectively resolve such vulnerabilities. Software and firmware updates and / or other mitigation efforts may result in performance issues, system instability, data loss or corruption, unpredictable system behavior, or the theft of data by third parties, any of which could significantly harm our business and reputation. See also, " **Cybersecurity risks** ~~We may be unable to protect our intellectual property, which would~~ **could** ~~negatively~~ **adversely** affect our ~~ability to compete~~ **business and disrupt our operations** . " We rely on third- party distributors and manufacturers' representatives and the failure of these distributors and manufacturers' representatives to perform as expected could reduce our future sales **.** From time to time, we enter into relationships with distributors and manufacturers' representatives to sell our products, and we are unable to predict the extent to which these partners will be successful in marketing and selling our products. Moreover, many of our distributors and manufacturers' representatives also market and sell competing products, and may terminate their relationships with us at any time. Our future performance will also depend, in part, on our ability to attract additional distributors or manufacturers' representatives that will be able to market and support our products effectively, especially in markets in which we have not previously distributed our products. If we cannot retain or attract distributors or manufacturers' representatives, or if any of our distributors or manufacturer' s representatives are unsuccessful in marketing and selling our products or terminate their relationships with us, our sales and results of operations will be harmed. WE OPERATE GLOBALLY AND ARE SUBJECT TO SIGNIFICANT RISKS IN MANY JURISDICTIONS Adverse changes in the political **, regulatory** and economic policies of ~~the U. S. government~~ **governments** in connection with trade with China and Chinese customers have reduced the demand for our products and damaged our business. Regulatory activity, such as tariffs, export controls **and sanctions** , economic sanctions and **related** ~~vigorous enforcement of U. S. export controls and economic sanctions~~ laws have in the past and may continue to materially limit our ability to make sales to ~~our significant~~ customers in China, which has in the past and may continue to harm our results of operations, reputation and financial condition. **Moreover, to the extent the governments of China, the United States or other countries seek to promote use of domestically produced products or to reduce the dependence upon or use of products from another (sometimes referred to as " decoupling "), they may adopt or apply regulations or policies that have the effect of reducing business opportunities for us. Such actions may take the form of specific restrictions on particular customers, products, technology areas, or business combinations.** For example, **in the area of investments and mergers and acquisitions, the United States has recently announced new requirements for approval by the United States government of outbound investments; and the approval by China**

regulatory authorities is required for business combinations of companies that conduct business in China over specific thresholds, regardless of where those businesses are based. Restrictions may also be imposed based on whether the supplier is considered unreliable or a security risk. For example, the Chinese government adopted a law that would restrict purchases from suppliers deemed to be " unreliable suppliers ". In May 2023, the Cyberspace Administration of China banned the sale of Micron Technology, Inc.' s products to certain entities in China and stated that such products pose significant security risks to China' s critical information infrastructure supply chain and national security. Then in July 2023, China announced restrictions on the export of gallium and geranium, both of which are used in the manufacture of semiconductors, stating that such restrictions are intended to protect China' s national security. While we don' t expect these recently announced restrictions to materially impact us, any export restrictions reducing our ability to manufacture our products can adversely impact our revenues, profits and results of operations. Concerns that semiconductors are necessary for national security, manufacturing and critical infrastructure, as well as concerns of their potential use to restrict human rights, has led to increased U. S. export restrictions impacting sales of semiconductors and semiconductor technology to China or specific customers in China. For example, the addition of **certain** companies to the Entity List, which places export restrictions on certain foreign persons or entities by the U. S. Department of Commerce' s Bureau of Industry and Security, has dampened demand for our products ~~, adding to the already challenging macroeconomic environment~~ . Due to the U. S. government restricting sales to certain customers in China, sales to some ~~of our~~ customers require licenses ~~in order~~ for us to export our products; however, in the past some of these licenses have been **delayed or** denied and there can be no assurances that requests for future licenses will be approved by the U. S. government. ~~Moreover, concerns that U. S. companies may not be reliable suppliers as a result of these and other actions has caused, and may in the future cause, some of our customers in China to amass large inventories of our products well in advance of need or caused some of our customers to replace our products in favor of products from other suppliers. As a result, the Chinese government adopted a law with respect to unreliable suppliers. Being designated as an unreliable supplier would have an adverse impact on our business and operations.~~ In addition, ~~there~~ **certain existing export licenses to China** may be ~~indirect impacts~~ **revoked due** to **changes in U. S. government policy** ~~our business that we cannot easily quantify such as the fact that some of our other customers' products may also be impacted by export restrictions~~ . In ~~addition, any customers in China that are subject to trade restrictions or tariffs, may develop their own products or solutions instead of purchasing from us or they may acquire products or solutions from our competitors or other third- party sources that are not subject to the U. S. tariffs and trade restrictions. If export restrictions related to Chinese customers are sustained for a long period of time, or increased, or if other export restrictions are imposed, it will have an adverse impact on our revenues and results of operations. In addition, companies in the semiconductor industry, including us, have been impacted by rules and regulations related to business activities in China, or other locations, due to concerns that semiconductors are necessary for U. S. national security, manufacturing and critical infrastructure, and compliance with these rules and regulations may adversely affect our revenues and results of operations. For example, in~~ February 2022, the U. S. National Science and Technology Council published an updated list of critical and emerging technologies, which includes semiconductors, as part of an ongoing effort to identify advanced technologies that are potentially significant to U. S. national security, which could result in more stringent export controls or a greater number of our products requiring a license for export to China. In addition, ~~in October 2022,~~ the U. S. Department of Commerce Bureau of Industry and Security **recently** released new controls on the export of advanced computing and semiconductor manufacturing items to China as well as transactions related to supercomputer end- uses in China with the aim of addressing U. S. national security and foreign policy concerns. The regulations published in October 2022 include new restrictions on U. S. persons with respect to activities that are not subject to the Export Administration Regulations (" EAR "), which differs from the agency' s historical approach of controlling items that are subject to the EAR, and ~~could further restrict our engagement in~~ the **regulations published in October 2023 impose additional licensing requirements for exports to** China ~~market~~ **(and certain other countries) of integrated circuits exceeding certain performance thresholds. Export restrictions reducing our sales of products to China, have in the past and can adversely impact our revenues, profits and results of operations. In addition to direct impacts on our products there may be indirect impacts to our business that we cannot easily quantify such as the fact that export restrictions may also impact some of our other customers' products that incorporate ours as a component, or that may cause customers to develop their own products or solutions instead of purchasing from us or to acquire products or solutions from our competitors or other third- party sources. Moreover, concerns that U. S. companies may not be reliable suppliers as a result of the foregoing and other actions has caused, and may in the future cause, some of our customers in China to amass large inventories of our products well in advance of need or cause some of our customers to replace our products in favor of products from other suppliers. This can adversely affect accurately assessing our current and future demand for our products and our business** . Most of our products are manufactured by third- party foundries located in Taiwan. ~~As we have a significant amount of sales into~~ **In addition to restrictions imposed by the United States or** China **on exports or imports from one another** , we may be adversely impacted by export restrictions, labeling requirements or other trade related issues or disputes, or political conflicts or tensions between China and Taiwan as these restrictions and requirements could impact or delay the delivery of our products to our customers in China. We typically sell products to customers in China pursuant to purchase orders rather than long term purchase commitments. Some customers in China may be able to cancel or defer purchase orders on short notice without incurring a penalty and, therefore, they may be more likely to do so while the tariffs and trade restrictions are in effect. See also, the Risk Factor entitled " We are subject to order and shipment uncertainties. If we are unable to accurately predict customer demand, we may hold excess or obsolete inventory, which would reduce our gross margin. Conversely, we may have insufficient inventory or be unable to obtain the supplies or contract manufacturing capacity to meet ~~that demand or be unable to obtain the supplies or contract manufacturing capacity to meet that~~ demand, which would result in lost revenue opportunities and potential loss of market share as well as damaged customer relationships. " Changes to U. S. or foreign tax, trade policy, tariff and import / export regulations may have a material adverse effect on our business, financial condition and results of operations. Changes in U. S. or foreign international tax, social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories or countries where we currently sell our products or conduct our business have in the past and could in the future adversely affect our business. For example, while the Russian invasion of Ukraine (including related export and other business sanctions on Russia) has not had a material impact on us due to our limited sales to Russia and Ukraine, we are unable to predict the indirect impact this conflict will have on us through impacts to the supply chain, the global and domestic economies, interest rates or stock markets. The U. S. government has in the past, and may in the future, instituted or proposed changes in trade policies that included the negotiation or termination of trade agreements, the imposition of higher tariffs on imports into the U. S., economic sanctions on individuals, corporations or countries, and other government regulations affecting trade between the U. S. and other countries where we conduct our business. Any new tariffs and other changes in U. S. trade policy could trigger retaliatory actions by affected countries, and certain foreign governments have instituted or are considering imposing trade sanctions on certain U. S. goods. In addition, the U. S. government has in the past, and may in the future, adopted policies that discourage corporations from outsourcing manufacturing and production activities to foreign jurisdictions, including through tariffs or penalties on goods manufactured outside the U. S., which required us to change the way we conduct business. Political changes and trends such as populism, protectionism, economic nationalism and sentiment toward multinational companies and resulting changes to trade, tax or other laws and policies may be disruptive to our businesses. These changes in U. S. and foreign laws and policies have the potential to adversely impact the U. S. economy or certain sectors thereof, our industry and the global demand for our products, and as a result, could have a material adverse effect on our business, financial condition and results of operations. See also, " Adverse changes in the political **, regulatory** and economic policies of ~~the U. S. government~~ **governments** in connection with trade with China **and Chinese customers** have reduced the demand for our products and damaged our business " and" Changes in existing taxation benefits, **tax** rules or **tax** practices may adversely affect our financial results. " We face additional risks due to the extent of our global operations since a majority of our products, and those of many of our customers, are manufactured and sold outside of the United States. The occurrence of any or a combination of the additional risks described below would significantly and negatively impact our business and results of operations. A substantial portion of our business is conducted outside of the United States and, as a result, we are subject to foreign business, political and economic risks. Most of our products are manufactured by our manufacturing partners outside of the United States. Most of our current qualified integrated circuit foundries are located in the same region within Taiwan. In addition, our primary assembly, testing and packaging subcontractors are located in the Pacific Rim region. For example, a substantial amount of our revenue is derived from products manufactured in Taiwan and as a result, disruptions to business in Taiwan, whether political, military, natural disasters or other events will adversely impact our business. In addition, many of our customers ~~are~~ **have operations** located outside of the United States, primarily in Asia, which further exposes us to foreign risks. Sales shipped to customers with operations in Asia represented approximately **70 % and** 75 % ~~and 78 %~~ of our net revenue in fiscal **2024 and** 2023 ~~and fiscal 2022~~, respectively. We also have substantial operations outside of the United States. We anticipate that our manufacturing, assembly, testing, packaging and sales outside of the United States will continue to account for a substantial portion of our operations and revenue in future periods. Accordingly, we are subject to risks associated with international operations, including: ~~• actual or threatened public health emergencies such as the COVID- 19 pandemic on our operations, employees, customers and suppliers;~~ • political, social and economic instability, military hostilities including invasions, wars, terrorism, political unrest, boycotts, curtailment of trade and other business restrictions; • volatile global economic conditions, including downturns or recessions in which some competitors may become more aggressive in their pricing practices, which would adversely impact our gross margin; • compliance with domestic and foreign export and import regulations, including **any** pending changes thereto, and difficulties in obtaining and complying with domestic and foreign export, import and other governmental approvals, permits and licenses; • local laws and practices that favor local companies, including business practices that are prohibited by the U. S. Foreign Corrupt Practices Act and other anti- corruption laws and regulations; • difficulties in staffing, managing or closing foreign operations; • natural disasters or other events, including droughts or other water shortages, earthquakes, fires, tsunamis and floods, or power outages; • trade restrictions, higher tariffs, worsening trade relationship between the United States and China, or changes in cross border taxation, particularly in light of the tariffs imposed by the U. S. government; • transportation ~~and~~ **delays such as the blockage of the Suez Canal affecting the flow of trade out of Asia,** port ~~related delays~~ **closures and similar logistical issues**; • difficulties in obtaining, managing or terminating foreign distributors; • less effective protection of intellectual property than is afforded to us in the United States or other developed countries; • inadequate local infrastructure; **• actual or threatened public health emergencies such as the COVID- 19 pandemic on our operations, employees, customers and suppliers;** and • exposure to local banking, currency control and other financial- related risks **. For example, we are subject to risks related to Israel' s declaration of war on Hamas, a U. S. designated Foreign Terrorist Organization and the current armed conflict in Israel and the Gaza Strip. We have employees in Israel. These employees may be impacted by: (1) disruptions to operations and business continuity, including physical damage or impaired access to company facilities, offices or technology, and disruptions in access to electricity, gasoline or water, and (2) workforce disruptions, including the mobilization of employees who are members of the Israeli military reserves to active duty, disrupted communication with employees in the conflict zone and restrictions on movement in areas subject to armed conflict. While these disruptions are not currently expected to have a material impact on us, at this time we are unable to predict the full impact this conflict will have on us and our employees in the future**. As a result of having global operations, the sudden disruption of the supply chain and / or disruption of the manufacture of our customer' s products caused by events outside of our control has in the past and may in the future impact our results of operations by impairing our ability to timely and efficiently deliver our products. See also, “ We rely on our manufacturing partners for the manufacture, assembly, testing and packaging of our products, and the failure of any of these third- party vendors to deliver products or otherwise perform as requested or to be able to fulfill our orders could damage our relationships with our customers, decrease our sales and limit our ability to grow our business. ” Moreover, the international nature of our business subjects us to risk associated with the fluctuation of the U. S. dollar versus foreign currencies. Decreases in the value of the U. S. dollar versus currencies in jurisdictions where we have large fixed costs, or where our third- party manufacturing partners have significant costs, will increase the cost of such operations which could harm our results of operations. In addition, an appreciation of the U. S. dollar relative to the local currency could reduce sales of our products ~~2021,we completed a private~~ **.WE ARE SUBJECT TO RISKS RELATED TO OUR DEBT OBLIGATIONS Our indebtedness could adversely affect our financial condition and our ability to raise additional capital to fund our operations and limit our ability to react to** ~~exchange~~ -- **changes in** ~~offer where we exchanged most of~~ the **economy** ~~notes issued by Marvell Technology Group Ltd.(collectively,the “ MTG Senior Notes ”) for~~ - **or our industry** ~~$ 433.9 million aggregate principal amount of 2023 Senior Notes and $ 479.5 million aggregate principal amount of 2028 Senior Notes issued by us (the “ MTI Senior Notes ”) (together with the Senior Notes,the “ Notes ”)~~ .As of ~~January 28~~ **February 3** , ~~2023~~ **2024** ,we had **a total of** $ **4.** 2 **billion debt outstanding,which consisted of $ 3.5 billion of senior notes outstanding and $ 700.0 million outstanding under our 2026 Term Loan.We also had $ 1** .0 billion ~~aggregate principal amount~~ of **availability** ~~Senior Notes outstanding and $ 913.2 million in aggregate principal amount of the MTI Senior Notes outstanding and $ 86.7 million aggregate principal amount of the MTG Senior Notes outstanding.On October 8,2021 and December 16,2021,we completed registered exchange offers for each series of Notes.The terms of the new notes issued in the exchange offers are substantially identical to the Notes,except that the new notes are registered~~ under **our 2023 Revolving Credit Facility** ~~the Securities Act of 1933 and the transfer restrictions and registration rights applicable to the Notes do not apply to the new notes~~ .Our indebtedness could have important consequences to us including:• increasing our vulnerability to adverse general economic and industry conditions;• requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness,thereby reducing the availability of our cash flow to fund working capital,capital expenditures,research and development efforts,execution of our business strategy,acquisitions and other general corporate purposes;• limiting our flexibility in planning for,or reacting to,changes in the economy and the semiconductor industry;• placing us at a competitive disadvantage compared to our competitors with less indebtedness;• exposing us to interest rate risk to the extent of our variable rate indebtedness,particularly in the current environment of rising interest rates;and • making it more difficult to borrow additional funds in the future to fund growth,acquisitions,working capital,capital expenditures and other purposes.Although the Credit Agreements contain restrictions on our ability to incur additional indebtedness and the indentures governing the Notes (together,the “ Notes Indentures ”) contain restrictions on creating liens and entering into certain sale- leaseback transactions,these restrictions are subject to a number of qualifications and exceptions,and the additional indebtedness,liens or sale- leaseback transactions incurred in compliance with these restrictions could be substantial.The Credit Agreements,the Notes Indentures and the indenture governing the MTI Senior Notes contain customary events of default upon the occurrence of which,after any applicable grace period,the lenders would have the ability to immediately declare the loans due and payable in whole or in part.In such event,we may not have sufficient available cash to repay such debt at the time it becomes due,or be able to refinance such debt on acceptable terms or at all.Any of the foregoing could materially and adversely affect our financial condition and results of operations.Adverse changes to our debt ratings could negatively affect our ability to raise additional capital.We receive debt ratings from the major credit rating agencies in the United States.Factors that may impact our credit ratings include debt levels,planned asset purchases or sales and near- term and long- term production growth opportunities.Liquidity,asset quality,cost structure,reserve mix and commodity pricing levels could also be considered by the rating agencies.The applicable margins with respect to the loans incurred under the Credit Agreements will vary based on the applicable public ratings assigned to the indebtedness by Moody' s Investors Service,Inc.,Standard & Poor' s Financial Services LLC,Fitch’ s and any successor to each such rating agency business.A ratings downgrade could adversely impact our ability to access debt markets in the future and increase the cost of current or future debt and may adversely affect our share price.The Credit Agreements and the Notes Indentures impose restrictions on our business.The Credit Agreements and the Notes Indentures each contains a number of covenants imposing restrictions on our business.These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise.The restrictions,among other things,restrict our ability and our subsidiaries’ ability to create or incur certain liens,incur or guarantee additional indebtedness,merge or consolidate with other companies,pay dividends,transfer or sell assets and make restricted payments.These restrictions are subject to a number of limitations and exceptions set forth in the Credit Agreements and the Notes Indentures.Our ability to meet the leverage ratio set forth in the Credit Agreements may be affected by events beyond our control.The foregoing restrictions could limit our ability to plan for,or react to,changes in market conditions or our capital needs.We do not know whether we will be granted waivers under,or amendments to,our Credit Agreements or to the Notes Indentures if for any reason we are unable to meet these requirements,or whether we will be able to refinance our indebtedness on terms acceptable to us,or at all.We may be unable to generate the cash flow to service our debt obligations.We may not be able to generate sufficient cash flow to enable us to service our indebtedness,including the Notes,or to make anticipated capital expenditures.Our ability to pay our expenses and satisfy our debt obligations,refinance our debt obligations and fund planned capital expenditures will depend on our future performance,which will be affected by general economic,financial,competitive,legislative,regulatory and other factors beyond our control.If we are unable to generate sufficient cash flow from operations or to borrow sufficient funds in the future to service our debt,we may be required to sell assets,reduce capital expenditures,refinance all or a portion of our existing debt (including the Notes) or obtain additional financing.We cannot assure you that we will be able to refinance our debt,sell assets or borrow more money on terms acceptable to us,if at all.If we cannot make scheduled payments on our debt,we will be in default and holders of our debt could declare all outstanding principal and interest to be due and payable,and we could be forced into bankruptcy or liquidation.In addition,a material default on our indebtedness could suspend our eligibility to register securities using certain registration statement forms under SEC guidelines that permit incorporation by reference of substantial information regarding us,potentially hindering our ability to raise capital through the issuance of our securities and increasing our costs of registration.We may,under certain circumstances,be required to repurchase the Notes at the option of the holder.We will be required to repurchase the Notes at the option of each holder upon the occurrence of a change of control repurchase event as defined in the Notes Indentures.However,we may not have sufficient funds to repurchase the Notes in cash at the time of any change of control repurchase event.Our failure to repurchase the Notes **upon a change of control repurchase event would be an event of default under the Notes Indentures and could cause a cross- default or acceleration under the Credit Agreements and certain future agreements governing our other indebtedness.The repayment obligations under the Notes may have the effect of discouraging,delaying or preventing a takeover of our company.If we were required to repurchase the Notes prior to their scheduled maturity,it could have a significant negative impact on our cash and liquidity and could impact our ability to invest financial resources in other strategic initiatives** . CHANGES IN OUR EFFECTIVE TAX RATE MAY REDUCE OUR NET INCOME **Since** ~~Changes in existing taxation benefits, tax rules or tax practices may adversely affect our financial results. As a result of the~~ closing ~~of~~ our ~~transaction with~~ **acquisition of** Inphi **in April 2021** , we ~~are now~~ **have been** domiciled in the United States ~~and not Bermuda~~ . ~~Therefore~~ **As such** , the income from all **of our** foreign subsidiaries ~~is now~~ **has been** subject to the U. S. **tax** provisions applicable to Global Intangible Low Taxed Income (“ GILTI ”), which generally requires **that** GILTI income ~~to~~ be included in the taxable income of U. S. entities. The U. S. currently has a federal corporate tax rate of 21 %. President Biden signed into law the Inflation Reduction Act of 2022 (the “ IRA ”) on August 16, 2022 and the CHIPS and Science Act of 2022 on August 9, 2022. These laws implement new tax provisions and provide for various incentives and tax credits. The IRA applies to tax years beginning after December 31, 2022 and introduces a 15 % corporate alternative minimum tax for corporations whose average annual adjusted financial statement income for any consecutive three-tax- year period preceding the tax year exceeds $ 1 billion and a 1 % excise tax on certain stock repurchases made by publicly traded U. S. corporations after December 31, 2022. While we are not currently **subject to additional** ~~expecting a material impact on our business by the new~~ taxes under the IRA **,** if **in the future,** we become subject to these taxes **,** ~~in the future~~ it could materially affect our financial results, including our earnings and cash ~~flow~~ **flows** . The Organization for Economic Cooperation and Development (the “ OECD ”) has been working on a Base Erosion and Profit Shifting Project, and since 2015 has been issuing guidelines and proposals with respect to various aspects of the existing framework under which our tax obligations are determined in ~~the~~ countries in which we do business. In 2021, the OECD announced that more than 140 member jurisdictions (including the United States, Singapore, and Bermuda) have politically committed to potential changes to the international corporate tax system, including enacting a minimum tax rate of at least 15 % **as part of the OECD’ s “ Pillar Two ” initiative** . During December 2022, the European Union reached agreement on the introduction of a minimum tax directive requiring member states to enact local legislation. Such proposed changes have not generally been enacted into law in most of the primary jurisdictions in which we operate. **On February 16, 2024, Singapore announced in its budget that it plans to implement aspects of Pillar Two, including a 15 % minimum top up tax for periods beginning on or after January 1, 2025, and Singapore also announced that it plans to implement certain new tax credit regimes that could reduce future Singapore income taxes. No legislation in Singapore has been enacted at this time regarding Pillar Two or the aforementioned tax credits, and the effects of any future legislation on us are not currently estimable, but if enacted, could be material to our financial results, earnings, and cash flows.** We will continue to monitor countries’ laws with respect to the OECD model rules ~~with respect to a~~ **and the Pillar Two** global minimum tax **. We do not believe Pillar Two has any material effect on us at this time, and the effects of any future legislation in this area are not yet reasonably estimable, but if such legislation is enacted in the future, could have a material effect on our provision for income taxes, our financial results, and our earnings and cash flows** . We calculate our income taxes based on currently enacted laws. Because of increasing focus by government taxing authorities on multinational companies, the tax laws of certain countries in which we do business could change on a prospective or retroactive basis, and any such changes could increase our liabilities for taxes, interest and penalties, and could materially adversely impact our financial results, including our earnings and cash ~~flow~~ **flows** . In ~~addition, in~~ prior years, we entered into incentive agreements in certain foreign jurisdictions that provide for reduced tax rates in such jurisdictions if certain criteria are met. During the **quarter** ~~three months~~ ended April 30, 2022, the Singapore Economic Development Board agreed to extend our Development and Expansion Incentive by five years until June 30, 2029. In addition, ~~under the Israeli Encouragement law of “ approved or benefited enterprise, ” our subsidiary in Israel,~~ Marvell Israel (M. I. S. L) Ltd., is entitled to **certain tax benefits under the Israeli Encouragement of Investments Law (“ Encouragement Law ”) Special Technology Enterprise Regime, which includes** reduced **corporate income** tax rates **, subject to various operating requirements** and **other conditions** ~~exemption of certain income from taxation through fiscal 2027~~ . Receipt of past and future benefits under tax agreements and incentives may depend on several factors, including but not limited to, our ability to fulfill commitments regarding employment of personnel, investment, or performance of specified activities in the applicable jurisdictions as well as changes in foreign laws **, including changes related to Pillar Two** . Changes in our business plans, including divestitures, **as well as changes to tax laws, including changes related to Pillar Two,** could result in termination **of or renegotiation** of an agreement or loss of tax benefits thereunder. If any of our tax agreements in any of these foreign jurisdictions were terminated **or renegotiated** , our results of operations and our financial position could be harmed. In ~~addition, in~~ prior periods, we transferred certain intellectual property to a related entity in Singapore. The impact to us was based on our determination of the fair value of this property, which required management to make significant estimates and to apply complex tax regulations in multiple jurisdictions. In future periods, local tax authorities may challenge our valuations of these assets, which could reduce our expected tax benefits from these transactions. Our profitability and effective tax rate could be impacted by unexpected changes to our statutory income tax rates or income tax liabilities. Such changes could result from various items, including changes in tax laws or regulations, changes to court or administrative interpretations of tax laws, changes to our geographic mix of earnings, changes in the valuation of our deferred tax assets and liabilities, changes in valuation allowances on our deferred tax assets, discrete items, changes in our supply chain, and changes due to audit assessments. In particular, the tax benefits associated with our transfer of intellectual property to Singapore are sensitive to our future profitability and taxable income in Singapore, audit assessments, and changes in applicable tax law. Our current corporate effective tax rate fluctuates significantly from period to period, and is based on the application of currently applicable income tax laws, regulations and treaties, as well as current judicial and administrative interpretations of these income tax laws, regulations and treaties, in various jurisdictions. WE ARE SUBJECT TO RISKS RELATED TO OUR ASSETS We are exposed to potential impairment charges on certain assets. We had approximately $ 11. 6 billion of goodwill and $ ~~5~~ **4** . ~~1~~ **0** billion of acquired intangible assets on our consolidated balance sheet as of ~~January 28~~ **February 3** , ~~2023~~ **2024** . Under generally accepted accounting principles in the United States, we are required to review our intangible assets including goodwill for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. We perform an assessment of goodwill for impairment annually on the last business day of our fiscal fourth quarter and whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable. When testing goodwill for impairment, we first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value or we may determine to proceed directly to the quantitative impairment test. Factors we consider important in the qualitative assessment which could trigger a goodwill impairment review include: significant underperformance relative to historical or projected future operating results; significant changes in the manner of our use of the acquired assets or the strategy for our overall business; significant negative industry or economic trends; a significant decline in our stock price for a sustained period; and a significant change in our market capitalization relative to our net book value. We assess the impairment of intangible assets whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Circumstances which could trigger a review include, but are not limited to the following: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life. For example, if the operations of any businesses that we have acquired declines significantly, we could incur significant intangible asset impairment charges. ~~For example, during~~ **During** ~~the second quarter of~~ fiscal ~~2021~~ **2024** , we made changes to ~~the scope of~~ our **business** ~~server processor product line in response~~ to **streamline** ~~changes in the associated market. We transitioned~~ our **organization and optimize resources** ~~product offering from standard server processors to the broad server market to focus only on customized server processors for a few targeted customers. This change in strategy required us to assess whether the carrying value of the associated assets would be recoverable. As a result of the assessment, we determined the carrying amount of certain impacted assets are not recoverable~~ , which resulted in recognition of $ ~~119~~ **131** . ~~0~~ **1** million of restructuring related charges ~~associated with the server processor product line during the second quarter of fiscal 2021~~ . See " Note 10 – Restructuring " in the Notes to ~~the~~ Consolidated Financial Statements for further information. We have determined that our business operates as a single operating segment and has a single reporting unit for the purpose of goodwill impairment testing. The fair value of the reporting unit is determined by taking our market capitalization as determined through quoted market prices and as adjusted for a control premium and other relevant factors. If our fair value declines to below our carrying value, we could incur significant goodwill impairment charges, which could negatively impact our financial results. If in the future a change in our organizational structure results in more than one reporting unit, we will be required to allocate our goodwill and perform an assessment of goodwill for impairment in each reporting unit. As a result, we could have an impairment of goodwill in one or more of such future reporting units. In addition, from time to time, we have made investments in private companies. If the companies that we invest in are unable to execute their plans and succeed in their respective markets, we may not benefit from such investments, and we could potentially lose the amounts we invest. We evaluate our investment portfolio on a regular basis to determine if impairments have occurred. Impairment charges could have a material impact on our results of operations in any period. We are subject to the risks of owning real property. Our buildings in Santa Clara, California and Shanghai, China subject us to the risks of owning real property, which include, but are not limited to: • the possibility of environmental contamination and the costs associated with remediating any environmental problems; • adverse changes in the value of these properties due to economic conditions, the movement by many companies to a full time work from home or a hybrid work environment, interest rate changes, changes in the neighborhood in which the property is located, or other factors; • the possible need for structural improvements in order to comply with zoning, seismic and other legal or regulatory requirements; • the potential disruption of our business and operations arising from or connected with a relocation due to moving or to renovating the facility; • increased cash commitments for improvements to the buildings or the property, or both; • increased operating expenses for the buildings or the property, or both; • possible disputes with third parties related to the buildings or the property, or both; • failure to achieve expected cost savings due to extended non- occupancy of a vacated property intended to be leased; and • the risk of financial loss in excess of amounts covered by insurance, or uninsured risks, such as the loss caused by damage to the buildings as a result of earthquakes, floods and / or other natural disasters. WE ARE SUBJECT TO IP RISKS AND RISKS ASSOCIATED WITH LITIGATION AND REGULATORY PROCEEDINGS We **may be unable to protect our intellectual property, which would negatively affect our ability to compete. We** believe one of our key competitive advantages results from the collection of proprietary technologies we have developed and acquired since our inception, and the protection of our intellectual property rights is, and will continue to be, important to the success of our business. If we fail to protect these intellectual property rights, competitors could sell products based on technology that we have developed, which could harm our competitive position and decrease our revenue. We rely on a combination of patents, copyrights, trademarks, trade secrets, contractual provisions, confidentiality agreements, licenses and other methods, to protect our proprietary technologies. We also enter into confidentiality or license agreements with our employees, consultants, manufacturing or other business partners, and control access to and distribution of our documentation and other proprietary information. Notwithstanding these agreements, we have experienced disputes with employees regarding ownership of intellectual property in the past. To the extent that any third **-** party has a claim to ownership of any relevant technologies used in our products, we may not be able to recognize the full revenue stream from such relevant technologies. See also, " We have been named as a party to several legal proceedings and may be named in additional ones in the future, including litigation involving our patents and other intellectual property, which could subject us to liability, require us to indemnify our customers, require us to obtain or renew licenses, require us to stop selling our products or force us to redesign our products. " We have been issued a significant number of U. S. and foreign patents and have a significant number of pending U. S. and foreign patent applications. However, a patent may not be issued as a result of any applications or, if issued, claims allowed may not be sufficiently broad to protect our technology. In addition, it is possible that existing or future patents may be challenged, invalidated or circumvented. We may also be required to license some of our patents to others including competitors as a result of our participation in and contribution to development of industry standards. Despite our efforts, unauthorized parties may attempt to copy or otherwise obtain and use our products or proprietary technology. Monitoring unauthorized use of our technology is difficult, and the steps that we have taken may not prevent unauthorized use of our technology, particularly in jurisdictions where the laws may not protect our proprietary rights as fully as in the United States or other developed countries. If our patents do not adequately protect our technology, our competitors may be able to offer products similar to ours, which would adversely impact our business and results of operations. In addition, we have implemented security systems with the intent of maintaining the physical security of our facilities and protecting our confidential information including our intellectual property. Despite our efforts, we may be subject to breach of these security systems and controls which may result in unauthorized access to our facilities and labs and / or unauthorized use or theft of the confidential information and intellectual property we are trying to protect. See also, " ~~Cyber security~~ **Cybersecurity** risks could adversely affect our business and disrupt our operations. " If we fail to protect these intellectual property rights, competitors could sell products based on technology that we have developed, which could harm our competitive position and decrease our revenue. Certain of our software, as well as that of our customers, may be derived from so- called " open source " software that is generally made available to the public by its authors and / or other third parties. Open source software is made available under licenses that impose certain obligations on us in the event we were to distribute derivative works of the open source software. These obligations may require us to make source code for the derivative works available to the public and / or license such derivative works under a particular type of license, rather than the forms of license we customarily use to protect our intellectual property. While we believe we have complied with our obligations under the various applicable licenses for open source software, in the event that the copyright holder of any open source software were to successfully establish in court that we had not complied with the terms of a license for a particular work, we could be required to release the source code of that work to the public and / or stop distribution of that work if the license is terminated which could adversely impact our business and results of operations. In addition, we license technology from Arm Limited that is included in a majority of our products and would be adversely impacted if the pricing for, or availability of, the relevant technology is changed in an adverse manner. **Further, governments and courts are considering new issues in intellectual property law with respect to works created by AI technology, which could result in different intellectual property rights in development processes, procedures and technologies we create with AI technology, which could have a material adverse effect on our business.** We must comply with a variety of existing and future laws and regulations, as well as **sustainability** ~~Environmental, Social and Governance (ESG)~~ initiatives, that could impose substantial costs on us and may adversely affect our business. We are subject to laws and regulations worldwide, which may differ among jurisdictions, affecting our operations in areas including, but not limited to: intellectual property ownership and infringement; tax; import and export requirements; anti- corruption **; anti- trust** ; foreign exchange controls and cash repatriation restrictions; conflict minerals; data privacy requirements; competition; advertising; employment **and human rights** ; product regulations; environment, health and safety requirements; securities registration laws; and consumer laws. For example, government export regulations apply to the encryption or other features contained in some of our products. If we fail to continue to receive licenses or otherwise comply with these regulations, we may be unable to manufacture the affected products at foreign foundries or ship these products to certain customers, or we may incur penalties or fines. In addition, we are subject to various industry requirements restricting the presence of certain substances in electronic products. Although our management systems are designed to maintain compliance, we cannot assure you that we have been or will be at all times in compliance with such laws and regulations. Our compliance programs rely in part on compliance by our manufacturing partners, suppliers, vendors and distributors. To the extent such third parties don' t comply with these obligations our business, operations and reputation may be adversely impacted. If we violate or fail to comply with any of the above requirements, a range of consequences could result, including fines, import / export restrictions, sales limitations, criminal and civil liabilities or other sanctions. The costs of complying with these laws (including the costs of any investigations, auditing and monitoring) could adversely affect our current or future business. Our product or manufacturing standards could also be impacted by new or revised environmental rules and regulations or other social initiatives. For example, a significant portion of our revenues come from international sales. Environmental legislation, such as the EU Directive on Restriction of Hazardous Substances (**"** RoHS **"**), the EU Waste Electrical and Electronic Equipment Directive (**"** WEEE Directive **"**) and China' s regulation on Management Methods for Controlling Pollution Caused by Electronic Information Products, may increase our cost of doing business internationally and impact our revenues from the EU, China and other countries with similar environmental legislation as we endeavor to comply with and implement these requirements. Increasingly regulators (including the U. S. Securities and Exchange Commission), customers, investors, employees and other stakeholders are focusing on **sustainability** ~~Environmental, Social and Governance (ESG)~~ matters. While we have certain ~~ESG~~ **sustainability** initiatives at the Company there can be no assurance that regulators, customers, investors, and employees will determine that these programs are sufficiently robust. In addition, there can be no assurance that we will be able to accomplish our announced goals related to our ~~ESG~~ **sustainability** program, as statements regarding our ~~ESG~~ **sustainability** goals reflect our current plans and aspirations and are not guarantees that we will be able to achieve them within the timelines we announce or at all. Actual or perceived shortcomings with respect to our ~~ESG~~ **sustainability** initiatives, including our diversity initiatives, and reporting can impact our ability to hire and retain employees, increase our customer base, reelect our board of directors, or attract and retain certain types of investors. In addition, these parties are increasing focused on specific disclosures and frameworks related to ~~ESG~~ **sustainability** matters. Collecting, measuring, and reporting ~~ESG~~ **sustainability** information and metrics can be costly, difficult and time consuming, is subject to evolving reporting standards, and can present numerous operational, reputational, financial, legal and other risks, any of which could have a material impact on us, including on our reputation and stock price. Inadequate processes to collect and review this information prior to disclosure could subject us to potential liability related to such information **. In addition, several U. S. states having enacted or proposed " anti- ESG " policies or legislation. While these policies and related legislation are generally targeted to investment advisory firms and mutual funds, if these investors viewed our sustainability practices including our climate- related goals and commitments, as being in contradiction of such " anti- ESG " policies, such investors may not invest in the Company and it could negatively affect the price of our common stock** . A portion of the business we acquired in fiscal 2021 requires facility security clearances under the National Industrial Security Program. The National Industrial Security Program requires that a corporation maintaining a facility security clearance be effectively insulated from foreign ownership, control or influence (" FOCI "). Because we were organized in Bermuda at the time of this acquisition, we entered into agreements with the U. S. Department of Defense with respect to FOCI mitigation arrangements that relate to our operation of the portion of the business involving facility clearances. **After our domestication, we requested and have now received partial release from some of** ~~These~~ **these obligations. The remaining** measures and arrangements may materially and adversely affect our operating results due to the increased cost of compliance with these measures. If we fail to comply with our obligations under these agreements, our ability to operate our business may be adversely affected ~~. Now that we are domiciled in the United States, we have requested to be released from some of the above FOCI- related obligations. We can offer no assurance that such a request will be granted in a timely manner or at all~~ . We are a party to certain contracts with the U. S. government or its subcontractors. Our contracts with the U. S. government or its subcontractors are subject to various procurement regulations and other requirements relating to their formation, administration and performance. We may be subject to audits and investigations relating to our government contracts, and any violations could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refunding or suspending of payments, forfeiture of profits, payment of fines, and suspension or debarment from future government business. In addition, such contracts may provide for termination by the government at any time, without cause. Any of these risks related to contracting with the U. S. government or its subcontractors could adversely impact our future sales and operating results **. New technology trends, such as AI, require us to keep pace with evolving regulations and industry standards. In the United States, the European Union, and China, there are various current and proposed regulatory frameworks relating to the use of AI in products and services. We expect that the legal and regulatory environment relating to emerging technologies such as AI will continue to develop and could increase the cost of doing business, and create compliance risks and potential liability, all which may have a material adverse effect on our financial condition and results of operations** . We are currently, and have been in the past, named as a party to several lawsuits, government inquiries or investigations and other legal proceedings (referred to as " litigation "), and we may be named in additional litigation in the future. Please see " Note 6 – Commitments and Contingencies " of our Notes to ~~the~~ Consolidated Financial Statements set forth in Part I, Item 1 of this Annual Report on Form 10- K for a more detailed description of any material litigation matters in which we may be currently engaged. In particular, litigation involving patents and other intellectual property is widespread in the high- technology industry and is particularly prevalent in the semiconductor industry, where a number of companies and other entities aggressively bring numerous infringement claims to assert their patent portfolios. The amount of damages alleged in intellectual property infringement claims can often be very significant. See also, " We may be unable to protect our intellectual property, which would negatively affect our ability to compete. " From time to time, we receive and our customers receive, and we and our customers may continue to receive in the future, standards- based or other types of infringement claims, as well as claims against us and our proprietary technologies. These claims could result in litigation and / or claims for indemnification, which, in turn, could subject us to significant liability for damages, attorneys' fees and costs. Any potential intellectual property litigation also could force us to do one or more of the following: • stop selling, offering for sale, making, having made or exporting products or using technology that contains the allegedly infringing intellectual property; • limit or restrict the type of work that employees involved in such litigation may perform for us; • pay substantial damages and / or license fees and / or royalties to the party claiming infringement or other license violations that could adversely impact our liquidity or operating results; • attempt to obtain or renew licenses to the relevant intellectual property, which licenses may not be available on reasonable terms or at all; and • attempt to redesign those products that contain the allegedly infringing intellectual property. Under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses for current and former directors and officers. See also, " Our indemnification obligations and limitations of our director and officer liability insurance may have a material adverse effect on our financial condition, results of operations and cash flows. " Additionally, from time to time, we have agreed to indemnify select customers for claims alleging infringement of third- party intellectual property rights, including, but not limited to, patents, registered trademarks and / or copyrights. If we are required to make a significant payment under any of our indemnification obligations, our results of operations may be harmed. The ultimate outcome of litigation could have a material adverse effect on our business and the trading price for our securities. Litigation may be time consuming, expensive, and disruptive to normal business operations, and the outcome of litigation is difficult to predict. Litigation, regardless of the outcome, may result in significant expenditures, diversion of our management' s time and attention from the operation of our business and damage to our reputation or ~~relationship~~ **relationships** with third parties, which could materially and adversely affect our business, financial condition, results of operations, cash flows and stock price. WE ARE SUBJECT TO RISKS RELATED TO OUR DEBT OBLIGATIONS Our....... WE ARE SUBJECT TO CYBER SECURITY **CYBERSECURITY** RISKS We depend heavily on our technology infrastructure and maintain and rely upon certain critical information systems for the effective operation of our business. We routinely collect and store sensitive data in our information systems, including intellectual property and other proprietary information about our business and that of our customers, suppliers and manufacturing and other business partners. These information technology systems are subject to damage or interruption from a number of potential sources, including, but not limited to, natural disasters, destructive or inadequate code, malware, power failures, cyber- attacks, **nation state advanced persistent threats,** internal malfeasance or other events. Cyber- attacks may include phishing or other forms of social engineering attacks, exploits of code or system configurations, malicious code, such as viruses and worms, ransomware attacks, denial- of- service attacks and other actions granting unauthorized access to our technology infrastructure or information systems or those of our customers, suppliers and manufacturing and other business partners. In addition, we have in the past and may in the future be the target of email phishing attacks that attempt to acquire personal information or Company assets. **As AI capabilities improve and become increasingly commonplace, we may see cyberattacks leveraging AI technology. These attacks could be crafted with an AI tool to directly attack information systems with increased speed and / or efficiency compared to a human threat actor or create more effective phishing emails. In addition, a vulnerability could be introduced from the result of our or our customers and business partners incorporating the output of an AI tool, such as AI generated source code, that includes a threat.** We have implemented **cybersecurity** processes ~~for systems under our control intended~~ **, taking guidance from recognized cybersecurity frameworks** to mitigate risks; however, we cannot guarantee that those risk mitigation measures will be effective. **See Item 1C " Cybersecurity " of this Annual Report on Form 10- K for additional information about our cybersecurity processes.** We have not experienced a material information security breach in the last three years, and as a result, we have not incurred any net expenses from such a breach. We have not been penalized or paid any amount under an information security breach settlement over the last three years. Further, we annually assess our insurance policy and have determined not to purchase cyber related insurance. Cyber- attacks have become increasingly more prevalent and much harder to detect, defend against or prevent. The risk of state- sponsored or geopolitical- related ~~cyber security~~ **cybersecurity** incidents has also increased **recently** ~~during fiscal 2023~~ due to geopolitical tensions or incidents, such as the Russian invasion of Ukraine **and the armed conflict in Israel and the Gaza Strip** . While we have historically been successful in defending against the cyber- attacks and breaches mentioned above, given the frequency of cyber- attacks and resulting breaches reported by other businesses and governments, it is likely we will experience one or more material breaches of some extent in the future. We have incurred and may in the future incur significant costs in order to implement, maintain and / or update security systems we ~~feel~~ **believe** are necessary to protect our information systems, or we may miscalculate the level of investment necessary to protect our systems adequately. Since the techniques used to obtain unauthorized access or to sabotage systems change frequently and are often not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures. Our business also requires ~~it~~ **us** to share confidential information with manufacturing partners, suppliers **, customers** and other third parties. Although we take steps to secure **our** confidential information that is provided to third parties, such measures may not always be effective. ~~Immaterial data~~ **Data** breaches, losses or other unauthorized access to or releases of confidential information have in the past occurred with **these** third parties and material data breaches, losses or other unauthorized access to **,** or releases of **, our** confidential information may in the future occur in connection with third ~~parties and~~ **- party breaches that** could materially adversely affect our reputation, financial condition and operating results and could result in liability or penalties under data privacy laws. To the extent that any system failure, accident or security breach results in material disruptions or interruptions to our operations, or those of our customers, suppliers and manufacturing and other business partners, or the theft, loss or disclosure of, or damage to our data or confidential information, including our intellectual property, our reputation, business, results of operations and / or financial condition could be materially adversely affected. GENERAL RISK FACTORS We depend on highly skilled personnel to support our business operations. If we are unable to retain and motivate our current personnel or attract additional qualified personnel, our ability to develop and successfully market our products could be harmed. We believe our future success will depend in large part upon our ability to attract and retain highly skilled engineering, managerial, sales and marketing personnel. We typically do not enter into employment agreements with any of our key personnel and the loss of such personnel could harm our business, as their knowledge of our business and industry would be extremely difficult to replace. The competition for qualified personnel with significant experience in the management, design, development, manufacturing, marketing and sales of semiconductor solutions has been intense over the last few years, both in the Silicon Valley ~~where our U. S. operations are based~~ and in global markets in which we operate. Our inability to attract and retain qualified personnel, including executive officers, hardware and software engineers and sales and marketing personnel, could delay the development and introduction of, impact our ability to fulfill commitments to customers for, and harm our ability to sell, our products. In addition, if we are unable to fulfill our customer commitments in a timely manner **,** we may also lose future business relationships or otherwise experience negative consequences. Despite a wave of recent layoffs in the technology sector, competitors for talent increasingly seek to hire our employees and executive officers (for example, our former Chief Financial Officer was ~~recently~~ hired by another semiconductor company **in 2023**), and the increased availability of work- from- home arrangements has both intensified and expanded competition. As a result, during the last few years, we have increased our efforts to recruit and retain talent. These efforts have increased our expenses, resulted in a higher volume of equity issuances, and may not be successful in attracting, retaining, and motivating the workforce necessary to deliver on our strategy. We believe equity compensation is a valuable component of our compensation program which helps us to attract, retain, and motivate employees and as a result we issue stock- based awards, such as RSUs, to a significant portion of our employees. A significant change in our stock price ~~, such as the recent stock price decline in fiscal year 2023,~~ or lower stock price performance relative to competitors, may reduce the retention value of our stock- based awards. Our employee hiring and retention also depends on our ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. To the extent our compensation programs and workplace culture are not viewed as competitive, our ability to attract, retain, and motivate employees may be weakened, which could harm our results of operations. Changes to U. S. immigration and export policies that restrict our ability to attract and retain technical personnel may negatively affect our research and development efforts. In addition, changes in employment- related laws applicable to our workforce practices may also result in increased expenses and less flexibility in how we meet our changing workforce needs. In addition, as a result of our past and any future acquisitions and related integration activities, our current and prospective employees may experience uncertainty about their futures that may impair our ability to retain, recruit or motivate key management, engineering, technical and other personnel. We have adopted a hybrid work policy for our employees, where employees have the option to split their time between home and the office. However, certain types of activities such as new product innovation, critical business decision making, brainstorming sessions, providing sensitive employee feedback, and onboarding new employees may be less effective in a hybrid work environment. Our hybrid work environment may also negatively impact social interactions between employees that build camaraderie and may, therefore, negatively impact our office culture. Many companies, including companies that we compete with for talent, have announced plans to adopt full time remote work arrangements or hybrid work arrangements more flexible than ours, which may impact our ability to attract and retain qualified personnel if potential or current employees prefer these policies. In addition, as a result of our ~~recent move to a~~ hybrid work environment, we expect to face challenges in retention of personnel who prefer to only work from home. There can be no assurance that we will continue to declare cash dividends or effect stock repurchases in any particular amount or at all, and statutory requirements may require us to defer payment of declared dividends or suspend stock repurchases. In May 2012, we declared our first quarterly cash dividend and in October 2018, we announced that our Board of Directors had authorized a $ 700. 0 million addition to our previously existing $ 1. 0 billion stock repurchase program. An aggregate of $ 1. ~~3~~ **4** billion of shares of stock have been repurchased under that program as of ~~January 28~~ **February 3** , ~~2023~~ **2024 . Subsequent to our fiscal year end** , ~~including~~ **in March 2024, our Board of Directors increased the repurchase program mentioned above and authorized an additional $ 3.** 0 ~~. 9 million~~ **billion to that** ~~shares of our common stock repurchased~~ - **repurchase program** ~~for $ 50. 0 million pursuant to a 10b5- 1 trading plan~~ . Future payment of a regular quarterly cash dividend on our common stock and future stock repurchases are subject to, among other things: the best interests of the Company and our stockholders; our results of operations, cash balances and future cash requirements; financial condition; developments in ongoing litigation; statutory requirements under Delaware law; securities laws and regulations, market conditions; and other factors that our Board of Directors may deem relevant. Our dividend payments or stock repurchases may change from time to time, and we cannot provide assurance that we will continue to declare dividends or repurchase stock in any particular amounts or at all. A reduction in, a delay of, or elimination of our dividend payments or stock repurchases could have a negative effect on our stock price. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , there was $ ~~449~~ **299** . 5 million remaining available for future stock repurchases under the **prior** authorization. Under Delaware law, our certificate of incorporation, our bylaws and certain indemnification agreements to which we are a party, we have an obligation to indemnify, or we have otherwise agreed to indemnify, certain of our current and former directors and officers with respect to past, current and future investigations and litigation. Further, in the event such directors and officers are ultimately determined not to be entitled to indemnification, we may not be able to recover any amounts we previously advanced to them. We cannot provide any assurances that any future indemnification claims, including the cost of fees, penalties or other expenses, will not exceed the limits of our insurance policies, that such claims are covered by the terms of our insurance policies or that our insurance carrier will be able to cover our claims. Additionally, to the extent there is coverage of these claims, the insurers also may seek to deny or limit coverage in some or all of these matters. Furthermore, the insurers could become insolvent and unable to fulfill their obligation to defend, pay or reimburse us for insured claims. Due to these coverage limitations, we may incur significant unreimbursed costs to satisfy our indemnification obligations, which may have a material adverse effect on our financial condition, results of operations or cash flows. As we carry only limited insurance coverage, any incurred liability resulting from uncovered claims could adversely affect our financial condition and results of operations. Our insurance policies may not be adequate to fully offset losses from covered incidents, and we do not have coverage for certain losses. For example, there is very limited coverage available with respect to the services provided by our third- party manufacturing partners and assembly, testing and packaging subcontractors. In the event of a natural disaster (such as drought, earthquake or tsunami), political or military turmoil, widespread public health emergencies including pandemics, power outages, cyber- ~~attack~~ **attacks** or ~~incident~~ **incidents** , or other significant disruptions to their operations, insurance may not adequately protect us from this exposure. We believe our existing insurance coverage is consistent with common practice, economic considerations and availability considerations. If our insurance coverage is insufficient to protect us against unforeseen losses, any uncovered losses could adversely affect our financial condition and results of operations **. We face risks related to global pandemics, which may significantly disrupt and adversely impact our manufacturing, research and development, operations, sales and financial results. Our business was adversely impacted by the effects of the COVID- 19 pandemic and may be similarly adversely impacted by future pandemics. In addition to global and domestic macroeconomic effects, during fiscal 2022 and fiscal 2023 the COVID- 19 pandemic and related adverse public health measures caused disruption to our global operations and sales. Our third- party manufacturing partners, suppliers, distributors, sub- contractors and customers were disrupted by worker absenteeism, quarantines and restrictions on their employees’ ability to work; office and**

factory closures; disruptions to ports and other shipping infrastructure; border closures; and other travel or health-related restrictions. Although the pandemic related restrictions above have eased in most places, resurgences of COVID-19 in various regions and appearances of new variants of the virus, has resulted, and may continue to result, in their full or partial reinstitution. In addition, although many countries have vaccinated large segments of their population, during fiscal 2023, the COVID- 19 pandemic continued to disrupt business activities, trade, and supply chains in many countries. Adverse developments affecting the financial services industry, including events or risks involving liquidity, defaults or non- performance by financial institutions, could have a material adverse effect on our business, financial condition or results of operations. On March 10, 2023, Silicon Valley Bank (" SVB "), where we maintained certain accounts with an immaterial amount of cash deposits, was placed into receivership with the Federal Deposit Insurance Corporation (" FDIC "), which resulted in all funds held at SVB being temporarily inaccessible by SVB' s customers. As of March 13, 2023, access to our accounts at SVB was fully restored. We do not expect further developments with SVB (or similar regional banks) to have a material impact on our cash and cash equivalents, however, we do hold cash balances in several large financial institutions significantly in excess of FDIC and global insurance limits. If other banks and financial institutions with whom we have banking relationships enter receivership or become insolvent in the future, we may be unable to access, and we may lose, some or all of our existing cash, cash equivalents and investments to the extent those funds are not insured or otherwise protected by the FDIC. If any of our non- U. S. based subsidiaries were classified as a passive foreign investment company, there would be adverse tax consequences. If any of our non- U. S. based subsidiaries were classified as a " passive foreign investment company " or " PFIC " under section 1297 of the Internal Revenue Code, of 1986, as amended, for any taxable year during which a U. S. holder holds common stock, such U. S. holder generally would be taxed at ordinary income tax rates on any gain realized on the sale or exchange of the stock and on any " excess distributions " (including constructive distributions) received on the shares. Such U. S. holder could also be subject to a special interest charge with respect to any such gain or excess distribution. A non- U. S. entity would be classified as a PFIC for U. S. federal income tax purposes in any taxable year in which either (i) at least 75 % of its gross income is passive income or (ii) on average, the percentage of its assets that produce passive income or are held for the production of passive income is at least 50 % (determined on an average gross value basis). Whether an entity will, in fact, be classified as a PFIC for any taxable year depends on its assets and income over the course of the relevant taxable year and, as a result, cannot be predicted with certainty. There can be no assurance that any of our foreign based subsidiaries will not be classified as a PFIC in the future or the Internal Revenue Service will not challenge our determination concerning PFIC status for any prior period.