

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

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A description of the risk factors associated with our business is set forth below. Some of these risks are highlighted in the following discussion, and in Management's Discussion and Analysis of Financial Condition and Results of Operations, Legal Proceedings, and Quantitative and Qualitative Disclosures About Market Risk. The occurrence of any of these risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, operating results, financial condition, and stock price. These risks and uncertainties could cause our actual results to differ materially from the results contemplated by the forward-looking statements contained in this report. Investors should carefully consider all relevant risks and uncertainties before investing in our common stock. **Risk Factors Summary**

Risks Associated with Our Business

- **We Our significant research and development investment may nonetheless fail to keep pace with technological changes or ensure that our offerings meet market needs, which would adversely impact our business, financial condition, or results of operations. As part of the evolution of our business, we have invested significant resources into made and continue to make substantial investments in research and development of our products and services, including, in particular, our DFI system and Exensio and Sapience software. New competitors, changes to existing contracts with licensed technology, any companies, products, or services that we may acquire, technological advances in the semiconductor industry and adjacent markets, and other competitive factors have required us and may continue to require us to invest significantly greater resources than we anticipated. For example, following our acquisition in July 2023 of Lantern Machinery Analytics, Inc., and an if-early-stage battery solutions provider, we invested in research and development to expand the application of our existing products and services to battery manufacturers. If we do not anticipate and address technological changes in our industry or our offerings fail to successfully carry out meet market demand, these the initiatives on corresponding additional revenue we anticipate may not materialize, we may not recoup our investment or capture the market share we anticipate, we may lose our competitive position, and our products may become obsolete, which would adversely impact our business, financial condition and results of operations. Additionally, our periodic research and development expenses may be independent of our level of revenue, which could negatively impact our financial results. If we enable access to hosted software or begin performing services ahead of a signed contract or amendment to an existing contract, and the final terms are not as favorable as we expected timeline or the customer delays entering, or decides not to enter, into the contract or amendment, or our results of operations could be harmed in the short term or overall and recognition of related revenue could be delayed or not occur at all. If we are unable to close new engagements our or business amendments to existing contracts on terms favorable to us, financial condition in a timely manner, or results at all, including in cases where we have incurred costs or assigned engineering resources in advance of operations could be adversely impacted.**
- **Our sales cycle is lengthy and customers may delay entering into contracts such engagements or amendments, or our decide revenues may fall short of expectations and other revenue opportunities may have been delayed or lost. Further, the timing and length of negotiations required to enter into agreements with our customers and the enforcement of our complex contractual provisions is difficult to predict. If we do not to adopt successfully negotiate certain key complex contractual provisions, if there are disputes regarding such provisions, our or products if they are not enforceable as we intended, or our solutions after we revenues and results of operations would suffer. Further, our customers sometimes delay starting negotiations until they begin developing a new process, have performed a need for a new product, or experience specific yield issues. This means that, in certain instances we have continued, and may continue to provide technology and services or supported under preliminary documentation before executing their the evaluation final contract. In these cases, we would not recognize revenue and may defer associated costs until execution of our technology a final contract, which, if significant, could result in delays in recognizing revenue and could negatively impact our results of operations in the periods before we execute a quarter final contract. Further, if we were to incur significant costs and then fail to enter into a final contract, we would have to write-off such deferred costs in the period in which the negotiations ended, which would increase or our costs and expenses and could result in significant operating losses lower revenue than we expected if a contract is not consummated.**
- **We rely on sole-source providers for certain software as well as for specialized parts for our eProbe hardware and supply-chain delays or disruptions could increase our costs or impact our ability to provide complete software solutions or to build additional hardware tools or meet customer expectations or deadlines, which could result in lost sales and lower earnings.**
- **We provide some enabling technology under license and support from sole-source providers and some of our vendors provide highly specialized, differentiated products and services related to our eProbe system. In the event these licensors or vendors delay or discontinue providing such products and services to us, it may be difficult and costly or impossible for us to replace such suppliers or parts. In the case of licensed software, this could impact our ability to grow our sales or to meet the support expectations of our customers and we may need to resort to legal action, which could limit our future sales, harm our reputation, increase our costs, and harm our earnings. For example, in November 2023, a provider of enabling technology abruptly stopped providing maintenance and support of their software product to us. As a result, we resorted to legal action, which caused us to incur increased legal expenses beginning in the fourth quarter of 2023. The matter is ongoing, and the long-term impact of this provider's actions on our business and our customers is unknown at this time. In the case of vendors related to our eProbe tool, such disruptions or delays could delay or stop our ability to complete and deliver our DFI systems as currently designed to our customers, which would negatively impact our bookings and revenue related to such systems. In addition, such delays or**

disruptions to our supply chain could significantly increase our component costs, or personnel- related costs if we need to build a replacement solution in the case of certain software elements, and could impact our ability to build future generations or models of our eProbe tools, any of which would decrease or delay our sales, earnings, and liquidity and could otherwise adversely affect our business and result in increased costs. Such a delay or disruption could occur as a result of any number of events, including, but not limited to: failure to comply with existing contracts, higher priority alternative buyers, inflation and global interest rates increasing component costs, a closure or slowdown at our suppliers' plants or shipping delays ~~including, for example, those made to combat the spread of COVID-19~~, market shortages for critical components, increases in prices, the imposition of regulations, quotas, embargoes or tariffs on components or our products, labor stoppages or shortages, our suppliers' supply chain disruptions, third- party interference, cyberattacks, severe weather conditions including the adverse effects of climate change- related events, geopolitical developments, war or terrorism, and disruptions in utilities and other services. In addition, the ~~19~~ **development -- development** , licensing, or acquisition of new products in the future may increase the complexity of supply chain management. Failure to **effectively manage our supply of components and products could adversely affect our business**. Our fixed- fee services for product or system installations / configurations **or specified upgrades** may take longer than budgeted **or need to be rescoped** , which could slow our revenue recognition and may result in a lost contract or a claim of breach by our customers, which would negatively affect our financial and operating results. ~~• / configurations may take longer than budgeted, which could slow our revenue recognition and may result in a lost contract or a claim of breach by our customers, which would negatively affect our financial and operating results.~~ Our fixed- fee services, including for Characterization **and enterprise software deployments** , require a team of engineers to collaborate with our customers to address complex issues by using our software and other technologies, and the installation and configuration of our software into our customers' fabrication and test / assembly facilities requires experienced engineers working with our customers on active foundry and test / assembly equipment. We must accurately estimate the amount of time and resources needed to complete these types of services to determine when the engineers will be able to commence their next engagement. In addition, our accounting for contracts with such services, which generate fixed fees, sometimes requires adjustments to profit and loss based on revised estimates during the performance of the contract. These adjustments may have a material effect on our results of operations in the period in which they are made. The estimates giving rise to these risks, which are inherent in fixed- price contracts, include the forecasting of costs and schedules, and contract revenues related to contract performance. **Services for system installations / configurations or specified upgrades may take longer than budgeted or need to be rescoped, which could impact our ability to deliver services on schedule.** If we fail to meet a customer' s expectations **or fixed milestones or delivery timelines** , the customer could terminate their contract with us or claim that we breached our obligations, which could negatively affect our financial and operating results. ~~Our~~ Our ability to sell our products, systems, and solutions depends in part on the quality of our support and services offerings, and the failure to offer high- quality support and services could negatively affect our sales and results of operations. ~~•~~ **Once our products** are integrated within our customers' hardware and software systems, our customers may depend on our support organization to resolve any issues relating to our products. Further, in connection with delivering our SaaS Services, which requires us to maintain adequate server hardware and internet infrastructure, including system ~~redundancies~~ **17 redundancies** , we are required to meet contractual uptime obligations. A high level of system and support is critical for the successful marketing and sale of our products. If we do not effectively provide subscription access to our SaaS customers, assist our customers in deploying our products, succeed in helping our customers quickly resolve post- deployment issues, and provide effective on- going support and the privacy and data security capabilities required by our customers, we may face contractual penalties or customers may not renew subscriptions or services in the future, which would negatively impact our results of operations. In addition, due to our international operations, our system and support organization faces challenges associated with delivering support, hours that support is available, training, and documentation where the user' s native language may not be English. If we fail to maintain high- quality support and services or fail to adequately address our customers' support needs, our customers may choose our competitors' products instead of ours ~~in the future~~, which would negatively affect our revenues and results of operations. Defects in our **software, hardware and other** proprietary technologies ~~, hardware and software tools~~, and failure to effectively remedy any such defects could decrease our revenue and our competitive market share. ~~•~~ **such defects could decrease our revenue and our competitive market share.** If the software, hardware, or **other** proprietary technologies we provide to customers contain defects that negatively impact customers' ability to use our ~~systems or software~~ **products and services** , increase our customers' cost of goods sold or time- to- market, or damage our customers' property, such defects could significantly decrease the market acceptance of our products and services ~~or and~~ could result in warranty or other claims. We must adequately train our new personnel, especially our customer service and technical support personnel, to effectively and accurately respond to and support our customers. If we fail to do this, it could lead to dissatisfaction among our customers, which could slow our growth. Further, the cost of support resources required to remedy any defects in our ~~technologies, hardware, or software tools~~ **hardware and other proprietary technologies** could exceed our expectations. We have and may further incorporate ~~ML, AI solutions~~ and related technologies for use (**" AI Technologies "**) in product development, or into our platform, offerings, services and features, and these ~~applications~~ **technologies** may become **more** important in our operations over time. If the content, analyses, recommendations, or other output that AI ~~applications~~ **Technologies** assist in producing are or are alleged to be deficient, inaccurate, or imprecise, our business, financial condition, and results of operations may be adversely affected. Any actual or perceived defects with our software, hardware, or **other** proprietary technologies may also hinder our ability to attract or retain industry partners or customers, leading to a decrease in our revenue. These defects are frequently found during the period following introduction of new software, hardware, or proprietary technologies or enhancements to existing software, ~~20 hardware~~ **hardware** , or proprietary technologies, which means that we may not discover the errors or defects until after customer implementation **, if at all**. If our software, hardware, or **other** proprietary technologies contain errors or defects, it could require us to expend significant resources to remedy these problems ~~or and~~ defend / indemnify claims, which could reduce

margins and result in the diversion of technical and other resources from our other customer implementations and development efforts. **Objectionable**—Objectionable disclosure of our customers' confidential information or our failure to comply with our customers' security rules, including for those related to SaaS access, AI **Technology** use, or our on-site access, could result in costly litigation, cause us to lose existing and potential customers, or **otherwise** negatively impact on-going business with existing customers.

- We generate a significant portion of our revenues from a limited number of customers, and a large percentage of our revenues from one customer, so defaults or decreased business with, or the loss of, any one of these customers, or pricing pressure, or customer consolidation could significantly reduce our revenues or margins and negatively impact results of operations.
- If we do not continuously meet our development milestones of key research and development projects or successfully commercialize our DFI system, our future market opportunity and revenues will suffer, and our costs may not be recouped.
- We are required to comply with governmental export and import requirements that could subject us to liability and restrict our ability to sell our products and services, which could impair our ability to compete in international markets.
- Decreases in wafer volumes at our customers' manufacturing sites or the volume of ICs that some of our customers are able to sell to their customers would cause our Integrated Yield Ramp revenue to suffer.
- We acquired an early-stage battery-solutions provider and have been investing in research and development for new products and services beyond our traditional semiconductor focus, and it could take a long time to reach market acceptance and recoup our costs, if at all.
- Our success depends upon our ability to effectively plan and manage our resources and restructure our business through rapidly fluctuating economic and market conditions, which actions may have an adverse effect on our financial and operating results.
- Our business may be negatively impacted by social, political, geopolitical, economic instability, unrest, war, terrorism, or other circumstances that could interrupt our business operations, which could cause us to lose sales or delay or be unable to fulfill contractual commitments, which may have an adverse effect on our financial and operating results.
- Global economic conditions or semiconductor market conditions could materially adversely impact demand for our products and services, decrease our sales, or delay our sales cycle.
- We face challenges in providing a comprehensive solution outside of the semiconductor industry due to limitations on the business areas in which we can use current third-party licensed technology, which may make it prohibitively expensive to sell our solution for applications outside of our traditional industry.

Risks Related to Our Technology

- If we fail to protect our IP rights, customers or potential competitors may be able to use our technologies to develop their own solutions, which could weaken our competitive position, reduce our revenues, or increase our costs.
- We are exposed to risks related to information technology infrastructure, information management and protection, cybersecurity threats, and cyber incidents.
- We and our customers are subject to laws and regulations concerning data privacy, data security, consumer protection, and advertising and these laws and regulations are continually evolving, which exposes us to potential material risks.
- Our technologies could infringe the IP rights of others, causing costly litigation and the loss of significant rights.
- Competition in the market for data analytics and related systems and services may intensify in the future, which could impede our ability to grow or execute our strategy.
- Generative AI and the user other advanced AI technologies for software development may subject us to claims of misappropriation of others' IP, bugs / errors, and ambiguous ownership of created content.

Risks Related to Our Operations

- Measurement of our variable consideration sometimes require data collection and customers' use of estimates and are contingent upon customers' consent and may be later offset if actual data differ from customers' estimates, which can result in uncertainty and cause quarterly results to fluctuate.

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- We have customers with past due balances and our failure to collect a significant portion of such balances could adversely affect our cash, require us to write-off receivables, or increase our expense or allowance for credit losses.
- We face operational and financial risks associated with international operations that could negatively impact our revenues.
- Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to ESG matters that could expose us to numerous risks.
- Provision of certain of our data services relies on installing, configuring, and operating proprietary configuration of hardware and software systems located in third-party facilities and errors affecting such facilities' operations could lead to liability for us, and any objection from such third-party facility or delay in providing us physical or logical access to our systems may adversely impact our ability to timely perform our contract obligations or lead to confidentiality, integrity, availability, security, or privacy controls exceptions.

Tax Risks

- U. S. federal tax reform and changes in foreign tax laws could change our tax burden and adversely affect our business and financial condition.
- Future events may impact our deferred tax asset position, including the utilization of net operating loss and tax credit carryforwards.

Risks Related to Our Strategic Transactions

- We may devote significant time and resources to developing strategic relationships but we may not realize the benefits of such efforts, which could have an adverse effect on our business and results of operations.
- Our acquisitions create special risks and challenges that could adversely affect our financial results.

General Risk Factors

- If we are not able to retain, attract, motivate, and strategically locate talented employees, including some key executives, our business may suffer.
- Our earnings per share and other operating results may vary quarter to quarter, which could result in not meeting investors' expectations and stock price volatility.
- Our business could be negatively affected as a result of actions of activist shareholders, and such activism could impact the trading value of our securities.

Risks Associated with Our Business

We have invested significant resources into research and development of our DFI system and Exensio software and if we fail to successfully carry out these initiatives on the expected timeline or at all, our business, financial condition, or results of operations could be adversely impacted. As part of the evolution of our business, we have made substantial investments in research and development efforts to develop our DFI system and Exensio software. New competitors, technological advances in the semiconductor industry or other competitive factors may require us to further invest significantly greater resources than we anticipate. If we invest significantly greater resources than anticipated without a corresponding increase in revenue, our operating results could decline. The technologies and products that we invest in may not result in products that create additional revenue, and we may not recoup our investments, which could cause our results to suffer. If our DFI system and Exensio software do not anticipate technological changes in our industry or fail to meet market demand, we may not capture the market share we

anticipate, we may lose our competitive position, our products may become obsolete, and our business, financial condition or results of operations could be adversely affected. Additionally, our periodic research and development expenses may be independent of our level of revenue, which could negatively impact our financial results. Our sales cycle is lengthy and customers may delay entering into contracts or decide not to adopt our products or solutions after we have performed services or supported their evaluation of our technology, which could result in delays in recognizing revenue and could negatively impact our results of operations in a quarter or result in lower revenue than we expected if a contract is not consummated. On-going negotiations and evaluation projects for new products, with new customers or in new markets may not result in significant revenues for us if we are unable to close new engagements on terms favorable to us, in a timely manner, or at all. Unexpected delays in our sales cycle could cause our revenues to fall short of expectations. Further, the timing and length of negotiations required to enter into agreements with our customers and the enforcement of our complex contractual provisions is difficult to predict. If we do not successfully negotiate certain key complex contractual provisions, if there are disputes regarding such provisions, or if they are not enforceable as we intended, our revenues and results of operations would suffer. Further, our customers sometimes delay starting negotiations until they begin developing a new process, have a need for a new product, or experience specific yield issues. This means that, on occasion we have, and may continue to provide technology and services under preliminary documentation before executing the final contract. In these cases, we would not recognize revenue and may defer associated costs until execution of a final contract, which, if significant, could negatively impact our results of operations in the periods before we execute a final contract. Further, if we were to incur significant costs and then ~~the fail to enter into a final contract.....~~ with existing customers. In the ordinary course of providing SaaS or other services engagements, we may collect customers' product, process, and test information, personally-identifiable data about their employees needed to administer licenses, and other confidential information. Our customers consider most of this information to be competitively sensitive and, in some cases, require us to comply with strict protection frameworks, including security rules for on-site or remote access to, hosting of, or transfer of their confidential information. As a result of increased regulatory and customer scrutiny of all data processing activities, as well as increasing and evolving regulation of such practices, we have security obligations on how we collect, transfer and use data (including personal data), which could require us to expend money and resources to comply with those requirements, and if compromised ~~again~~, could have a material adverse effect on our business, financial condition, and results of operations, including the potential for regulatory investigations, enforcement actions, lawsuits, and a loss of business and a degradation of our reputation. If we fail to implement industry standard protections and processing procedures, the growing awareness of our customers and potential customers regarding privacy and data security requirements and / or adverse media coverage or regulatory scrutiny could limit the use and adoption of our services. In addition, to avoid potential disclosure of confidential information to competitors, some of our customers may, in the future, ask us not to work with key products or processes, which could limit our revenue opportunities. ~~18~~ **If We recently started using third-party AI / ML systems for research and development purposes. If these ~~the~~ third-party AI / ML systems ~~technologies we use for research and development purposes~~ misuse or fail to properly protect the data we input ~~our~~ or if an employee inputs our or our customers' confidential information into an AI system that is not behind our corporate firewall or with which we do not have terms limiting the use of such AI systems inputs, it** may result in the unauthorized disclosure of sensitive, proprietary, or confidential information belonging to us or our customers. For example, if the information ~~we~~ input into a third-party AI ~~technology~~ / ML system is used to train the underlying AI / ML models, such inputs could be revealed to others. The third-party AI ~~technologies~~ / ML system may also provide outputs that appear to be correct but are incomplete, inaccurate, or otherwise flawed and may lead us to make erroneous decisions or recommendations to customers, which could result in harm to our reputation and competitive position, customer loss, and legal liability. We generate a significant portion of our revenues from a limited number of customers, and a large percentage of our revenues from one customer, so defaults or decreased business with, or the loss of, any one of these customers, or pricing pressure, or customer consolidation could significantly reduce our revenues or margins and negatively impact **our** results of operations. Historically, we have had a small number of large customers that contribute significant revenues. In the year ended December 31, ~~2023~~ **2024**, ~~one two customer customers~~ accounted for ~~35~~ **31** % of our total revenues. We have in the past and could in the future lose a customer due to its decision not to develop or produce its own future process node or not to engage us on future process nodes. We could also lose customers as a result of industry factors, including but not limited to reduced manufacturing volume or consolidation. Consolidation among our customers could also lead to increased customer bargaining power, or reduced customer spending on software and services. Further, new business may be delayed or prevented if a key customer uses its leverage to ~~push for~~ **insist on** terms that are worse for us and we delay entering into the contract to negotiate for better terms or decide not to enter into the contract at all, in which case revenue in any particular quarter or year may fail to meet expectations and our reliance on our remaining customers could increase. Further, if any of our key customers default, declare bankruptcy or otherwise delay or fail to pay amounts owed, or we otherwise have a dispute with any of these customers, our results of operations would be negatively affected in the short term and possibly the long term. For example, ~~excluding contingent fee arrangements in 2023, 2022 and 2021~~, we incurred **substantial** expenses ~~in the amount of \$ 2.6 million, \$ 1.9 million and \$ 2.0 million, respectively~~, related to the arbitration with SMIC New Technology Research & Development (Shanghai) Corporation due to SMIC's failure to pay fees due to us under a series of contracts. In ~~2024~~ **2025**, ~~if we may continue to~~ **are awarded any contract fees under the arbitration, we will** incur ~~substantial~~ additional expenses related to **legal fees that are contingent on such a favorable result, which may be substantial depending on the size of an any award** arbitration hearing to resolve this matter. The loss of revenue from any of our key customers would cause significant fluctuations in results of operations because our expenses are fixed in the short term and it takes us a long time to replace customers or reassign resources. ~~21~~ **If** we do not continuously meet our development milestones of key research and development projects or ~~successfully commercialize~~ **market adoption of** our DFI system ~~fails to meet our expectations~~, our future market opportunity and revenues will suffer, and our costs may not be recouped. We have

invested significantly in the design and development of our eProbe tool and related IP. Key customers failing to purchase, renew, or expand the number or use of such systems on our expected timeline or at all will cause our results to miss expectations. Also, if **customers are not able to achieve** the results of **they expect using** our DFI system, including new applications, **are customers may not continue** as we expect, we may not be able to **adopt** successfully commercialize this system or such applications **on schedule as we expect**, or at all, and we may miss the market opportunity and not recoup our investment. Further, our eProbe tool could cause unexpected damage to wafers or delay processing wafers, which we could be liable for, or which could make customers unwilling to use the tool. If we are not able to create significant interest and show reliable and useful results without significant damage to wafers, our investment may not be recouped and our future results may suffer. We are required to comply with governmental export and import requirements that could subject us to liability and restrict our ability to sell our products and services, which could impair our ability to compete in international markets. We are required to comply with export controls and economic sanctions laws and regulations that restrict selling, shipping, or transmitting our products and services **and**, transferring our technology outside the United States, **or certain U. S. person activities regarding certain end- users or end- uses**. These requirements also restrict domestic release of software and technology to foreign nationals. In addition, we are subject to customs and other import requirements that regulate imports that are important for our business. If we fail to comply with the U. S. Export Administration Regulations (“EAR”) or other U. S. or non- U. S. export or economic sanctions laws and regulations (collectively, “Export Regulations”), we ~~could~~ **19could** be subject to substantial civil and criminal penalties, including fines for the Company and the possible loss of the ability to engage in exporting and other international transactions. Due to the nature of our business and technology, Export Regulations may also subject us to governmental inquiries regarding transactions between us and certain foreign entities. Export Regulations are fluid, complex, and uncertain, and there are ongoing efforts throughout the industry in coordination with regulators to revise, clarify, and interpret Export Regulations. The U. S. Congress and regulators continue to consider significant changes in laws and regulations. For example, the U. S. government is reportedly considering whether and / or how to impose restrictions directly on cloud- hosted services and further restrictions directly on U. S. person activity. We cannot predict the impact that additional legal changes may have on our business in the future. For example, ~~in October 2022~~ the U. S. Bureau of Industry and Security (“BIS”) **recently extended controls** promulgated broad, novel Export Regulations relating to China **renewal licenses for certain lawfully delivered products** that **would have changed status under** temporarily caused us to pause some deliveries while we interpreted the application of the new regulations **on our business, given current and evolving operations designations, causing us to decline certain renewals**. Also, BIS has placed certain entities on **and frequently adds entities to** its entity list (the “Entity List”), which restricts supply of items to or in connection with the named entities **and impacts our ability to transact business with certain customers**. Further, in some circumstances Export Regulations require a license to export an item if the recipient will use the item to design or produce an item for a Huawei- affiliated company or certain other organizations on the Entity List. These regulations can also require licenses for exports that involve Chinese military or intelligence- related end users or end uses. Future changes in Export Regulations, including changes in the enforcement and scope of such regulations, may create delays in the introduction of our products or services in international markets or could prevent our customers with international operations from deploying our products or services globally. In some cases, such changes could prevent the export of our products or services to certain countries, governments, entities or individuals altogether. Any such delays or restrictions could adversely affect our business, financial condition and results of operations. For further discussion, see Item 7. “Management’ s Discussion and Analysis of Financial Condition and Results of Operations.” Decreases in wafer volumes at our customers’ manufacturing sites or the volume of ICs that some of our customers are able to sell to their customers would cause our Integrated Yield Ramp revenue to suffer. Our Integrated Yield Ramp revenue includes amounts largely determined by variable wafer volumes at manufacturing sites covered by our contracts and, in some cases, determined by the volume of an IC product that our customer is able to sell to its customers. Both of these factors are outside of our control. **We have seen a In recent years, we saw** significant reduction in our Integrated Yield Ramp revenue **due to these** in recent years and expect this trend ~~trends~~ to continue. Further, some of our manufacturing customers’ business is largely dependent on customers that use our manufacturing customer as a second or third source. If those ~~22customers~~ **customers** consolidate and / or otherwise move the orders to manufacturing facilities not covered by our contracts, or suspend their manufacturing at covered facilities for any reason, including consolidation, our Integrated Yield Ramp revenue will continue to decrease, which could negatively affect our financial results. Further, reduced demand for semiconductor products or protectionist policies like those stemming from the complex relationships among China, Hong Kong, Taiwan, and the United States has from time to time decreased and may continue to decrease the volume of wafers and, in some cases, products our customers are able to make or sell, which would also decrease our Integrated Yield Ramp revenue. Also, our customers may unilaterally decide to implement changes to their manufacturing processes during the period that volume is covered by royalty contracts, which could negatively affect yield results and, thus, our Integrated Yield Ramp revenue. Since we currently work on a small number of large projects at specified manufacturing sites and, in some cases, on specific IC products, our results of operations have been and may continue to be adversely affected by negative changes at those sites or in those products, including slowdowns in manufacturing due to external factors, such as U. S. trade restrictions, **tariffs**, rising inflation and global interest rates, or continued or worsening supply chain disruptions. Also, if wafer orders from sites covered by our contracts are not secured by our customers, if an end product does not achieve commercial viability, if a process line or, in some cases, a specific product, does not achieve significant increases in yield or sustain significant volume manufacturing during the time we receive royalties, revenues associated with such volumes or products would be negatively impacted. This could significantly reduce our Integrated Yield Ramp revenue and our results of operations could fail to meet expectations. In addition, if we work with two directly competitive manufacturing facilities or products, volume in one may offset volume, and thus any of our related revenue, in the other facility or product. **We acquired an early- stage battery- solutions provider and have been investing in research and development for new products and services**

beyond our traditional semiconductor focus, and it could take a long time to reach market acceptance and recoup our costs, if at all. In July 2023, we acquired Lantern Machinery Analytics, Inc., an early-stage company providing products and services for battery manufacturers, which is beyond our traditional semiconductor focus. We have also invested in research and development to expand the application of our existing products and services to battery manufacturers. If we do not create products and services battery manufacturers desire, we may not be able to successfully commercialize our solutions for battery manufacturing on schedule, or at all. In this case, we may miss the market opportunity, which would mean lower sales than we expect, the loss of our investments in battery manufacturing solutions, which would mean lower earnings. Our **20**Our success depends upon our ability to effectively plan and manage our resources and restructure our business through rapidly fluctuating economic and market conditions, which actions may have an adverse effect on our financial and operating results. Our ability to successfully offer our products and services in a rapidly evolving market requires an effective planning, forecasting, and management process to enable us to appropriately scale and adjust our business and business models in response to fluctuating market opportunities and conditions, which has in the past and could in the future continue to require us to increase headcount, acquire new companies or engage in restructurings from time to time. For example, while we have increased investment in our business by increasing headcount, acquiring companies, and increasing our investment in research and development, sales and marketing, and other parts of our business from time to time, at other times we have undertaken restructuring initiatives to reduce expenses and align our operations with our evolving business needs. Some of our expenses related to such efforts are fixed costs that cannot be rapidly or easily adjusted in response to fluctuations in our business or headcount. Rapid changes in the size, alignment or organization of our workforce, including sales account coverage, could adversely affect our ability to develop and deliver products and services as planned or impair our ability to realize our current or future business and financial objectives. Our ability to capitalize on the market opportunity and achieve cost savings and other benefits from restructuring initiatives within the expected time frame requires significant management input and leadership and is subject to many estimates and assumptions, which are subject to significant economic, competitive and other uncertainties, some of which are beyond our control. If these estimates and assumptions are incorrect, and we are unsuccessful at implementing changes, or if other unforeseen events occur, our business and results of operations could be adversely affected. **23**Our business may be negatively impacted by social, political, geopolitical, economic instability, unrest, war, terrorism, or other circumstances that could interrupt our business operations, which could cause us to lose sales or delay or be unable to fulfill contractual commitments, which may have an adverse effect on our financial and operating results. Our business operations may be negatively impacted by social, political, economic instability, unrest, war, terrorism, or other circumstances in a region in which we operate. Such events may result in restrictions, curfews, or other actions and give rise to significant changes in regional and global economic conditions and cycles, which may adversely affect our financial and operating results. Further geopolitical uncertainties, including relations between the United States and each of China and Russia, between Israel and Palestine, social activism, economic instability, war, terrorism, or other circumstances that interrupt our ability to conduct business could cause damage to, disrupt, or cancel sales of our products and services on a global or regional basis, which could have a material adverse effect on our business or vendors with which we do business. Due to the significance of our China market for our profit and growth, we are exposed to risks in China, including the risks mentioned elsewhere and the following: the effects of current U. S.- China relations, including rounds of tariff increases and retaliations and increasing restrictive regulations, potential boycotts and increasing anti-Americanism; escalating U. S.- China tension and increasing political sensitivities in China; the effects of China government funding in the development of domestic solutions and customer preference for domestic suppliers creating additional competition in China; and unexpected governmental regulations and restrictions in China as a result of renewed efforts to contain the COVID-19 pandemic, which could negatively impact our local operations. Such events could also make it difficult or impossible for us to deliver products and services to our customers. In addition, territorial invasions can lead to cybersecurity attacks on technology companies, such as ours, located far outside of the conflict zone. We do not have a business continuity plan developed to account for all continuity risks (please see Item 1C. Cybersecurity for more information about our cybersecurity risk management program). In the event of prolonged business interruptions or negative broad economic and security conditions due to political, geopolitical events, we could incur significant losses, require substantial recovery time, and experience significant expenditures in order to resume our business operations. In addition, our insurance policies typically contain a war exclusion of some description and we do not know how our insurers are likely to respond in the event of a loss alleged to have been caused by geopolitical uncertainties. Global economic **or geopolitical** conditions or semiconductor market conditions could materially adversely impact demand for our products and services, decrease our sales, or delay our sales cycle. Our customers are global semiconductor companies, which means that our operations and performance depend significantly on worldwide economic **and geopolitical** conditions as well as semiconductor market specific changes. **Current** Uncertainty about global economic **conditions and uncertainty about future** conditions including war, terrorism, geopolitical uncertainties and other business interruptions could result in damage to, disruption, postponement or cancellation of sales of our products or services on a global or regional basis. Furthermore, **, tariffs, trade controls, export and import regulations**, tighter credit, higher interest rates, inflationary concerns, large-scale unemployment, negative financial news and / or declines in income or asset values and other macroeconomic factors could have a material adverse effect on demand for our products and services and, accordingly, on our business, results of operations or financial condition and / or vendors with which we do business. For example, the timing of the build-out of the semiconductor market in China depends significantly on governmental funding on both local and national levels and a delay in this funding could negatively affect our revenues. Further, **any economic and political uncertainty caused by the United States** **U. S. federal government has recently stated its intention to change U. S. trade policy, including potentially renegotiating or terminating existing trade agreements and leveraging tariffs**. **In February 2025, the U. S. imposed additional tariffs on goods imports from China or enhanced U. S. export regulations relating to China, among other potential countries, and any corresponding announced and subsequently paused**

implementation of tariffs on imports from China, Canada and Mexico. These additional tariffs, as well as a government's adoption of "buy national" policies or retaliation by another government against such tariffs or policies, have introduced significant uncertainty into other -- the market and countries in response, may negatively impact affect the prices of and demand and/or increase the cost for our and our customers' products. Further, the semiconductor industry historically has been volatile with up cycles and down cycles, due to sudden changes in customers' manufacturing capacity requirements and spending, which depend in part on capacity utilization, demand for customers' IC products by consumers, inventory levels relative to demand, and access to affordable capital. As a result of the various factors that affect this volatility, the timing and length of any cycles can be difficult to predict and could be longer than anticipated. Any of these events could negatively affect our revenues and make it challenging or impossible for us to deliver products and services to our customers forecast our operating results, make business decisions, and identify the risks that may affect our business, financial condition and results of operations. Customers with liquidity issues may also lead to additional credit losses. ~~24~~We face challenges in providing a comprehensive solution outside of the semiconductor industry due to limitations on the business areas in which we can use current third- party licensed technology, which may make it prohibitively expensive to sell our solution for applications outside of our traditional industry. Since certain of our current software requires certain commercially- available, third- party programs to run as intended and some of our contracts with licensors limit the industry in which we can resell such third- party programs, we face challenges to provide a comprehensive solution to battery manufacturers. If we or our customers are unable to procure required ~~21~~required third- party programs that can be used in connection with our products for battery manufacturing, or the cost to do so is higher than expected, we may miss the market opportunity, which would mean lower sales than expected, or our costs may be higher, which would mean lower earnings than expected . Further, if we are unable to develop a suitable product that is not limited by such third- party restrictions and meets the market's needs or the costs to do so is higher, or the time required to do so, is longer than expected, we may lose future business opportunities and our results of operations will suffer .

Risks Related to Our Technology If we fail to protect our IP rights, customers or potential competitors may be able to use our technologies to develop their own solutions, which could weaken our competitive position, reduce our revenues, or increase our costs. Our success depends largely on the protection of our proprietary technology. Our contractual, patent, copyright, trademark, and trade secret protection may not be effective against any particular threat or in any particular location. Our pending patent applications may not result in issued patents, and even if issued, they may not be sufficiently broad to protect our proprietary technologies. Some foreign countries do not currently provide effective legal protection for IP and our ability to prevent the unauthorized use of our products in those countries is therefore limited. Our trade secrets may also be stolen, otherwise become known, or be independently developed by competitors. Litigation may be necessary from time to time to enforce our IP rights. As a result of any such litigation, we could lose our proprietary rights and incur substantial unexpected operating costs. Litigation could also divert our resources, including our managerial and engineering resources. If we are unable to exclude others from using our proprietary technologies and methods without compensation to us, through litigation or otherwise, it could impede our ability to grow our business and our revenues may suffer. We and our third- party service providers are exposed to risks related to information technology infrastructure, information management and protection, cybersecurity threats, and cyber incidents ; if we or our third- party providers fail to protect confidential information and / or experience a cyber incident, there may be damage to our brand and reputation, material financial penalties, and legal liability . We are heavily reliant on our systems, hardware, software, technology and infrastructure, as well as online sites, networks, and the public cloud to an increasing degree, to provide our products and services to our customers (collectively, "IT Systems "). Additionally, we must frequently expand our IT internal information system Systems to meet increasing demand in storage, computing and communication, which may result results in increased costs. Our IT internal information system Systems is are expensive to expand and must be highly secure due to the sensitive nature of the our customers' information that we , transmit. Building and certain managing the support necessary for our growth places significant demands on our management and resources. These demands may divert these resources from the continued growth of our third- party providers, collect, maintain and process. This includes information about customers, employees, business partners and implementation of others, as well as proprietary information belonging to our business strategy or that of our customers such as trade secrets (collectively, "Confidential Information "). We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our IT Systems and Confidential Information, including denial- of- service attacks or other cyber- attacks, hacking, " phishing " attacks, computer viruses, ransomware, malware, employee or insider error, malfeasance, social engineering, deep- fake impersonations, physical breaches, or other events or developments that we may be unable to anticipate or fail to mitigate . Bad actors may make increased use of widely available access to generative AI technology , such as ChatGPT, for more sophisticated and frequent cyber- attacks or fraudulent impersonations against us. In addition, any integration of AI in our or any service providers' operations, products or services is expected to pose new or unknown cybersecurity risks and challenges. These attacks could come from either Advanced advanced Persistent persistent Threat threat actors , state- sponsored organizations, opportunistic hackers, hacktivists, or other individual organized or unorganized malicious actors. The expense to purchase, update, and configure security information systems to detect and / or neutralize increasingly complex and sophisticated attacks may increase increases our costs and, failure to acquire the right expertise or systems may leave us vulnerable to attacks, which could expose our confidential Confidential or competitive information Information or that of our customers- result in which could expose us to liability and have a negative impact on our reputation and business opportunity . In addition, companies that we acquire may have cybersecurity vulnerabilities and / or unsophisticated security measures, which exposes us to significant cybersecurity, operational, and financial risks. We are also subject to risks related to continued support of our employees' remote or hybrid work environment, which creates additional information security vulnerabilities and / or magnifies the impact of any disruption in our IT Systems . We rely on third-

party service providers to enable key services to our customers, including for cloud services, enterprise software, customer support portal software, and co-location computing facilities. We have experienced in the ~~past 22~~past, and may experience in the future, interruptions in our ~~information IT systems~~Systems on which our global operations depend or unplanned downtime of the infrastructure that delivers our SaaS. Such an unplanned interruption, even if temporary, could stop SaaS customers from accessing their hosted data or on-premise customers from downloading licensed software or critical security patches, or from accessing our support portal, which could mean that we may not meet our contractual commitments for such services to customers, which could reduce our revenue, incur liability, or result in damage to our reputation and negatively impact future sales. Further, the ~~IT Systems information technology and infrastructure that stores~~store and ~~processes~~process our and our customers' data ~~Confidential Information~~Confidential Information is susceptible to continually evolving cybersecurity threats that become more ~~25~~complex-- complex over time, especially with the rapid evolution of AI technologies, and may not be recognized until launched against a target, all of which could result in unauthorized access to, or acquisition of, our data, and interruption or disruption of our business. **We Cyberattacks are expected to accelerate on a global basis in frequency and magnitude as bad actors are becoming increasingly sophisticated in using techniques and tools that circumvent security controls, evade detection, and remove forensic evidence. In addition, ransomware attacks are becoming increasingly prevalent and severe, and can lead to significant interruptions in our operations, loss of data and income, reputational loss, diversion of funds, and may result in fines, litigation and unwanted media attention. As a result, we** and our third-party service providers, with whom we ~~may~~share data, may be unable to anticipate these techniques or attacks or may not implement adequate preventative measures to prevent either unauthorized access to our ~~IT systems~~Systems or services that could compromise ~~customer data or other confidential~~Confidential information ~~Information~~ or result in a disruption of our services. In particular, like our peers, we are often the target of cyber-attacks by third parties seeking unauthorized access to ~~confidential Confidential~~Confidential or sensitive data, including ~~customer confidential information~~Information, or to disrupt our ability to provide services ~~from~~. **There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our IT Systems and Confidential Information. Furthermore, given the nature of complex systems, software and services like ours, and the scanning tools that we deploy across our networks and products, we regularly identify and track security vulnerabilities. We are unable to comprehensively apply patches or confirm that measures are in place to mitigate all such vulnerabilities, or that patches will be applied before vulnerabilities are exploited by a broad range of threat actors-- actor. When we experience a security incident, we have to conduct** including foreign governments, criminals, competitors, computer hackers, cyber terrorists and ~~an~~ politically motivated groups or **investigation and may need to notify individuals -** ~~To date, we have not incurred~~customers, partners, service providers and state, federal or local governmental authorities and regulators in the U. S. or elsewhere around the world. **In addition, any material-- controls issues found during security assessment of our systems required by our customers and technical partners may result in disclosure to customers and potential customers and cause customers to re-evaluate their purchasing or renewal decisions, which could cause us to lose sales. Accordingly, any adverse impact to the availability, integrity or confidentiality of our IT Systems or Confidential Information may lead to significant** costs from these attacks. The security measures we have integrated into our internal systems, SaaS, and ~~fees~~ software products, which are designed to detect unauthorized intrusions or ~~for~~ activity and prevent or minimize security breaches, vary in maturity across our business and may not function as expected or may not be sufficient to protect against certain attacks. Additionally, we may not have sufficient audit logs to fully understand the nature of a cyber-attack. In some cases, we do not have contracts to provide ~~legal~~advice protection or recourse for breaches of our security protections, which may increase our **investigation support, remediation, and result in legal risk** exposure (to expenses related to such attacks and negatively impact our results. Ransomware attacks are becoming increasingly prevalent and severe, and can lead to significant interruptions in our operations, loss of data and income, reputational loss, diversion of funds, and may result in fines, litigation and unwanted media attention. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting payments. Territorial invasions like Russia's invasion of Ukraine or other geopolitical events can lead to ~~cybersecurity attacks on technology companies, such as~~class actions), **regulatory investigations and enforcement actions, fines and penalties, damage and harm to ours-- our reputation**, located far outside of the conflict zone and **impact on our ability to keep and attract customers**. In the event **Any or all** of prolonged **the foregoing could materially adversely affect our** business interruptions due to a security breach or disruption, **results of** we could incur significant losses, require substantial recovery time and experience significant expenditures in order to resume our business operations. Our information systems are susceptible to computer viruses, cyber-related security breaches, and similar disruptions from unauthorized intrusions, tampering, misuse, criminal acts including phishing, or other events or developments that we may be unable to anticipate or fail to mitigate. Our security measures may also be circumvented or bypassed due to employee errors or malfeasance. Third parties may attempt to fraudulently induce employees or customers to disclose information in order to gain access to our data or our customers' data, including account credentials, customer personnel information, or other information. If we fail to have adequate controls or safeguards, the security of our internal networks, electronic systems, or physical facilities could be compromised, which could result in significant legal and financial exposure, a loss of confidence in the security of our SaaS and other software products, interruptions, or malfunctions in our operations, account lock outs, and, ultimately, harm to our business, financial condition and results of operations. We face information technology security and fraud risks due to continued support of our employees' remote or hybrid work environment, which may create additional information security vulnerabilities and/or magnify the impact of any disruption in our information technology systems. Our increased reliance on work-from-anywhere technologies and even our employees' expanded reliance on company-approved bring-your-own-mobile-devices may increase the risk of cybersecurity or data breaches from possible circumvention of security and monitoring systems, denial-

of-service attacks or other cyber-attacks, hacking, “ phishing ” attacks, computer viruses, ransomware, malware, employee or insider error, malfeasance, social engineering, deep-fake impersonations, physical breaches, or other actions. Our insurance policies may not cover losses incurred in the event our systems or data are comprised, and they are subject to retention amounts that could be substantial. Moreover, we cannot be certain that such insurance policies will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. Many of our customers and our technical partners require us to complete annual vendor security assessments which may include a requirement to complete information security self-assessments, third-party assessments, or obtain independent certifications from standards organizations. Any exception of controls found during such assessments or certification, especially if published in a report such as for SOC 2 Type 2, may need to be disclosed to a large number of customers and potential customers. Such publication of controls weaknesses could cause customers to re-evaluate their purchasing or renewal decisions, which could cause us to lose sales and, as a result, have lower earnings than expected. 26Part of our business includes the acquisition of other companies which involves the integration of various business processes, technologies, and data systems. While such acquisitions offer strategic opportunities for growth and diversification, they also expose us to cybersecurity risks that may arise during the integration process and thereafter. Challenges in integrating information technology systems and networks may create vulnerabilities and expose the organization to unauthorized access and data breaches. The transfer and consolidation of sensitive information during acquisitions heighten data security and privacy concerns, potentially leading to regulatory compliance issues and reputational damage. Third-party relationships established by the acquired company introduce additional cybersecurity risks if not properly assessed and mitigated. Moreover, cultural differences, compliance obligations, and resource constraints further complicate the effective management of cybersecurity risks associated with acquisitions, potentially impacting the organization’s financial performance and reputation. If we experience a security event, we may have to conduct an investigation and notify individuals, customers, partners, service providers and state, federal and local governmental authorities and regulators in the U. S. and elsewhere around the globe. Accordingly, security events could lead to significant costs and fees for legal advice, investigation support, remediation, and result in legal risk exposure, damage and harm to our reputation, and impact on our ability to keep and attract customers. We and our customers are subject to laws and regulations concerning data privacy, data security, consumer protection, and advertising and these laws and regulations are continually evolving, which exposes us to potential material risks, including significant liability, negative publicity, and / or an erosion of trust, which could materially adversely affect our business, results of operations, and financial condition. We collect, use, store or disclose (collectively, “ process ”) information that relates to individuals and / or constitutes “ personal data, ” “ personal information, ” “ personally identifiable information, ” or similar terms under applicable data privacy laws (collectively, “ Personal Information ”) including from employees and customers, in connection with the operation of our business. The personal Personal Information Information we process is subject to an increasing number of federal, state, local and foreign non- U. S. laws, rules, regulations, industry standards, and other requirements regarding privacy and data security, including in some cases the EU General Data Protection Regulation, the UK General Data Protection Regulation and the UK Data Protection Act, as well as contractual commitments with our customers. These laws require us to adhere to certain disclosure restrictions and deletion obligations with respect to Personal Information, and allow for penalties for violations and, in some cases, a private right of action. These laws also impose transparency and other obligations with respect to Personal Information and provide individuals with similar rights with respect to their Personal Information. We have invested, and continue to invest, human and technology resources in our efforts to comply with such requirements that are time- intensive and costly. The application and interpretation of such requirements are constantly 23evolving and are subject to change, creating a complex compliance environment. In some cases, these requirements may be either unclear in their interpretation and application or they may have inconsistent or conflicting requirements with each other. If we underestimate the cost of compliance, we may have to divert resources and increase spending, which could adversely impact our financial results and any non- compliance could cause us to lose business, which would decrease our revenues. Further, there has been a substantial increase in legislative activity and regulatory focus on data privacy and security in the United States and elsewhere, including in relation to cybersecurity incidents. In addition, some such requirements place restrictions on our ability to process Personal Information across our business or across country borders. Any failure or perceived failure by us to comply with such obligations may result in governmental investigations or enforcement actions, fines, litigation or legal proceedings (including class actions), or public statements against us by consumer advocacy groups or others and could cause our customers to lose trust in us, which could have an adverse effect on our reputation, results of operations, financial condition, and business. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make changes to our business. These proceedings and any subsequent adverse outcomes may subject us to significant negative publicity and an erosion of trust. In the United States, we are subject to numerous federal, state and local data privacy and security laws and regulations governing the processing of information about individuals, including federal laws (e. g., FTC Act) and state privacy laws (e. g., the California Privacy rights Act and the Virginia Consumer Data Protection Act), marketing and communications laws, laws regarding credit reports, data breach notification laws, and consumer protection laws, many of which carry significant potential for active enforcement and penalties. Abroad, our customers may be subject to the EU GDPR and UK GDPR or For similar local or regional frameworks that impose example, the Federal Trade Commission and state regulators enforce a variety of strict data protection compliance regime. Our customers may impose these obligations on us by contract, which could require us to expend resources to comply with those requirements. More generally, given the rapidly changing data privacy and data security issues, such as promises made in privacy policies or failures to appropriately protect information about individuals, as unfair or deceptive acts or practices in or affecting commerce in violation of the Federal Trade Commission Act or similar state laws. We are also, regulations, policies and legal obligations discussed

above, and because any current compliance is subject to a patchwork change based on this shifting and inconsistent landscape, we could incur costs of complying with these overlapping but different state privacy laws and regulations, which in some cases can be enforced by our customers, other private parties in addition to government entities, are high and likely to increase in the future, particularly as the degree of regulation increases, our business grows and our geographic scope and member base expands. The impact of these laws and regulations may disproportionately affect our business in comparison to our peers in the technology sector that have greater resources. Our technologies could infringe the IP rights of others, causing costly litigation and the loss of significant rights. Significant litigation regarding IP rights exists in the semiconductor industry. It is possible that a third party may claim that our technologies infringe their IP rights or misappropriate their trade secrets, which has happened in the past. Any claim, even if without merit, could be time consuming to defend, result in costly litigation, require us to enter into royalty or licensing agreements, which may not be available to us on acceptable terms, or at all, subject us to damages or injunctions restricting our sale of products, invalidate a patent or family of patents, require us to refund license fees to our customers or to forgo future payments or require us to redesign certain of our products, any one of which could adversely affect our sales opportunities, expenses, and revenues.

27 Competition -- Competition in the market for data services and analytics and related systems and services may intensify in the future, which could impede our ability to grow or execute our strategy. Our industry is marked by rapid technological developments and innovations (such as the use of AI and ML) and evolving industry standards. If we are unable to innovate quickly enough to keep pace with our competitors in incorporating such technological developments in our product offerings, our business could be harmed. See the discussion in “ Competition ” in Part 1, Item 1. “ Business ” section for more information about our current competitors. There may be other competitors of which we are not aware, and we may compete with the products or offerings of our existing competitor companies or additional companies if we expand our offerings through acquisitions or development. The demand for solutions that address the need for better integration between the silicon design and manufacturing processes and the need for insight into performance of those manufacturing processes may encourage new direct competitors to enter our market. Increased competition could lead to increased pricing pressure, negatively impacting our revenues, or a decreased ability to grow or execute our strategy. Also, our current and potential customers may choose to develop their own solutions internally or through another source, particularly if we are slow in deploying our solutions or improving them to meet market needs. These and other competitors may be able to operate with a lower cost structure than our engineering organization, which would give any such competitor’s products a competitive advantage over our solutions.

Use of Generative AI and the user- other advanced AI technologies for software development may subject us to claims of misappropriation of others’ IP, bugs / errors, and ambiguous ownership of created content. Uncertainty around new and emerging AI applications technologies such as generative AI technology content creation may require additional investment to protect our proprietary datasets, ML models, and systems to test for accuracy, bias and other variables, which may be costly and could impact our profit margin if we decide to expand generative AI into our product offerings. **Developing Acquiring licenses to programs to check programs written with the help of AI technologies, testing, and deploying including determining whether such programs are secure and reliable, AI systems and tested software made using such AI systems** may also increase the cost profile of our offerings. **We Additionally, we would could** be liable for any inaccuracies or errors in software that we release that causes downtime or other damage to our customers’ facilities or production lines, which could greatly increase our expenses and decrease our earnings.

Use of open- source software (“ OSS ”) together with our products exposes us to potential legal liability and could negatively affect our ability to protect our intellectual property, and if support and updates for the OSS that we currently use in providing our products and services is not available to us, our financial results could be negatively impacted. We use open- source software (“ OSS ”) in delivering products and services to our customers and in some cases are not able to obtain support or updates for some programs. Change of terms for support for OSS, or lack of support or updates for such OSS, could significantly increase our costs to deliver our products and services or cause a temporary or long- term disruption in our ability to use such OSS in our products and services or make it harder or impossible to mitigate vulnerabilities or risks associated with such software. This could negatively impact customers’ perception of our security or quality, cause us to lose business, or adversely impact our financial results. From time to time, companies that use OSS have faced claims challenging the use of OSS or compliance with open source license terms, and we could be subject to such lawsuits. The terms of many OSS licenses to which we are subject have not been interpreted by U. S. or foreign courts, and there is a risk that open source licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our provision of our products and services. Litigation could be costly for us to defend, harm our business, results of operations or financial condition or require us to devote additional research and development resources to change our platform. In addition, if we were to combine our proprietary software with OSS in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software. If we inappropriately use OSS, we may be required to re- engineer parts of our platform, extract the OSS at issue or take other remedial actions. In addition to risks related to license requirements, use of certain OSS can lead to greater risks than use of third- party commercial software, as open source licensors generally do not provide warranties, indemnities or controls on the origin of software equivalent to those provided by third- party commercial software providers. Any of the foregoing could adversely impact the value or enforceability of our intellectual property, and materially adversely affect our business, results of operations, and financial condition.

Risks Related to Our OperationsMeasurement

OperationsWe face operational and financial risks associated with international customers and operations that could negatively impact our revenues. We have customers globally and our standard operations include development, distribution processes, software download sites, and professional service centers and processes in various geographies around the world, including employees and contractors located in Shanghai, China and Ramallah, Palestine, Israel, and Taiwan. Any of the following could disrupt or limit our business opportunities, the work our international employees

and contractors perform, negatively affect the range of services we are able to provide from anywhere, or increase our cost for such services: • changing circumstances in China regarding investments in the semiconductor industry by both private and public entities within China, which if the level of investments is substantially reduced could limit our future growth potential; • limits on access (i) by some of our key engineers and other personnel that are foreign nationals to certain technical information under U. S. export laws or by certain of our customers, or (ii) by such individuals to the United States and other countries in which our customers or our offices may be located; • difficulties recruiting, training, and retaining qualified technical and managerial employees in non- U. S. offices, and actions taken by our local dealers and partners, for which we may be liable and incur penalties, legal expenses, or have to pay damages, which would negatively impact our results of operations; 25 • greater difficulty in collecting accounts receivable from non- U. S. customers, resulting in longer collection periods, credit losses, and increased costs to collect; • inconsistencies among, and unexpected changes in, non- U. S. laws and regulatory environments, including, among others, those related to human resources, personal data, tax, protection of IP, corporate governance, and U. S laws and regulations related to anti- corruption, imports and exports, and trade and export controls, which could result in (i) substantial expense to us as we attempt to comply and resolve inconsistencies, (ii) liability for inadvertent or intentional breach, for example through fraudulent or negligent behavior of individual employees, and (iii) a requirement to make significant changes in our business operations or forego international business opportunities for a period of time or altogether, any of which could adversely affect our revenues or our overall business; • currency risk (i) due to certain of our payables and our international offices' payables denominated in foreign currencies, including the Euro, Yen, and RMB, while predominantly all of our revenues is denominated in U. S. dollars, or (ii) in the event a larger portion of our revenues becomes denominated in foreign currencies, in either case, which could increase the cost in U. S. dollars to us or decrease the expected amount of revenues in U. S. dollars by the time of payment; or, • economic or political actions, policies, or instability, and the resulting restrictions and disruption to economic activity and business operations in such areas, which could potentially (i) interrupt our customers' ability in such locations to make use of our products or services, or for our employees or contractors to provide services, (ii) impact our customers' desire to buy local, or (iii) limit our ability to supply products, services and technologies to affected entities and countries, any of which may negatively impact our financial results. Measurement

of our variable consideration sometimes require data collection and customers' use of estimates and are contingent upon customers' consent and may be later offset if actual data differ from customers' estimates, which can result in uncertainty and cause quarterly results to fluctuate. We can only recognize volume- or average selling price- ("ASP") based royalties once we have reached agreement with our customers on their level of yield performance improvements or ASP and quarterly agreements are sometimes based on estimates of volume results or ASP for each quarter. Measuring the amount of yield improvement is inherently complicated and dependent on our customers' internal processes and on certain non-public information that may not be directly available to us. Thus, there may be uncertainty as to some components of measurement or calculation. Also, some variable consideration can be highly susceptible to delays in our customers' measurement of key factors such as reporting volumes results and level of yield or ASP. Therefore, we may have to estimate revenue related to contingent variable fees or usage- or sales- based royalties prior to the receipt of performance reports, such as royalty acknowledgements, or other related information from customers. These estimates are subject to judgment to evaluate whether it is probable that a significant revenue reversal will not occur in future periods, which could result in our recognition of less Integrated Yield Ramp revenue than expected that may later be offset when actual results become available if such results differ from estimates. **Errors** We have customers with past due balances..... restrictions, or business disruptions in regions affecting our operations, stemming from actual, imminent or perceived outbreaks of contagious diseases, including COVID-19; or • economic or political instability, including but not limited to armed conflict, terrorism, interference with information or communication of networks or systems, including strained or worsening relations between the United States and China; occupation or war involving Russia and Ukraine and most recently between Israel and Hamas, and the resulting disruption to economic activity and business operations. Further, our employees and contractors include professionals located in various international locations, including Shanghai, China and Ramallah, Palestine, and Israel, and Taiwan who provide software-related development, quality assurance, maintenance, and other technical support services for certain of our software products. Conflicts in these regions or impacting these regions, or policy changes, including policies covering export controls, that affect these or other international operations could disrupt or limit the work our employees and contractors perform and may negatively affect the range of services we are able to provide or our cost for such services. In addition, our global operations are subject to numerous U. S. and foreign laws and regulations, including those related to anti- corruption, tax, corporate governance, imports and exports, financial and other disclosures, privacy, and labor relations. These laws and regulations are complex and may have differing or conflicting legal standards, making compliance difficult and costly. In addition, there is uncertainty regarding how proposed, contemplated, or future changes to these complex laws and regulations could affect our business. We may incur substantial expense in complying with new obligations to be imposed by these laws and regulations, and we may be required to make significant changes in our business operations, all of which may adversely affect our revenues and our business overall. Given the high level of complexity of these laws, there is a risk that some provisions may be inadvertently or intentionally breached, for example through fraudulent or negligent behavior of individual employees, our failure to comply with certain formal documentation requirements or otherwise. If we violate these laws and regulations, we could be subject to fines, penalties, or criminal sanctions, and may be prohibited from conducting business in one or more countries. Additionally, we may be held liable for actions taken by our local dealers and partners. A significant violation could significantly negatively impact our sales opportunities, operations, and financial results. Some companies in China have indicated to us that they have decided to use only local vendors as a precaution. If more companies respond to changing regulations by using local vendors, then our operations and ability to deliver products and services to customers in China and elsewhere could be significantly

negatively impacted. In such case, our expected international business may be slower than expected or not materialize at all, in which case, our sales opportunities, operations, and financial results would suffer. Further, the U. S. government has imposed broad sanctions on Russia, Belarus and certain companies and high-wealth individuals relating to the invasion of Ukraine, and has additionally maintained a bipartisan consensus favoring increased confrontation of China on trade practices and economic matters, national security, and human rights. The current U. S. Administration views technology as a domain of strategic competition in which the U. S. and its allies must stay ahead of China and has identified semiconductor, AI, 5G technologies, and the protection of U. S. supply chains as priority efforts. As a result of these government actions and policies, unless and until related restrictions are lifted, we are generally not able to supply many products, services and technologies to affected entities and countries. Our standard operations include development, distribution processes, software download sites, and professional service centers and processes located in various geographies around the world. Some customers have expressed concerns that continued action by the U. S. government could potentially interrupt their ability to make use of our products or services. The continuing tension between the U. S. government and each of the Chinese and Russian governments in trade and security matters or the perception of that tension could lead to further disruptions or reductions in international trade, deter or prevent customer purchasing activity, and may negatively impact our financial results. 30Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to ESG matters that could expose us to numerous risks. We are subject to changing rules and regulations promulgated by a number of governmental and self-regulatory organizations, including the SEC, the Nasdaq Stock Market, and the Financial Accounting Standards Board (“FASB”). These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by U. S. Congress, making compliance difficult and uncertain, including a new rule effective in late 2023 that requires us to report to the SEC all material cyber security incidents through the filing of a Form 8-K. In addition, increasingly regulators, customers, investors, employees, and other stakeholders are focusing on ESG matters and related disclosures. These changing rules, regulations and stakeholder expectations have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting such regulations and expectations. For example, developing and acting on ESG initiatives, and collecting, measuring, and reporting ESG information and metrics can be costly, difficult and time consuming and is subject to evolving reporting standards, including the SEC’s proposed climate-related reporting requirements. We may also communicate certain initiatives and goals regarding environmental matters, diversity, responsible sourcing, social investments, and other ESG matters in our SEC filings or in other public disclosures. These initiatives and goals could be difficult and expensive to implement, the technologies needed to implement them may not be cost effective and may not advance at a sufficient pace, and we could be criticized for the accuracy, adequacy, or completeness of the disclosure of our ESG initiatives. Further, statements about our ESG initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change. In addition, we could be criticized for the scope or nature of such initiatives or goals, or for any revisions to these goals. If our ESG-related data, processes and reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to our ESG goals on a timely basis, or at all, our reputation, business, financial performance and growth could be adversely affected. Provision of certain of our data services relies on installing, configuring, and operating proprietary configuration of hardware and software systems located in **customers’ or third-party parties’ facilities and errors affecting such facilities’ operations** could lead to liability for us, and any objection from such **customers or third-party party facility** or delay in providing us physical or logical access to **our such** systems may adversely impact our ability to timely perform our contract obligations or lead to confidentiality, integrity, availability, security, or privacy controls exceptions. In connection with our data services offerings, we rely on installing, configuring, and operating proprietary configurations of hardware and **/ or** software systems in facilities owned and operated by **customers and third parties** around the world. If the **customer or third-party facility owner / operator** does not allow us to install, access and maintain, or otherwise operate **our systems** as intended **these systems**, we may **not fail to** timely fulfill our contractual obligations to, or expectations of, our customers **or such third-party facility owner / operator**. Also, any intentional or unintentional disruption of the operation of these proprietary systems may lead to customer **or third-party facility owner / operator** dissatisfaction, which could cause us to **lose such site as a connected site or** lose future bookings **and, which would** reduce revenue and negatively impact our earnings. Additionally, any potential or actual malicious cybersecurity incident or accidental misconfiguration **resulting-26resulting** in a data security incident involving these proprietary systems may require complex diagnosis and mitigation because they are located at **customers’ and third-party parties’** facilities and this may lead to delays, errors, lack of system availability, loss **or of** our customers’ data integrity, or further unauthorized disclosure of customer **or third-party** confidential or **privacy-personal** data. Further, if our system causes downtime or other disruption or loss to such **customer or third-party** facility, we could be liable for damages associated with such event, which could increase our expenses and distract management, and cause other **customers or** third-party facilities to not want to work with us. Installing and maintaining such proprietary systems around the world requires that we manage the complexity of global operations of individual installations at a large number of different third parties in various countries. The cost and complexity of obtaining support, installing updated security patches, and addressing any other critical vulnerabilities in each individual physical system may lead to exceptions in controls of confidentiality, availability, integrity, security, and privacy, which could negatively impact the availability of our data services to customers, damage our reputation, or lead to lower bookings or sales. 31**Tax RisksU-Delayed payment terms and unpaid accounts receivable will negatively impact our cash in the short term and if customers fail to pay unsecured accounts receivable for a significant time or at all, we may be required to write-off receivables or increase our expense or allowance for credit losses. From time to time, we give customers delayed payment terms in connection with reaching final agreement on large contracts. When we do this, and if we continue to do it in the future on equal or larger total amounts, our cash is negatively impacted in the short-term.**

Since we generally do not require collateral or other security for accounts receivable, if customers fail to pay balances when due, in whole or part, we may incur additional expenses attempting to collect and our business relationship and future business with any such customer could suffer as a result of such collection efforts. We may also experience greater difficulty in collecting accounts receivable from non-U.S. customers, resulting in longer collection periods, credit losses, and increased costs to collect. If our customers fail to pay at all receivable balances when due, in whole or in part, cash will decrease and we may have to incur additional expenses in an attempt to collect such receivables, to write-off a portion or all of such receivables, or to increase our expense or allowance for credit losses. Our accounts receivable balance, net of allowance for credit losses, was \$ 73.6 million and \$ 44.9 million and \$ 42.2 million as of December 31, 2023-2024 and 2022-2023, respectively. Unbilled accounts receivable, included in 28 accounts -- accounts receivable, totaled \$ 23.0 million and \$ 16.4 million and \$ 13.5 million as of December 31, 2023-2024 and 2022-2023, respectively. Unbilled accounts receivable that are not expected to be billed and collected during the succeeding twelve-month period are recorded in other non-current assets and totaled \$ 9.0 million and \$ 1.1 million and \$ 0.8 million as of December 31, 2023-2024 and 2022-2023, respectively. Two Four customers accounted for 57 % of our gross accounts receivable as of December 31, 2024, and two customers accounted for 50 % of our gross accounts receivable as of December 31, 2023, and three customers accounted for 53 % of our gross accounts receivable as of December 31, 2022. The total allowance for credit losses was \$ 0.9 million as of December 31, 2023-2024 and 2022-2023. Tax Risks Changes in tax laws, both within the United States and outside of the United States, could change our tax burden and adversely affect our business and financial condition. We conduct our business globally and, as a result, are subject to taxation in the United States and foreign countries. Our future tax rates could be affected by numerous factors, including changes in tax laws or the interpretation of such tax laws, insufficient taxable income to realize deferred tax assets, and changes in accounting policies. Our filings are subject to reviews or audit by the Internal Revenue Service and state, local and foreign taxing authorities. We cannot be sure that any final determination in an audit would not be materially different than the treatment reflected in our historical income tax provisions and accruals. If additional taxes are assessed as a result of an audit, there could be a significant negative effect on our income tax provision and our operating results in the period or periods for which that determination is made. Any changes in our geographical earnings mix in various tax jurisdictions, including those resulting from transfer pricing adjustments, could materially increase our effective tax rate. On August 9, 2022, the CHIPS and Science Act of 2022 (the "CHIPS Act") was enacted in the United States to provide certain financial incentives to the semiconductor industry, primarily for manufacturing activities within the United States. On January 19, 2024 the House Ways and Means Committee passed with bipartisan support a proposed "tax bill" which would retroactively restore the three expired business tax provisions from the Tax Cuts and Jobs Act through the end of 2025, including the requirement to capitalize and amortize Section 174 research and experimentation ("R & E") expenditures. The provision would delay the date when taxpayers must begin capitalizing and amortizing their "domestic" R & E expenditures until taxable years beginning after December 31, 2025, while leaving the requirement to capitalize foreign research unchanged. This change would be retroactive for taxpayers who have already filed tax returns for taxable year 2022. The tax bill is pending vote in the House and Senate. We could lose are continuing to monitor the CHIPS Act and the proposed tax bill and related regulatory developments to evaluate their -- the potential impact on benefit of all our or part business and operating results. For further discussion of the CHIPS Act, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations". Future events may impact our deferred tax asset position, including the utilization of net operating loss and tax credit carryforwards, if we do not earn future taxable income in the applicable jurisdiction. Realization of our deferred tax assets is dependent primarily upon future taxable income in the applicable jurisdiction. We previously recorded a full valuation allowance against all of our U.S. federal and state deferred tax assets due to the uncertainty surrounding the future realization of these deferred tax assets. Therefore, no benefit has been recognized for the net operating loss carryforwards, tax credit carryforwards, and other deferred tax assets. The A portion of our net operating loss 27 loss and tax credits could expire unused and be unavailable to reduce future income tax liabilities. We intend to continue maintaining a full valuation allowance on these deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of these allowances. We evaluate our deferred tax assets for realizability each reporting period. The impact of If we delay or never releasing-release some or all of such valuation allowance in a future period, the corresponding benefit could would be delayed or lost a material benefit in the period in which such release occurs. Risks Related to Our Strategic Transactions We Transactions If may we do not realize the benefits of our strategic relationships after we have devote significant time and resources to developing strategic relationships but we may not realize the them benefits of such efforts, which it could have an adverse effect on our business and results of operations. We have in the past devoted, and plan in the future to devote, time and resources to identifying, developing, and promoting strategic relationships with other suppliers to provide combined, integrated, or interoperable solutions to the semiconductor, electronics, and automotive industries. For example, from July 2020 through August 2023, we announced strategic relationships or collaborations with Advantest Corporation, Siemens, Kulicke & Soffa Industries, Inc., SAP SE, proteanTees Ltd, and Voltaiq, Inc. The full extent of the future impact of these strategic relationships on our financial condition and results of operations is currently unknown and the failure to reap the anticipated benefits of these companies' financial resources, technology, customer relationships, and global footprint and / or to successfully develop combined, 32 integrated -- integrated, or interoperable solutions with such companies could have an adverse effect on our business and results of operations. Our acquisitions create special risks and challenges that could adversely affect our financial results. Our success depends on our ability to continually enhance and broaden our product offerings in response to changing technologies, customer demands, and competitive pressures. To this end, we have, from time to time, engaged in the process of identifying, analyzing, and negotiating possible acquisition transactions, and, from time to time, acquiring one or more businesses, and we expect to continue to do so in the future. We may choose to acquire new and complementary businesses, products, technologies and / or services instead of developing them ourselves. For example, we

acquired Cimatrix in December 2020 for a gross purchase price of approximately \$ 37.5 million (\$ 31.6 million net of cash acquired) for all of its outstanding equity. We may, however, face competition for acquisition targets from larger and ~~or~~ more established companies with greater financial resources, making it more difficult **or more expensive** for us to complete acquisitions. We may not be successful in ~~consummating~~ **completing and closing announced acquisitions, such as our planned acquisition of SecureWise LLC announced in February 2025, or in entering into** future acquisitions on favorable terms, and we may not realize the benefits that we anticipate from one or more acquisitions that we ~~consummate~~ **do close**. Integrating any business, product, technology, or service into our current operations could be expensive and time- consuming and / or disrupt our ongoing business. Further, there are numerous risks associated with acquisitions and potential acquisitions, including, but not limited to, problems combining the purchased operations, technologies or products, unanticipated costs, liabilities, litigation, and diversion of management' s attention from our core businesses, adverse effects on existing business relationships with suppliers and customers, risks associated with entering markets in which we have no or limited prior experience, and where competitors in such markets have stronger market positions, initial dependence on unfamiliar supply chains or relatively small supply partners, failure of our due diligence processes to identify significant problems, liabilities or other challenges of an acquired company or technology, and the potential loss of key employees, customers, distributors, vendors, and other business partners of the companies we acquire. We may not be able to successfully integrate businesses, products, technologies, or personnel that we might acquire and the transaction may not advance our business strategy. The integration of businesses that we may acquire is likely to be a complex, time- consuming, and expensive process and we may not realize the anticipated revenues or other benefits associated with our acquisitions. If we fail to successfully manage, operate, or integrate any acquired business or if we are unable to efficiently operate as a combined organization, including through the use of common information and communication systems, operating procedures, financial controls, and human resources practices, we could be required to write- down investments and our business, financial condition, and results of operations may be adversely affected. We may also be unable to protect or enforce the IP rights of any target business that we acquire, or such target businesses may become subject to claims of IP infringement. Further, if we become subject to liabilities as a result of an acquisition, the liabilities we incur may be substantial and the amounts of such liabilities may not be covered by and / or may exceed any liability protections. In connection with certain acquisitions, we have in the past and may in the future issue common stock, or assume equity awards, that dilute the ownership of our current stockholders, use a substantial portion of our cash resources, assume liabilities (both known and unknown), record goodwill and amortizable intangible assets that will be subject to impairment testing on a regular basis and potential periodic impairment charges, incur amortization expenses related to certain intangible assets, ~~and~~ **incur large and immediate write- offs and restructuring and other related expenses, or incur substantial amounts of debt**, all of which could harm our financial condition and results of operations. ~~General~~ **28General**

Risk Factors If we are not able to retain, attract, motivate, and strategically locate talented employees, including some key executives, our business may suffer. Our success and competitiveness depend on our ability to retain, attract, motivate, and strategically locate in our offices around the globe, talented employees, including some of our key executives. Achieving this objective may be difficult due to many factors, including fluctuations in global economic and industry conditions, changes in our management or leadership, the hiring practices at our competitors or customers, cost reduction activities, and the effectiveness of our recruiting and compensation programs, including equity- based programs. Further, we have had, and ~~33~~ **expect to continue to have, difficulty in obtaining visas permitting entry for some of our employees that are foreign nationals into the United States, and delays in obtaining visas permitting entry into other key countries, for several of our key personnel, which disrupts our ability to strategically locate our personnel. In the past the United States has and, in the future, the United States may again increase the level of scrutiny in granting H- 1 (b), L- 1, and other business visas. Compliance with United States immigration and labor laws could require us to incur additional unexpected labor costs and expenses or could restrain our ability to retain skilled professionals. If we lose the services of certain of our key executives or a significant number of our engineers, it could disrupt our ability to implement our business strategy. If we do not successfully attract, retain, and motivate key employees, including key executives, we may be unable to realize our business objectives and our operating results may suffer. Our operating results vary quarter to quarter, which could result in not meeting investors' expectations and stock price volatility. Our stock price has been and may continue to be subject to fluctuations, including as a result of varying operating results, changes in recommendations or earnings estimates by financial analysts, changes in investors' or analysts' valuation measures for our stock and other factors beyond our control including macroeconomic factors. Our stock price may be adversely impacted by announcements related to financial results or forecasts that fail to meet or are inconsistent with earlier projections or the expectations of our securities analysts or investors, announcements of new products or acquisitions of new technologies by us, our competitors or our customers, or announcements of acquisitions, major transactions, litigation developments or management changes. Furthermore, speculation in the press or investment community about our strategic position, financial condition, results of operations, business or security of our products, can cause changes in our stock price. Also, significant volatility in our stock price could be followed by a securities class action lawsuit, which could result in substantial costs and a diversion of our management' s attention and resources. Our business is subject to evolving corporate governance and public disclosure regulations and expectations, which could require significant resources in attempts to comply or expose us to legal liability if we fail to comply. We are subject to changing rules and regulations promulgated by a number of governmental and self- regulatory organizations, including the SEC, the Nasdaq Stock Market, and the Financial Accounting Standards Board (" FASB "), as well as evolving investor, customer, employee and other stakeholder expectations around corporate governance, executive compensation and environmental and social practices and related disclosures. These rules, regulations and expectations continue to evolve in scope and complexity, and many new requirements have been created in response to laws enacted by U. S. and non- U. S. governments, making**

compliance more difficult and uncertain. For example, in January 2025, President Trump signed an executive order directing federal agencies to take steps to target diversity, equity and inclusion practices in the private sector, including directing each agency to identify up to nine opportune civil compliance investigations of publicly traded corporations, among others. We may be subject to increased litigation and regulatory scrutiny regarding these practices. We expect that changing rules and laws related to corporate governance, environmental and social matters, as well as increased enforcement actions by various governmental and regulatory agencies, will continue to increase the cost of our compliance and internal risk management programs, which could adversely affect our business, results of operations and financial condition. 29