

Risk Factors Comparison 2023-11-17 to 2022-11-23 Form: 10-K

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You should carefully consider the risks described below, some of which have manifested and any of which may occur in the future, in addition to the other information contained in this report before making an investment decision with respect to any of our securities. Our business, results of operations, and financial condition could be materially and adversely impacted by any of these risks, which could, in turn, adversely affect our stock price. Additional risks not currently known to us or other factors not perceived by us as material risks could also present significant risks to our business. Risks associated with operating a global business The risks of doing business internationally apply to all aspects of our operations. We derive significant revenues from customers located outside the United States, primarily in countries located in the Asia- Pacific region and Europe. We have suppliers located outside the United States, including third- party packaging, assembly, and test facilities and semiconductor foundries located in the Asia- Pacific region. We also operate our own wafer ~~fabrication~~ **processing** facilities in Osaka, Japan, as well as packaging, assembly, and test facilities in Singapore and in Mexicali, Mexico. Our international sales and operations are subject to a number of risks inherent in selling and operating in multiple jurisdictions. These include, but are not limited to, risks regarding: • ~~Recession~~ **recession** or economic downturn globally or in the jurisdictions in which we do business, • currency controls and currency exchange rate fluctuations, including increases or decreases in commodities prices related to such fluctuations, • inflation **or deflation**, as well as changes in existing and expected rates of inflation **or deflation**, which may vary across the jurisdictions in which we do business, • interest rates, as well as changes in existing and expected interest rates, which may vary across the jurisdictions in which we do business, • global, regional, and local economic and political conditions, including, but not limited to, social, economic, political, and supply chain instability related to the uncertainty regarding the relationships among the United States, China, Taiwan, Russia, Mexico, North Korea, **Israel, other** Middle Eastern countries, **Japan, Singapore**, other foreign countries, and the international community at large, as well as related to armed conflicts, such as the conflict between Russia and Ukraine **and the conflicts in Israel and other Middle Eastern countries**, that exist, or in the future could exist, in various jurisdictions around the world, • restrictive governmental actions (such as restrictions on transfer of funds, restrictions on individuals' movement, including travel restrictions, quarantines, lockdowns, and curfews, **and** trade protection measures, including export duties, quotas, customs duties, border taxes, border closures, increased import or export controls, **export licenses**, and tariffs, **and restrictions on the purchase of products made or containing technology or components from certain companies or from companies located in certain jurisdictions**), or actions by non- governmental individuals and groups (such as protests, boycotts, insurgencies, organized crime, and general civil unrest), that could negatively impact trade between, or increase the cost of operating in, the countries in which we do business, • labor market conditions and laws, • disruptions of capital and trading markets, • difficulty in collecting, or failure to collect, accounts receivable, as well as longer collection periods, • changes in, or non- compliance with, legal or regulatory import / export requirements, including restrictions on selling to certain customers or into certain jurisdictions, • natural disasters and severe weather events, including, but not limited to, earthquakes, wildfires, droughts, hurricanes, tsunamis, rising sea levels, as well as other impacts of climate change, • acts of terrorism, widespread illness or other deterioration of public health conditions, and war, • misappropriation or other unauthorized transfers of our electronic information and breaches of our information systems, as well as the potential lack of adequate remedies **or enforcement mechanisms** in certain jurisdictions, • difficulty in engaging distribution partners or obtaining sales or other business support in certain jurisdictions, • cultural differences in the conduct of business, • direct or indirect government actions, subsidies, or policies aimed at supporting local industry, • the laws and policies of the United States and other countries affecting trade, foreign investment and loans, foreign travel, and import or export licensing requirements, including, but not limited to, prohibitions on certain trade and other activities in China, Russia, Belarus, and portions of Ukraine, • withdrawal from, or renegotiation of, existing trade agreements by the United States (or other jurisdictions) potentially affecting Mexico, China, and other countries in which we do business, • changes in current or future tax law or regulations or new interpretations thereof, by federal or state agencies or foreign governments, • changes in the effective tax rate as a result of our overall profitability and mix of earnings in countries with differing statutory tax rates, • results of audits and examination of previously filed tax returns, and • limitations on our ability under local laws to protect or enforce our intellectual property rights in a particular foreign jurisdiction. Additionally, we are subject to risks in certain global markets in which wireless operators provide subsidies on handset sales to their customers. Increases in cellular handset prices that negatively impact handset sales can result from changes in regulatory policies or other factors, which could impact the demand for our products. Some of the countries in which we operate and seek to expand are in emerging markets where legal systems may be less developed or familiar to us, potentially impacting our ability to obtain appropriate recourse in the event of a dispute. Other jurisdictions in which we conduct business have established, or may establish, legal and regulatory regimes that differ materially from United States laws and regulations. It is costly, time- consuming, and requires significant resources to comply with the numerous, and sometimes conflicting, legal regimes in the jurisdictions in which we conduct business on matters as diverse as anti- corruption, anti- bribery, import / export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, immigration, **intellectual property matters**, internal and disclosure control obligations, securities regulation, competition, data privacy and protection, employment, and labor relations. Violations of one or more of these legal regimes' laws and regulations in the conduct of our business could result in significant fines, penalties, or monetary damages, criminal sanctions against us or our officers, prohibitions on doing business, unfavorable publicity and other ~~reputation~~ **reputational** damage, restrictions on our ability to process information, and allegations by our ~~clients~~ **counterparties** that we

have not performed our contractual obligations. **We are subject to** the risks of doing business in China. Demand from Chinese customers may be adversely affected by China's evolving laws and regulations, including those relating to taxation, import and export tariffs and restrictions, currency controls, environmental regulations, information security, indigenous innovation, and intellectual property rights and enforcement of those rights. Enforcement of existing laws or agreements may be inconsistent, and the potential issuance of new laws and regulations creates uncertainty. In addition, changes in the political environment, **economic environment**, governmental policies, United States- China relations, or China- Taiwan relations could result in revisions to laws or regulations or their interpretation and enforcement, exposure of our proprietary intellectual property, increased taxation, restrictions on imports, import duties, or currency revaluations, any of which could have an adverse effect on our business plans and operating results. In particular, the imposition by the United States of tariffs on goods imported from China, or deemed to be of Chinese origin, and other government actions that restrict our ability to sell our products to Chinese customers or to manufacture or source components in China, and countermeasures imposed by China in response, could directly or indirectly adversely impact our manufacturing costs, the availability and cost of materials, **including gallium, germanium, and rare earth minerals**, and the sales of our products in China and elsewhere. For example, the U.S. government has recently expanded export restrictions, and might continue expanding export restrictions, by adding certain Chinese entities to the U.S. Bureau of Industry and Security's Entity List (the "Entity List"), which has **limited**, and could in the future ~~limit~~, our ability to sell to certain of those entities and to third parties that do business with those entities. These restrictions have negatively impacted, and may continue to negatively impact, sales of our products. In the future, we may be prevented from shipping, or be required to obtain a license to ship, our products to certain customers if they are added to the Entity List. In addition, geopolitical changes in China- Taiwan relations could disrupt the operations of several companies in Taiwan that are suppliers to, or third- party partners of, the Company, our customers, and our customers' other suppliers. Disruption of certain critical operations in Taiwan would adversely affect our ability to manufacture certain products and would likely have substantial negative effects on the entire semiconductor industry. Further, the evolving labor market and increasing labor unrest in China may have a negative impact on our customers, which would result in a negative impact on our business, results of operations, and financial condition. Finally, China's investments in technology development and manufacturing capability in support of its stated policy of reducing its dependence on foreign semiconductor manufacturers and other technology companies has likely already resulted, and we expect will continue to result, in reduced demand for our products in China and other key markets as well as reduced supply of critical materials for our products. Changes in tax laws and regulations could have an adverse impact on our operating results. We are subject to taxation in many different countries and localities worldwide. To the extent the tax laws and regulations in these various countries and localities ~~could~~ change, our tax liability ~~in general~~ could increase. ~~On December 22, 2017, the U.S. government enacted the Tax Cuts and Jobs Act (the "Tax Reform Act"), which significantly reformed the U.S. Internal Revenue Code of 1986, as amended, and has had, and may continue to have, a significant impact on our operations.~~ Beginning in fiscal year 2023, for U.S. income tax purposes we **were** will be required to capitalize our research and development expenses and amortize them over five or fifteen years, rather than deduct them in the year incurred, which **has increased, and which** we expect will **continue to** increase, our taxes payable, resulting in reduced **near term-** cash flows. Furthermore, on August 16, 2022, the U.S. government enacted the Inflation Reduction Act, which imposes a corporate alternative minimum tax of 15 % on adjusted financial statement income for certain corporations, as well as an excise tax on corporate stock repurchases. ~~We~~ ~~Although we~~ are currently evaluating the impact this law may have ~~on~~, ~~we do expect~~ our effective tax rate ~~to increase~~ in fiscal year 2024. Because the changes in U.S. tax law require a number of complex calculations that previously were not required, our actual tax liability may differ materially from our income tax provisions, estimates, and accruals. Changes in our interpretations and assumptions, as well as additional guidance issued under these laws, could increase income tax liabilities and / or reduce certain tax benefits. In addition, it is uncertain if and to what extent various states will conform to changes to **federal** tax law. Future changes in tax laws, regulations, and treaties, or the interpretation thereof, in addition to initiatives related to the Base Erosion and Profit Shifting Project of the Organisation for Economic Co- Operation and Development; the European Commission's "state aid" investigations; enactment of a global corporate minimum tax; and other developments could have an adverse effect on the taxation of international businesses, including our own. Furthermore, countries where we are subject to taxes, including the United States, evaluate their tax policies and rules on a regular basis, and we may see significant changes in legislation and regulations concerning taxation. We are unable to predict what tax changes may be enacted in the future or what effect such changes would have on our business, but such **changes could affect our effective tax rates in countries where we have operations and could have an adverse effect on our overall tax position in the future, along with increasing the complexity, burden, and cost of tax compliance.** The effects of the global COVID- 19 pandemic ~~may continue to~~ adversely affect our business operations, **results of operations and financial condition**. The global COVID- 19 pandemic — including the **public health crisis, the measures taken by governments, businesses, and individuals in an effort to limit the COVID- 19's spread of the virus and its variants**, and the resulting global supply chain challenges — has adversely affected, and ~~may continue to~~ **continue** to adversely affect, our business operations. The **pandemic's** impacts on our business operations and workforce ~~of the pandemic, including as a result of more contagious variants of the virus that causes COVID- 19,~~ and the duration of such impacts, are uncertain, constantly evolving, and difficult to quantify, but have thus far included, or in the future may include, ~~the following:~~ • We have experienced, and may continue to experience, disruptions to our supply chain and increased costs in connection with the sourcing of materials, components, equipment, assembly and test services, engineering support, shipping and logistics services, and other services ~~caused in part by the pandemic.~~ **Our** To the extent we are unable to pass these costs on to our customers, we experience reduced profitability. Given that our customers and suppliers are facing similar supply chain challenges, we expect continued difficulty in forecasting demand and supply needs for the foreseeable future. As a result of these uncertainties, we have increased, and may continue to increase, our inventory levels and purchase commitments. • We have recently experienced, and expect to continue experiencing,

reduced demand for certain of our products as a result of certain customers' difficulty obtaining materials, components, and services due to disruptions in such customers' supply chains. While the government-mandated shutdowns in various regions of China during fiscal 2022 did not directly impact any of our manufacturing facilities, the shutdowns did result in limited supply constraints within our supply chain, as well as significant supply constraints for certain of our customers, which resulted in short-term reductions in such customers' demand for our products. We may continue to experience large fluctuations in demand for certain of our products, which could be exacerbated by global supply chain challenges or by a continued or deepening global economic downturn or recession. • In the event that our manufacturing operations in Mexicali, Mexico, become subject to significant restrictions or are suspended again, as they were for two weeks in April 2020 pursuant to a government order, or in the event that one or more of our other facilities is forced to suspend or limit its activities, we may again experience reductions in production levels, which would limit our ability to meet customer demand and impact our operating results. • Over the course of the pandemic, we have implemented certain measures at our facilities worldwide in an effort to protect our employees' health and well-being, some of which have reduced the overall efficiency of our operations and increased manufacturing costs. Many of our non-manufacturing employees transitioned to working from home on a mandatory or voluntarily basis for a prolonged period of time, and our return-to-office plans have in some cases led to employee attrition. We expect that pandemic-related changes in workforce patterns may result in additional attrition, difficulty in hiring, and reduced productivity. • We have experienced, and likely will continue to experience, disruptions to global transportation networks, limiting or delaying our ability, and / or increasing our cost, to send or receive products and materials at one or more of our facilities, including as a result of trade restrictions, border closures, disruptions in the operations of third-party carriers, or carriers' decisions to prioritize other customers' orders over ours. • Significant portions of our sales are concentrated among a limited number of customers. We may experience negative impacts to our business operations **would also be negatively impacted** if one or more of these **our** major customers were to significantly decrease its orders for our products due to disruptions to its business operations or other pandemic-related issues. **These effects, alone or taken together, could have a material adverse effect on our business, results of operations, customer and supplier relations, employee relations, cash flows, and financial condition.** The resumption of normal business operations after any such interruptions may be delayed or constrained by lingering effects of the pandemic on our customers, suppliers, and other third-party service providers. The degree to which the pandemic continues to impact us will depend on future developments that are highly uncertain and cannot be predicted, including, but not limited to, the **existence of new variants of the virus that causes COVID- 19, the** duration and spread of the pandemic, its severity, the actions to contain COVID- 19 or treat its impact, and how quickly and to what extent normal economic and operating conditions resume. Even after the pandemic has subsided as a public health matter, we may experience material adverse impacts to our business **operations, results of operations and financial condition** as a result of its adverse impact on the global economy. **We are subject to the risks..... burden, and cost of tax compliance.** Risks associated with the development, manufacturing, and sale of our products Our operating results may be adversely affected by quarterly and annual fluctuations, market downturns, and recessions. Our revenues, earnings, and other operating results may fluctuate significantly on a quarterly and annual basis. These fluctuations are typically the result of a number of factors, many of which are beyond our control. These factors include, among others: • delays in the widespread deployment of commercial 5G networks **and other new technologies**, • changes in end-user demand for the products manufactured and sold by our customers, • the effects of competitive pricing pressures, including decreases in average selling prices of our products, • production capacity levels and fluctuations in manufacturing yields, • availability and cost of materials and services from our suppliers, • the gain or loss of significant customers, • our ability to develop, introduce, and market new products and technologies on a timely basis, • market acceptance of our products and our customers' products (including, but not limited to, market acceptance of new, emerging technologies), • new product and technology introductions by competitors, • delays in the adoption of standards by standard-setting bodies and delays in the commercial deployment or consumer adoption of certain technologies, • actions by government regulators to restrict or delay the availability of sufficient spectrum for wireless technologies, including technologies that utilize unlicensed spectrum and / or shared spectrum, • changes in consumers' purchasing behaviors, including the rates at which they replace smartphones and other devices that utilize our products, • changes to promotions, rebates, and discounts offered by carriers in certain geographic regions for smartphones and other devices that utilize our products, • increasing industry consolidation among our competitors, • changes in the mix of products produced and sold, and • intellectual property disputes, including those concerning payments associated with the licensing and / or sale of intellectual property, and related remedies (e. g., monetary damages, injunctions, or exclusion orders affecting our or our customers' products). We employ certain methods, assumptions, estimates, and other subjective judgments in order to apply our accounting policies and to project future performance, and such projections may be publicly disclosed from time to time. Changes to such methods, assumptions, estimates, and judgments, combined with other factors that are difficult to forecast, including the factors listed above, could materially and adversely affect our quarterly or annual operating results and could produce actual operating results that differ significantly from previous estimates and projections. If our operating results fail to meet the expectations of analysts or investors, it could materially and adversely affect the price of our common stock. We rely on a small number of customers for a large portion of our sales. Significant portions of our sales are concentrated among a limited number of customers. If we lost one or more of these major customers, or if one or more major customers significantly decreased its orders for our products, our business, results of operations, and financial condition could be materially and adversely impacted, which could adversely affect our stock price. In each of fiscal **2023, fiscal** 2022, **and** fiscal 2021, **and fiscal 2020**, one customer accounted for greater than ten percent of our net revenue. For further discussion see Note **15-14** to Item 8 of this Annual Report on Form 10-K. We rely on Original Equipment Manufacturers ("OEMs") and Original Design Manufacturers ("ODMs") to design our products into their end products. Our products are not sold directly to the end user but are components or subsystems of other products. As a result, we rely on OEMs and ODMs of **wireless communications** electronics products to select our products from among alternative offerings to be designed into their

equipment. Without these “ design wins, ” we would have difficulty selling our products. If a manufacturer designs another supplier’ s product into one of its product platforms, it is more difficult for us to achieve future design wins with that platform because changing suppliers involves significant cost, time, effort, and risk on the part of that manufacturer. Also, achieving a design win with a customer does not ensure that we will receive revenue from that customer. Even after a design win, the customer is not obligated to purchase our products and can choose at any time to reduce or cease use of our products, for example, if its own products are not commercially successful, or for any other reason. We may not continue to achieve design wins or to convert design wins into actual sales, and failure to do so could materially and adversely affect our operating results. Furthermore, as a result of our lengthy product development and sales cycle, we may incur significant research and development expenses, and selling, general, and administrative expenses, without generating the anticipated revenue associated with these products. Our manufacturing processes are extremely complex, specialized, and subject to disruption. Our manufacturing operations are complex and subject to disruption, including due to causes beyond our control. The fabrication of integrated circuits is an extremely complex and precise process consisting of hundreds of separate steps. It requires production in a highly controlled, clean environment. Minor impurities, contamination of the clean room environment in which our products are produced, errors in any step of the fabrication process, defects in the masks used to print circuits on a wafer, defects in equipment or materials, human error, or a number of other factors can cause a substantial percentage of our products to be rejected or to malfunction. Because our operating results are highly dependent upon our ability to produce integrated circuits at acceptable manufacturing yields, these factors could have a material and adverse effect on our business. Additionally, our operations may be affected by lengthy or recurring disruptions of operations at any of our production facilities, as well as disruptions at facilities operated by our subcontractors or customers. These disruptions may result from electrical power outages **or fluctuations**, water shortages, fire, earthquake, flooding, war, acts of terrorism, health advisories or risks, or other natural or man- made disasters, as well as equipment maintenance, repairs, and / or upgrades. Disruptions of our manufacturing operations, or those of our subcontractors and customers, could cause significant delays in shipments until we are able to shift production of the impacted products from an affected facility or subcontractor to another facility or subcontractor, or until the affected customer resumes operations and accepts shipments from us. In the event of such delays, the required alternative capacity, particularly wafer production capacity, may not be available on a timely basis or at all. Even if alternative production capacity is available, we may not be able to obtain it on favorable terms, which could result in higher costs and / or a loss of customers and revenue. Likewise, lower- than- expected demand could lead to underutilized manufacturing facilities, which could negatively impact our financial results. While we maintain insurance coverage to mitigate business continuity risks, among other risks, such coverage may be insufficient to cover all losses or all types of claims that may arise. Due to the highly specialized nature of our manufacturing processes, in the event of a disruption in production at one or more of our facilities for any reason, alternative production capacity would not be immediately available from third- party sources. These disruptions could have a material adverse effect on our business, results of operations, and financial condition. Our key facilities include, but are not limited to, our semiconductor wafer fabrication facilities in Newbury Park, California, and Woburn, Massachusetts, our SAW, TC- SAW, and BAW filter wafer **fabrication processing** facilities in Osaka, Japan, and our assembly and test facilities in Mexicali, Mexico, and in Singapore. We may not be able to maintain and improve manufacturing yields that contribute positively to our gross margin and profitability. Minor deviations or disturbances in the manufacturing process can cause substantial manufacturing yield loss, and in some cases, cause production to be suspended and impact our ability to meet customer demand on a timely basis. Manufacturing yields for new products initially tend to be lower as we complete product development and commence volume manufacturing, and typically increase as we bring the product to full production. Our forward product pricing includes this assumption of improving manufacturing yields and, as a result, material variances between projected and actual manufacturing yields will have a direct effect on our gross margin and profitability. The difficulty of accurately forecasting manufacturing yields and maintaining cost competitiveness through improving manufacturing yields will continue to be magnified by the increasing process complexity of manufacturing semiconductor products. Our manufacturing operations may also face pressures arising from the compression of product life cycles, which may require us to manufacture new products faster and for shorter periods while maintaining acceptable manufacturing yields and quality without, in many cases, reaching the longer- term, high- volume manufacturing conducive to higher manufacturing yields and declining costs. We are dependent upon third parties for the manufacture, assembly, and testing of our products. We rely on foundries to provide silicon- based products and to supplement our gallium arsenide wafer manufacturing capacity. There are significant risks associated with reliance on third- party foundries, including: • the lack of wafer supply, potential wafer shortages, and higher wafer prices, • required minimum purchase commitments, • limited ability to respond to unanticipated changes in customer demand, • limited control over delivery schedules, manufacturing yields, production costs, process technologies, and quality assurance, and • the inaccessibility of, or delays in obtaining access to, key process technologies, materials, and IP blocks. Even in cases where we have long- term supply arrangements to obtain additional external manufacturing capacity, the third- party foundries we use for our standby manufacturing capacity may allocate their limited capacity to the production requirements of other customers and in general we have no contractual right to prevent them from making such allocations. If we choose to use a new foundry to replace either existing or backup capacity, it will typically take an extended period of time for us to complete our qualification process for that foundry, which will result in a significant passage of time before we can begin shipping products from that new foundry. Further, the third- party foundries may experience financial difficulties or changes in control, be unable to deliver products to us in a timely manner, be unwilling to invest in processes that meet our needs, or suffer damage or destruction to their facilities, particularly since some of them are located in areas prone to natural disasters or to severe weather events and other impacts of climate change. If any disruption of manufacturing capacity occurs, we may not have alternative manufacturing sources immediately available. We may therefore experience difficulties, delays, or additional costs in securing an adequate supply of our products, which could impair our ability to meet our customers’ needs and have a material adverse

effect on our operating results. Although we own and operate assembly and test facilities, as part of our supply resilience and business continuity strategies, we still depend on subcontractors to package, assemble, and test certain of our products at cost-competitive rates. For those assembly and test subcontractors with whom we do not have long-term agreements, we typically procure services on a per-order basis. If any of our subcontractors experiences capacity constraints or financial difficulties, suffers any damage to its facilities, experiences power outages or any other disruption of assembly or testing capacity, we may not be able to obtain alternative assembly and testing services in a timely manner and / or at cost-competitive rates. Due to the amount of time that it usually takes us to qualify assembly and test subcontractors, we could experience significant delays and / or increased costs in product shipments if we are required to find alternative assembly and test subcontractors for our components. Any problems that we may encounter with the delivery, quality, or cost of our products could damage our customer relationships and materially and adversely affect our business, results of operations, and financial condition. During fiscal 2022, we entered into long-term capacity reservation and supply agreements with certain third-party foundries. ~~These agreements may cease, under which we agreed to be commercially reasonable if certain minimum purchase commitments.~~ **As a result of reduced overall market demand or pricing is reduced, and they we recorded impairment charges during fiscal 2023. These long-term capacity reservation agreements** may have an **additional** adverse effect on our operating results in the event our future supply needs are reduced below the minimum **order-purchase** commitments **as**. ~~Furthermore, even with such agreements, we remain subject to risks that a result supplier will be unable to meet its supply commitments, achieve acceptable manufacturing yields, operate or deliver on a timely basis, or provide additional capacity beyond its current contractual commitments to meet our requirements, any of further reduction in overall market demand which could adversely affect our ability to satisfy customer obligations.~~ We are dependent upon third parties for the supply of raw materials and components. Our manufacturing operations depend on obtaining adequate supplies of raw materials and components used in our manufacturing processes at a competitive cost. Although we maintain relationships with suppliers located around the world with the objective of ensuring that we have adequate sources for the supply of raw materials and components for our manufacturing needs, increases in demand from the semiconductor industry for such raw materials and components (including, but not limited to, **gallium, germanium, and** precious and rare earth metals), as well as increased demand for commodities in general, can result in tighter supplies and higher costs. Our suppliers may not be able to meet our delivery schedules; we may lose a significant or sole supplier; a supplier may not be able to meet performance and quality specifications; shipments of precious metals may be subject to theft; and we may not be able to purchase such supplies or materials at a competitive cost. If a supplier were unable to meet our delivery schedules, if we lost a supplier, or if a supplier were unable to meet performance or quality specifications, our ability to satisfy customer obligations would be materially and adversely affected because the time required to identify and qualify an alternative supply source, where available, is typically lengthy. In part as a result of the COVID-19 pandemic, we have experienced supply constraints for certain materials and components, which has impacted, and could continue to impact, production lead times, the cost of such materials and components, and our ability to meet customer demand for our products. In addition, we review our relationships with suppliers of raw materials and components for our manufacturing needs on an ongoing basis. In connection with our ongoing review, we may modify or terminate our relationship with one or more suppliers. We may also enter into sole supplier arrangements to meet certain of our raw material or component needs. While we do not typically rely on a single source of supply for our raw materials, we are currently dependent on a limited number of sole-source suppliers and in the future could become dependent on additional sole-source suppliers. If we were to lose these sole sources of supply, for any reason, a material adverse effect on our business could result until an alternate source is obtained. To the extent we enter into additional sole supplier arrangements for any of our raw materials or components, the risks associated with our supply arrangements would be exacerbated. Furthermore, our entry into capacity commitments in an attempt to ensure sufficient supply of raw materials and components may result in our obligation to pay above-market prices in the event of a future downward price correction. We may not be able to effectively operate our business if we are unable to attract and retain qualified personnel. As the source of our technological and product innovations, our key engineering and technical personnel represent a significant asset. Our success depends on our ability to continue to attract, retain, and motivate qualified personnel, including executive officers and other key management, engineering, and technical personnel. The competition for management, engineering, and technical personnel is intense in the semiconductor industry, particularly in the locations in which we operate, and therefore we may not be able to continue to attract and retain the qualified personnel necessary for the design, development, manufacture, and sale of our products. Our employees are **in highly -- high sought after by demand, and** our competitors and other companies, ~~which in some cases~~ may be able to offer compensation opportunities in excess of what we offer. We may have particular difficulty attracting and retaining key personnel during periods of poor operating performance and / or declines in the price of our common stock, given, among other factors, the use of equity-based compensation by us and our competitors. If we are unable to obtain required stockholder approval for future increases in the number of shares available under our long-term incentive plans, we may be limited in granting equity-based incentive awards, which may impair our efforts to attract and retain necessary personnel. Further, existing immigration laws, together with any changes to immigration policies or regulations in the United States, make it more difficult for us to recruit and retain highly skilled foreign national graduates of universities (in the United States or abroad), limiting the pool of available talent. Travel bans, difficulties obtaining visas, and other restrictions on international travel make it more difficult to effectively manage our international operations, collaborate as a global company, and service our international customer base. The increased ability of employees in our industry to work from home or in other remote work arrangements has impacted, and may continue to impact, the mobility and turnover of our employees, potentially making it more difficult for us to compete in the job market. We continue to anticipate increases in human resource needs, particularly in engineering. The loss of the services of one or more of our key employees or our inability to attract, retain, and motivate qualified personnel, could have a material adverse effect on our ability to operate our business. Our business ~~would~~ **could** be adversely affected by the departure of existing members of our

senior management team or if our senior management team is unable to effectively implement our strategy. Our success depends, in large part, on the continued contributions of our senior management team, none of whom is bound by a written employment contract to remain with us for a specified period. The loss of any member of our senior management team could harm our ability to implement our business strategy and respond to the rapidly changing market conditions in which we operate. In addition, the loss of certain members of our senior management team could harm our relationships with key customers, which could negatively impact our future revenue, results of operations, and financial condition. We are subject to uncertainties involving the ordering and shipment of, and payment for, our products. Our sales are typically made pursuant to standard purchase orders and / or specified customer contracts for delivery of products and not under long- term supply arrangements with our customers. Our customers may seek to cancel or defer orders before shipment. Additionally, we sell a portion of our products through third- party distributors, some of whom have rights to return products if the product is nonconforming. We may purchase and manufacture inventory based on estimates of customer demand for our products, which is difficult to predict and may not be accurate. The difficulties of forecasting may be compounded when we sell to OEMs indirectly through distributors or contract manufacturers, or both, as our forecasts of demand will then be based on estimates provided by multiple parties. In addition, our customers and distributors may change their inventory practices on short notice for any reason. Many of our products are customized to the needs or specifications of a specific customer or have a limited number of potential buyers. The cancellation or deferral of product orders, the return of previously sold products, overproduction due to a change in anticipated order volumes could result in us holding excess or obsolete inventory, which could result in inventory write- downs and, in turn, could have a material adverse effect on our financial condition. On the other hand, customers may require rapid increases in production on short notice, which could result in damaged customer relationships, increased manufacturing costs, increased liabilities, or harm to our reputation if we are unable to meet such increases in demand. ~~Some of our customers have implemented vendor- managed inventory, consignment, or similar inventory programs that may result in an increase in the time between manufacture of, and payment for, our products.~~ In addition, if a customer or distributor encounters financial difficulties of its own as a result of a change in demand or for any other reason, the customer' s or distributor' s ability to make timely payments against our accounts receivable could be impaired. Furthermore, our dependence on third- party carriers and logistics firms, many of which have been adversely affected by the COVID- 19 pandemic, has resulted in, and could continue to result in, delays, increased costs, and expedite fees related to our product shipments. We face a risk that capital needed for our business will not be available when we need it. To the extent that our existing cash and cash equivalents and cash generated from operations are insufficient to fund our future activities (including, but not limited to, capital expenditures), we may need to raise additional funds through public or private equity or debt financing. If unfavorable capital market conditions exist in the event we were to seek additional financing, we may not be able to raise sufficient capital on favorable terms and on a timely basis, if at all. Failure to obtain capital when required by our business circumstances would have a material adverse effect on us. In addition, the future growth of our business is likely to require the expansion of our manufacturing facilities, the upgrade of our manufacturing equipment, strategic investments, and / or corporate acquisitions. Due in part to our repayment obligations on our outstanding indebtedness, the capital required to fund these investments may not be available in the future.

Risks Related to Acquisitions We incurred significant indebtedness in connection with the acquisition of the Infrastructure and Automotive business of Silicon Labs, which could reduce our flexibility to operate our business. On May 21, 2021, the Company, as borrower, entered into a term credit agreement with various financial institutions, as lenders, and JPMorgan Chase Bank, N. A., as administrative agent, providing for a \$ 1. 0 billion **term loan facility (the “ Term Loan Facility ”)**. Additionally, on May 26, 2021, the Company issued \$ 500 million of its 0. 900 % 2023 Notes, \$ 500 million of its 1. 800 % 2026 Notes, and \$ 500 million of its 3. 000 % 2031 Notes in a public offering **(the “ Notes ”)**. The proceeds of the Term Loan Facility and the issuance of Notes were used to finance a portion of the purchase price for the Company' s acquisition of certain assets, rights, and properties, and its assumption of certain liabilities, comprising Silicon Labs' Infrastructure and Automotive business, on July 26, 2021 (the “ Acquisition ”). **Since May 2021, the Company has repaid certain amounts of indebtedness under the Term Loan Facility and the Notes, including as discussed in Note 16 to Item 8 of this Annual Report on Form 10- K.**

Additionally, on May 21, 2021, the Company entered into ~~the a Revolving revolving Credit credit Agreement agreement~~ with various financial institutions, as lenders, and JPMorgan Chase Bank, N. A., as administrative agent, providing for a \$ 750 million ~~Revolver revolving credit facility (the “ Revolving Credit Facility ”)~~. Borrowings under the Revolving Credit Facility could be used for general corporate purposes and working capital needs of the Company and its subsidiaries. ~~This indebtedness~~ **Indebtedness under our Term Loan Facility, Revolving Credit Facility, or the Notes** could have the effect, among other things, of reducing our flexibility to respond to changing business and economic conditions. We also have incurred, and will continue to incur, various costs and expenses associated with our indebtedness. Our ability to arrange additional financing and make payments of principal and interest on our indebtedness when due depends upon our future performance, which will be subject to general economic conditions, industry cycles, and financial, business, and other factors affecting our operations, many of which are beyond our control. We are exposed to interest rate risk through our Term Loan Facility and Revolving Credit Facility, both of which are subject to variable interest rates, and interest rate increases have led to increased interest payments. Our existing indebtedness or incurrence of any additional indebtedness could reduce funds available for working capital, capital expenditures, acquisitions, and other general corporate purposes and may create competitive disadvantages relative to other companies with lower debt levels. In addition, our credit ratings, combined with fluctuating interest rates, affect the cost and availability of future borrowings and, accordingly, our cost of capital. Our ratings reflect each rating organization' s opinion of our financial strength, operating performance, and ability to meet our debt obligations. There can be no assurance that we will achieve a particular rating or maintain a particular rating in the future. An inability to obtain or maintain a rating could increase the cost of future borrowings or refinancings of our indebtedness, limit our access to sources of financing in the future, or lead to other potentially adverse consequences. The agreements that govern our indebtedness contain

various covenants that impose restrictions that may affect our ability to operate our businesses. The agreements that govern the Term Loan Facility, the Notes, and the **Revolver Revolving Credit Facility** contain various affirmative and negative covenants that, subject to certain significant exceptions, restrict our ability to, among other things, have liens on our property, change the nature of our business, and / or merge or consolidate with any other person or sell or convey certain assets to any one person. In addition, some of the agreements contain a financial covenant consisting of a limitation on leverage. Our ability to comply with these provisions may be affected by events beyond our control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate our repayment obligations. Any such acceleration of our repayment obligations could have a material adverse effect on our business, financial condition, results of operations, cash flows, and / or stock price. To be successful we may need to make additional investments and acquisitions, integrate companies we acquire, and / or enter into strategic alliances. Although we have invested in the past, and intend to continue to invest, significant resources in internal research and development activities, the complexity and rapidity of technological changes and the significant expense of internal research and development make it impractical for us to pursue development of all technological solutions on our own. On an ongoing basis, we review investment, alliance, and acquisition prospects that would complement **or expand** our product offerings, augment our market coverage, or enhance our technological capabilities. We may not be able to identify and consummate suitable investment, alliance, or acquisition transactions in the future. Moreover, if such transactions are consummated, they could result in: • issuances of equity securities dilutive to our stockholders, • restructuring or other impairment write-offs, • the incurrence of substantial debt and assumption of unknown liabilities, • the potential loss of key employees from the acquired company, • recognition of additional liabilities known or unknown at the time of acquisition, • amortization expenses related to intangible assets, and • the diversion of management's attention from other business concerns. Moreover, integrating acquired organizations and their products and services may be difficult, expensive, time-consuming, and a strain on our resources and our relationships with employees and customers and ultimately may not be successful. Additionally, in periods following an acquisition, we will be required to evaluate goodwill and acquisition-related intangible assets for impairment. If such assets are found to be impaired, they will be written down to estimated fair value, with a charge against earnings. Risks associated with our industry The semiconductor industry is highly cyclical and subject to significant downturns. We operate in the semiconductor industry, which is cyclical and subject to rapid declines in demand for end-user products in both the consumer and enterprise markets. Uncertain worldwide economic and political conditions, together with other factors such as the volatility of the financial markets, continue to make it difficult for our customers and for us to accurately forecast and plan future business activities. Uncertainty and economic weakness could result in a market contraction and, as a result, our business, results of operations, and financial condition would likely be materially and adversely affected. Such periods of industry downturn are characterized by diminished product demand and revenue, manufacturing overcapacity, excess inventory levels, accelerated erosion of average selling prices, bad debt, inventory charges, restructuring charges, and asset impairment charges. Furthermore, downturns in the semiconductor industry may be prolonged, and any extended delay or failure of the market to recover from an economic downturn would materially and adversely impact our business, results of operations, and financial condition, which could adversely affect our stock price. The wireless communications **and**, analog **and mixed-signal** semiconductor markets are characterized by significant competition. The wireless communications semiconductor industry, in general, and the other analog markets in which we compete are very competitive, which may cause pricing pressures, decreased gross margins, and rapid loss of market share. We compete with international and United States semiconductor manufacturers of all sizes in terms of resources and market share, including, but not limited to, Analog Devices, Broadcom, Cirrus Logic, Murata Manufacturing, NXP Semiconductors, Qorvo, Qualcomm, and Texas Instruments. We currently face significant competition in our markets and expect that intense price and product competition will continue. This competition has resulted in, and is expected to continue to result in, declining average selling prices for many of our products and increased challenges in maintaining or increasing revenue, gross margin, and market share. Furthermore, additional competitors may enter our markets as a result of growth opportunities in **communications** electronics, the trend toward global expansion by foreign and domestic competitors, and technological and public policy changes (including national or regional policies, and / or state-sponsored investments, intended to develop and support localized competitors). We believe that the principal competitive factors for semiconductor suppliers in our markets include, among others: • rapid time-to-market and product ramps (including, but not limited to, high-volume product ramps), • timely new product innovation, • ability to capture design wins in new growth markets, such as 5G, • product quality, reliability, and performance, • ability of certain products, including "high reliability" solutions, to perform under stringent operating conditions, • product cost and selling price, • features available in products, • alignment with customer performance specifications, • compliance with industry standards, • strategic relationships with customers, • access to, and the protection and enforcement of, intellectual property, • ability to partner with or participate in reference designs of baseband vendors, • maintaining access to manufacturing capacity, raw materials, supplies, and services at a competitive cost, and • the ability to secure government incentives and grants, such as funding available to U. S. semiconductor manufacturers under the CHIPS and Science Act of 2022. We might not be able to successfully address these factors. Many of our competitors benefit from: • long presence in key markets, • brand recognition, • high levels of customer satisfaction, • vertical integration, • strong baseband partnership / participation in reference designs, • a broad product portfolio allowing them to bundle product offerings, • ownership or control of key technology or intellectual property, and • strong financial, sales and marketing, manufacturing, distribution, technical, or other resources. As a result, certain competitors may be able to adapt more quickly than we can to new or emerging technologies and changes in customer requirements or may be able to devote greater resources to the development, promotion, and sale of their products than we can. As a result of industry consolidation, certain competitors may be able to further exploit such benefits to strengthen their competitive position. Our baseband reference design partners may leverage their market position by integrating additional functionality into their product offerings that compete with our solutions. If such a product offering were competitive with our

solution as to performance, price, and quality, or if the interoperability of our solution with the partner's baseband products were to be restricted, our business could be adversely impacted. Current and potential competitors have established, or may in the future establish, financial or strategic relationships among themselves or with customers, resellers, or other third parties. These relationships may affect customers' purchasing decisions. Accordingly, it is possible that new competitors or alliances among competitors could emerge, causing such competitors to rapidly acquire significant market share. We may not be able to compete successfully against current and potential competitors. Increased competition could result in pricing pressures, decreased gross margins, and loss of revenue and market share and may materially and adversely affect our business, results of operations, and financial condition. Remaining competitive in the semiconductor industry depends upon our ability to constantly innovate. The semiconductor industry generally and, in particular, many of the markets into which we sell our products, are highly cyclical and characterized by constant and rapid technological change, continuous product evolution, price erosion, evolving technical standards, short product life cycles (including annual product refreshes in some cases), increasing demand for higher levels of integration, increased miniaturization, reduced power consumption, and wide fluctuations in product supply and demand. Our operating results depend largely on our ability to continue to cost-effectively introduce new and enhanced products on a timely basis, both within our traditional markets and in new, expanded, or adjacent markets. The successful development and commercialization of semiconductor devices and modules is highly complex and depends on numerous factors, including the ability: • to anticipate customer and market requirements and changes in technology and industry standards, • to obtain sufficient manufacturing capacity within an international supply chain to meet customer demand, • to define new products that meet customer and market requirements, • to complete development of new products and bring products to market on a timely basis, • to differentiate our products from offerings of our competitors, • to achieve overall market acceptance of our products, • to lengthen the time that a particular product is in demand, • to source and maintain manufacturing materials, • to identify and maintain suppliers with the necessary technology and scale to support the increasing complexity of our manufacturing requirements, and • to obtain adequate multi-jurisdictional intellectual property protection for our new products. Our ability to manufacture current products, and to develop new products, depends on, among other factors, the viability and flexibility of our own internal information technology systems. We continually evaluate expenditures for planned product development and choose among alternatives based on our understanding of customer technical requirements, new industry standards, and expectations of future market growth and technologies. We may not be able to develop and introduce new or enhanced wireless communications and, analog and mixed-signal semiconductor products in a timely and cost-effective manner, and our products may not satisfy customer requirements or achieve market acceptance, or we may not be able to anticipate new industry standards and technological changes. We also may not be able to respond successfully to new product announcements and introductions by competitors or to changes in the design or specifications of complementary products of third parties with which our products interface. If we fail to rapidly and cost-effectively introduce new and enhanced products in sufficient quantities that meet our customers' requirements, our business, results of operations, and financial condition could be materially and adversely affected. In addition, prices of many of our products decline, sometimes significantly, over time. Our products may become obsolete earlier than planned or may not have life cycles long enough to allow us to recoup the cost of our investment in designing such products. Accordingly, we believe that to remain competitive, we must continue to reduce the cost of producing and delivering existing products at the same time that we develop and introduce new or enhanced products. We may not be able to continue to reduce the cost of producing and delivering our products in a timely manner and thereby remain competitive. In order to remain competitive, we expect to continue to transition many of our products to increasingly smaller geometries and form factors. This transition often requires us to upgrade our capital equipment, modify the manufacturing processes for our products, design new products to more stringent standards, and redesign some existing products. We have experienced some difficulties migrating to smaller geometry process technologies or new manufacturing processes, which resulted in sub-optimal manufacturing yields, delays in product deliveries, and increased expenses. We may face similar difficulties, delays, and expenses as we continue to transition our products to smaller geometry processes in the future. In some instances, we depend on our relationships with our third-party foundries and packaging subcontractors to transition to smaller geometry processes successfully. Our manufacturing partners may not be able to effectively manage the transition, or we may not be able to maintain our relationships with certain manufacturing partners. If our manufacturing partners or we experience significant delays in this transition or fail to efficiently implement this transition, our business, results of operations, and financial condition could be materially and adversely affected. As smaller geometry processes become more prevalent, we expect to continue to integrate greater levels of functionality, as well as customer and third-party intellectual property, into our products. However, we may not be able to achieve higher levels of design integration or deliver new integrated products on a timely basis, or at all. Increasingly stringent environmental laws, rules, regulations, and customer expectations may require us to redesign our existing products and processes and could adversely affect our ability to cost-effectively produce our products. The semiconductor industry has been subject to increasing environmental regulations, particularly those environmental requirements that control and restrict the use, transportation, emission, discharge, storage, and disposal of certain chemicals, elements, and materials used or produced in the semiconductor manufacturing process. Heightened public focus on climate change, sustainability, and environmental issues has also led to increased government regulation and caused certain of our customers to impose environmental standards on us as a part of doing business with them. We expect that the trend of increasing environmental awareness will continue, which will result in higher costs of operations. In addition, our commitment to environmentally sustainable practices, while undertaken in a manner designed to be as efficient and cost effective as possible, may result in increases in costs of operations for us relative to our competitors until technologies and methods are developed that will help reduce those costs or such practices become industry best practice. A number of domestic and foreign jurisdictions restrict or may seek to restrict the use of various substances, including a class of chemicals known as per- and polyfluoroalkyl substances, and a number of which such substances have been or are currently used in our products or

processes. For example, the European Union Restriction of Hazardous Substances in Electrical and Electronic Equipment (“RoHS”) Directive requires that certain substances, which may be found in certain products we have manufactured in the past, be removed from all electronics components. Eliminating such substances from our manufacturing processes requires the expenditure of additional research and development funds to seek alternative substances for our products, as well as increased testing by third parties to ensure the quality of our products and compliance with the RoHS Directive. While we have implemented a compliance program to ensure our product offering meets these regulations, there may be instances where alternative substances will not be available or commercially feasible, or may only be available from a single source, or may be significantly more expensive than their restricted counterparts. Additionally, if we were found to be non-compliant with any such rule or regulation, we could be subject to fines, penalties, and / or restrictions imposed by government agencies that could adversely affect our operating results. Regulations in the United States require that we determine whether certain materials used in our products, referred to as conflict minerals, originated in the Democratic Republic of the Congo or adjoining countries, or were from recycled or scrap sources. The verification and reporting requirements, in addition to customer demands for conflict-free sourcing, impose additional costs on us and on our suppliers, and may limit the sources or increase the prices of materials used in our products. Further, if we are unable to certify that our products are conflict free, we may face challenges with our customers, which could place us at a competitive disadvantage, and our reputation may be harmed. In addition, our customers may begin to require reports on our sourcing of other minerals or substances, which may impact our ongoing operations and increase our operating costs. New climate change laws and regulations could require us to change our manufacturing processes or obtain substitute materials that may cost more or be less available for our manufacturing operations. Various jurisdictions in which we do business have implemented, or in the future could implement or amend, restrictions on emissions of carbon dioxide or other greenhouse gases, limitations or restrictions on water use, regulations on energy management and waste management, and other climate change-based rules and regulations, which may increase our expenses and adversely affect our operating results. We expect increased worldwide regulatory activity relating to climate change in the future. Furthermore, environmental regulations often require parties to fund remedial action for violations of such regulations regardless of fault. Consequently, it is often difficult to estimate the future impact of environmental matters, including potential liabilities. In addition, our customers increasingly require warranties or indemnity relating to compliance with environmental regulations. The amount of expense and capital expenditures that might be required to satisfy environmental liabilities, to complete remedial actions, and to continue to comply with applicable environmental laws may have a material adverse effect on our business, results of operations, and financial condition. In addition, increasing governmental, investor, and societal attention to environmental, social, and governance (“ESG”) matters, including expanding mandatory and voluntary reporting, diligence, and disclosure on ESG topics such as climate change, carbon emissions, water usage, waste management, human capital, forced labor, and risk oversight, could expand the nature, scope, and complexity of matters that we are required to control, assess, and report. We expect that these and other rapidly changing laws, regulations, policies, interpretations, and expectations, 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 and to alter the environment in which we do business, which could have a material adverse effect on our business, results of operations, and financial condition. If our ESG practices and disclosures do not meet the expectations and standards of our stockholders, customers, and other industry stakeholders, our reputation and business activities may be negatively impacted and our appeal to certain investors may be reduced. Risks associated with cybersecurity and intellectual property protection We may not be able to prevent, or timely detect, information technology security breaches. Security breaches, phishing, spoofing, attempts by others to gain unauthorized access to our information technology systems, networks, and databases, and other cyberattacks continue to become more sophisticated and persistent and are sometimes successful. These incidents, which might be related to industrial, state-sponsored, and / or economic espionage, or financial cyber extortion or fraud, include covertly introducing malware and spyware to our computers, networks, and products (or to an electronic system operated by a third party for our benefit) and impersonating authorized users, among others. We seek to prevent, detect, and investigate all security incidents and to prevent their recurrence, but in some cases, we might be unaware of an incident or its magnitude, duration, and effects. The theft, unauthorized use, transfer, or publication of our intellectual property, our confidential business, financial, and / or technical information, or the personal data of our employees and customers by third parties or by our employees could harm our competitive position, reduce the value of our investment in research and development and other strategic initiatives, or otherwise adversely affect our business and technology development. To the extent that any security breach or other cybersecurity incident results in inappropriate disclosure of our customers’, suppliers’, licensees’, or employees’ confidential or personal information, we may incur liability, face contractual and regulatory fines and penalties, and sustain significant financial resources to remediate such breach. Such an incident could, among other things, also damage our reputation, impair our ability to attract and retain our customers, impact our stock price, and materially damage our supplier relationships. If a ransom-style cyberattack or similar incident impedes our ability to use or access our information systems for an extended period of time, this could adversely affect our business operations and financial results. In addition, certain suppliers and other third parties with whom we conduct business, including foundries, assembly and test contractors, and distributors, have been, and are likely to continue to be, subject to cybersecurity incidents, misappropriation efforts, or network disruptions that could jeopardize our proprietary or sensitive data, impact such third parties’ ability to meet their obligations to us, or otherwise negatively impact our ongoing business operations. Geopolitical tensions or conflicts, such as the ongoing conflict between involving Russia and Ukraine, the conflicts in Israel and other Middle Eastern countries and the tensions between involving China and Taiwan, may create a heightened risk of cybersecurity incidents. We expect to continue devoting significant resources to the security of our information technology systems, networks, and databases, including through the training of our employees and monitoring the security posture of critical third parties who have access to our systems or sensitive data. However, we cannot ensure that these security measures and monitoring efforts will be sufficient to prevent or

mitigate the damage caused by a cybersecurity incident or network disruption, and our systems may be vulnerable to hacking, insider threats, employee error or manipulation, theft, system malfunctions, or other adverse events. While we maintain insurance coverage to mitigate some of these risks, such coverage may be insufficient to cover all losses or all types of claims that may arise. Further, China has implemented, and other countries or regions may implement, cybersecurity **and privacy** laws that require companies' overall information **disclosure, processing practices, and** technology security environment to meet certain standards and / or be certified. Such laws may be complex, ambiguous, and subject to interpretation, which may create uncertainty regarding compliance. As a result, our efforts to comply with such laws, to the extent applicable, may be expensive and may fail, which could adversely affect our business, results of operations, and cash flows. In addition, certain of our products contain firmware that incorporates or is derived from "open source" software that generally is made publicly available by its developers or other third parties. Risks related to the use of open source software include, but are not limited to, the introduction of cybersecurity vulnerabilities into our products or development platforms, our compliance with applicable licensing terms, subjecting certain of our derivative works or software enhancements to public disclosure and / or unfavorable licensing conditions, potential restrictions on our ability to market the firmware associated with our products, and enhanced governmental or other third-party scrutiny of our products. In order to remain competitive, we must be able to successfully protect our intellectual property rights. We rely on patent, copyright, trademark, trade secret, and other intellectual property rights and laws, as well as nondisclosure and confidentiality agreements and other methods, to protect our confidential and proprietary technologies, inventions, information, data, devices, algorithms, processes, and other intellectual property. In addition, we often incorporate the intellectual property of our customers, suppliers, or other third parties into our designs, and we have obligations with respect to the non-**use-usage** and non-disclosure of such third-party intellectual property. From time to time, it may be necessary to engage in litigation or like activities to enforce our intellectual property rights, to protect our trade secrets, or to determine the validity, enforceability, and scope of proprietary rights of others, including our customers. This could require us to expend significant resources and to divert the efforts and attention of our management and technical personnel from our business operations. Regardless of our actions: • the steps we take to prevent misappropriation, infringement, dilution, or other violation of our intellectual property or the intellectual property of our customers, suppliers, or other third parties may not be successful, • any of our existing or future patents, copyrights, trademarks, trade secrets, or other intellectual property rights may be challenged, invalidated, deemed unenforceable, or circumvented, and • we may be contractually prohibited, or otherwise discouraged, by certain customers from pursuing **certain** remedies for third parties' violations of our intellectual property. A third party could potentially copy, misappropriate, or otherwise obtain and use our technology without authorization, develop similar technology independently, or design around or invalidate our patents. If any of our intellectual property protection mechanisms fails to protect our technology, it would make it easier for our competitors to offer similar competitive products, potentially resulting in loss of market share and price erosion. Even if we receive a patent, the patent claims may not be broad enough to adequately cover and protect our technology or could be rendered invalid or unenforceable. Furthermore, even if we receive patent protection in the United States, we may not seek, or may not be granted, patent protection in other relevant foreign countries. In addition, effective patent, copyright, trademark, and trade secret protection and enforcement may be unavailable, impractical, or limited for certain technologies and in certain foreign countries. We attempt to control access to, and distribution of, our proprietary and confidential information through operational, technological, and legal safeguards. Despite our efforts, parties, including current and former employees, consultants, customers, licensees, suppliers, vendors, and other third **parties** ~~party affiliates~~ may attempt to copy, disclose, transfer, misappropriate or obtain access to our information without our authorization. Furthermore, attempts by computer hackers **or other third parties** to gain unauthorized access to our systems or information could result in our confidential and / or proprietary information being compromised or our manufacturing and other business operations being interrupted. While we make reasonable attempts to prevent such unauthorized access or misappropriation, we may be unable to anticipate, detect, or stop the methods used, or we may be unable to prevent the release of our confidential and / or proprietary information or that of a third party. We are subject to the risks of licensing third-party intellectual property. We sell products in markets that are characterized by rapid technological changes, evolving industry standards, frequent new product introductions, short product life cycles, and increasing levels of integration. Many of our products currently use or incorporate technology licensed or acquired from third parties, and we expect our products in the future to also require technology from third parties. Our ability to keep pace with this market depends on our ability to obtain technology from third parties on commercially reasonable terms to allow our products to remain competitive. If licenses to such technology for our current or future products become unavailable or the terms on which they are available become commercially unreasonable, and we cannot otherwise acquire or integrate such technology, our products or our customers' products could become unmarketable or obsolete, we could lose market share, and our business could be adversely affected. In such instances, we could also incur substantial unanticipated costs or scheduling delays to develop or acquire substitute technology to deliver competitive products. These risks are heightened with respect to certain of our products that incorporate increasing amounts of **embedded software and** digital circuit content that is subject to third-party intellectual property rights. Risks associated with claims and litigation We may be subject to warranty claims, product recalls, liability claims, and risks of litigation. Although we invest significant resources in the testing of our products, from time to time we become aware of alleged defects in our products after they have been shipped, and we may be required to incur additional development and remediation costs or cash payments to settle claims pursuant to warranty and indemnification provisions in our customer contracts and purchase orders. Certain of our products, including "high reliability" solutions, may not be able to perform under stringent operating conditions. Examples of our "high reliability" solutions include applications intended for the aerospace, automotive, defense, and medical markets. The potential liabilities associated with these ~~and similar~~ provisions in certain of our customer contracts are in some cases capped at significant amounts, and in other cases are uncapped. In addition, because our customers typically integrate our products into other devices, and because we typically do not have a direct relationship with the end

customers of our products, our products may be used in applications for which they were not necessarily designed or tested, and they may not perform as anticipated in such applications. Depending on the nature of any product defect claims, we may not be able to recoup our losses from our third- party suppliers. Investigating, analyzing, and / or remediating alleged product defects may divert our technical and other resources from other product development efforts and could result in claims against us by our customers or third parties, including liability for costs associated with product recalls, indemnification claims, product redesigns, or obligations under customer contracts. If any of our products contain defects, or have reliability, quality, or compatibility problems, our reputation may be damaged, and we could be subject to liability claims, which could make it more difficult for us to sell our products to existing and prospective customers and could adversely affect our operating results. Furthermore, such losses would not be covered under our existing corporate insurance programs. In addition, in the event we are unable to fulfill our contractual obligations, lawsuits may be threatened or filed against us by customers or other third parties. Furthermore, force majeure clauses in our contracts could limit our ability to pursue remedies for certain third- party disruptions and delays. From time to time, we are, and may become, involved in litigation. We are the plaintiff in some of these actions and the defendant in others. Such actions could result in the imposition of various remedies such as injunctions or monetary damages, which if awarded could materially **and adversely** harm our business. From time to time, we are, and may become, the subject of inquiries, requests for information, or investigations by government and regulatory agencies regarding our business. Any such matters, regardless of their merit or resolution, could be costly and divert the efforts and attention of our management, damage our reputation, or otherwise adversely affect our business. We may be subject to claims of infringement of third- party intellectual property rights or demands that we license third- party technology. The semiconductor industry is characterized by vigorous protection, enforcement, and pursuit of intellectual property rights. Third parties have asserted, and may in the future assert, patent, copyright, trademark, and other intellectual property rights against technologies that are important to our business and manufacturing operations and have demanded and may in the future demand that we license their technology or refrain from using it. Any litigation to determine the validity of any allegations that our products infringe or may infringe or misappropriate the intellectual property rights of another party, including indemnification claims arising from our contractual obligations to our customers, regardless of their merit or resolution, could be costly and divert the efforts and attention of our management and technical personnel. Regardless of the merits of any specific claim, we may not prevail in litigation because of the complex technical issues and inherent uncertainties in intellectual property litigation or the assessment of these claims. If litigation were to result in an adverse ruling, we could be required to: • pay substantial damages, • cease the manufacture, import, use, sale, or offer for sale of infringing products or processes, • discontinue the use of infringing technology, • expend significant resources to develop an alternate non- infringing technology, and • license technology from the third party claiming infringement, which license may not be available on commercially reasonable terms. Our operating results or financial condition may be materially adversely affected if we, or one of our customers, were required to take any one or more of the foregoing actions. In addition, if another supplier to one of our customers, or a customer of ours itself, were found to be infringing upon the intellectual property rights of a third party, the supplier or customer could be ordered to cease the manufacture, import, use, sale, or offer for sale of its infringing product (s) or process (es), either of which could result, indirectly, in a decrease in demand from our customers for our products. If such a decrease in demand for our products were to occur, it could have an adverse impact on our operating results. Risks associated with owning our common stock Our stock price has been volatile and may fluctuate in the future. The trading price of our common stock has fluctuated and may continue to fluctuate significantly. Such fluctuations may be influenced by many factors, including: • **uncertainty regarding the condition and prospects of the domestic and foreign economies**, • the volatility of the financial markets, • ~~uncertainty regarding the prospects of the domestic and foreign economies,~~ • instability in global credit and financial markets, • our performance and prospects, and the performance and prospects of our major customers and competitors, • ~~the extent of the impact of the COVID- 19 pandemic~~, • our revenue concentrations with relatively few customers, • ~~the depth and liquidity of the market for our common stock,~~ • **the inclusion, exclusion, or removal of our stock from market indices, such as the S & P 500 Index,** • our stock repurchase and dividend activities, • the timing of our repayment of outstanding indebtedness, • investor perception of us and the industry in which we operate, • changes in the market valuations of other companies, including, but not limited to, those in our industry, • changes in earnings estimates, price targets, or buy / sell recommendations by analysts, • **the depth and liquidity of the market for our common stock,** • **the exclusion or removal of our stock from market indices, such as the S & P 500 Index,** • domestic and international political conditions, • **the extent of the impact of the COVID- 19 pandemic**, • domestic and international tax, fiscal, and trade policy decisions, and • our ability to successfully identify, acquire, and integrate acquisition candidates. Public stock markets have experienced price and trading volume volatility. This volatility has affected, and could significantly and negatively affect in the future, the market prices of securities of many technology companies, particularly the market price of our common stock. In addition, fluctuations in our stock price, volume of shares traded, and changes in our trading multiples may make our stock attractive to momentum, hedge, day- trading, or activist investors who often shift funds into and out of stocks rapidly, exacerbating price fluctuations in either direction. We have been, and in the future may be, the subject of commentary by financial news media. Such commentary may contribute to volatility in our stock price. If our operating results do not meet the expectations of securities analysts, the financial news media, or investors, our stock price may decline, possibly substantially over a short period of time. There can be no assurance that we will continue to declare cash dividends or repurchase our stock. We pay, and intend to continue to pay, quarterly cash dividends, subject to capital availability and periodic determinations made by our Board of Directors that cash dividends are in the best interest of our stockholders. In addition, from time to time the Board of Directors approves stock repurchase programs, pursuant to which we are authorized to repurchase shares of our common stock on the open market or in privately negotiated transactions. Future cash dividends and the amount and timing of our stock repurchases may be affected by, among other factors: • our views on potential future capital requirements, including those related to ~~acquisitions as well as~~ research and development, • our ability to generate sufficient earnings and cash flows, •

our use of cash to consummate various acquisition transactions, • our repayment of principal and interest on our indebtedness, • ~~capital requirements related to cash dividends and stock repurchase programs~~, • changes in federal and state income tax laws or corporate laws, and • changes to our business model. Our cash dividend payments **and stock repurchases** may change from time to time, and we cannot provide assurance that we will increase our cash dividend payment or declare cash dividends **or make stock repurchases** in any particular amounts or at all. A reduction in our cash dividend payments or a reduction in the level of our stock repurchases could have a negative effect on our stock price. Certain provisions in our organizational documents and Delaware law may make it difficult for someone to acquire control of us. We have certain anti- takeover measures that may affect our common stock. Our certificate of incorporation, our by- laws, and the Delaware General Corporation Law contain several provisions that would make it more difficult to acquire control of us in a transaction not approved by our Board of Directors. Our certificate of incorporation and by- laws include provisions such as: • the ability of our Board of Directors to issue shares of preferred stock in one or more series without further authorization of stockholders, • a prohibition on stockholder action by written consent, • a requirement that stockholders provide advance notice of any stockholder nominations of directors or any proposal of new business to be considered at any meeting of stockholders, • a requirement that the affirmative vote of at least 80 % of our shares be obtained to amend or repeal the provisions of our certificate of incorporation relating to the election and removal of directors or the right to act by written consent, • a requirement that the affirmative vote of at least 80 % of our shares be obtained for business combinations unless approved by a majority of the members of the Board of Directors and, in the event that the other party to the business combination is the beneficial owner of 5 % or more of our shares, a majority of the members of the Board of Directors in office prior to the time such other party became the beneficial owner of 5 % or more of our shares, and • a fair price provision, as well as a requirement that the affirmative vote of at least 90 % of our shares be obtained to amend or repeal the fair price provision. In addition to the provisions in our certificate of incorporation and by- laws, Section 203 of the Delaware General Corporation Law generally provides that a corporation may not engage in any business combination with any interested stockholder during the three- year period following the time that such stockholder becomes an interested stockholder, unless a majority of the directors then in office approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder or specified stockholder approval requirements are met. 25