

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-39135

**SiTime Corporation**

(Exact name of Registrant as specified in its Charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**5451 Patrick Henry Drive  
Santa Clara, CA**

(Address of principal executive offices)

**02-0713868**

(I.R.S. Employer  
Identification No.)

**95054**

(Zip Code)

**Registrant's telephone number, including area code: (408) 328-4400**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	SITM	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant based on the last reported sale of the common stock on June 30, 2024, on the Nasdaq Global Market, was \$2,326,598,175 based on the closing price of the registrant's common stock on such date of \$124.38 per share.

The number of shares of Registrant's Common Stock outstanding as of February 10, 2025 was 23,597,831.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates by reference certain information from the registrant's definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed no later than 120 days after the conclusion of the registrant's fiscal year ended December 31, 2024.



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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which are subject to the “safe harbor” created by those sections. We may, in some cases, use words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would,” or the negative of those terms, and similar expressions that convey uncertainty of future events or outcomes to identify these forward-looking statements. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Forward-looking statements in this report include, but are not limited to, statements about:

- our plans to focus on oscillators, clock ICs, resonators and timing synchronization solutions and to aggressively expand our presence in these markets;
- our expectations regarding our ability to address market and customer demands and to timely develop new or enhanced solutions to meet those demands;
- anticipated trends, challenges and growth in our business and the markets in which we operate, including pricing expectations;
- our expectations regarding our revenue, average selling prices, gross margin, and expenses;
- our expectations regarding the effects of macroeconomic events in 2025;
- our expectations regarding dependence on a limited number of customers and end customers;
- our customer relationships and our ability to retain and expand our customer relationships and to achieve design wins;
- our expectations regarding the success, cost, and timing of new products;
- the size and growth potential of the markets for our solutions, and our ability to serve and expand our presence in those markets;
- our plans to expand sales and marketing efforts through increased collaboration with our distributors and contracted sales representatives, and our plans to grow direct online sales through our self-service online store;
- our expectations to identify new customers and deliver differentiated Precision Timing solutions to them through digital marketing strategies;
- our goal to become the leading provider of Precision Timing solutions for advanced and challenging applications;
- our positioning of being designed into current systems as well as future products;
- our belief that our advanced packaging designs can enable the smallest footprints in the industry;
- our expectations regarding competition in our existing and future markets;
- our expectations of the success of our acquisitions and how we integrate and generate revenue;
- the impact a pandemic, epidemic, or other outbreak of disease may in the future have on our business, results of operations and financial condition, as well as the businesses of our suppliers and customers;
- our expectations regarding regulatory developments in the United States and foreign countries;
- our expectations regarding the performance of, and our relationships with, our third-party suppliers and manufacturers;
- our expectations regarding our and our customers’ ability to respond successfully to technological or industry developments;
- our expectations regarding our ability to attract and retain key personnel;
- our expectations regarding intellectual property and related litigation;
- our belief as to the sufficiency of our existing cash and cash equivalents and short-term investments funds to meet our cash needs for at least the next 12 months and our future capital requirements over the longer term;
- the adequacy and availability of our leased facilities;

- the accuracy of our estimates regarding capital requirements and needs for additional financing.

These forward-looking statements reflect our management's beliefs and views with respect to future events and are based on estimates and assumptions as of the date of this report and are subject to risks and uncertainties. We discuss many of these risks in greater detail in the "Risk Factor Summary" below and under Part I, Item 1A "Risk Factors." Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We qualify all of the forward-looking statements in this report by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations, except as required by law.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

### **Risk Factors Summary**

Our business is subject to numerous risks, as more fully described in Part I, Item 1A "Risk Factors" below. You should read these risks before you invest in our common stock. We may be unable, for many reasons, including those that are beyond our control, to implement or execute our business strategy. In particular, risks associated with our business include, among others:

- Global macroeconomic conditions have harmed and may continue to harm our business;
- We are subject to the cyclical nature of the semiconductor industry;
- We have historically depended on a limited number of customers for a significant portion of our revenue; if we are unable to expand or further diversify our customer base, our business, financial condition, and results of operations could suffer, and the loss of, or a significant reduction in orders from our customers, including a large customer or end customer, could significantly reduce our revenue and adversely impact our operating results;
- Because we do not typically have long-term purchase commitments with our customers, orders may be cancelled, reduced, or rescheduled with little or no notice, which in turn exposes us to inventory risk, and may cause our business and results of operations to suffer;
- Our revenue and operating results may fluctuate from period to period due to, among other factors, macroeconomic conditions, cyclical fluctuations in the semiconductor market, customer demand, product life cycles, fluctuations in inventories held by our distributors or end customers, the gain or loss of significant customers, the availability of capacity in our supply chain, research and development costs, the impact of any pandemic, epidemic, or outbreak of disease, on our business as well as our suppliers and customers, and product warranty claims. This in turn could cause our stock price to decline;
- The third parties we rely upon for our raw materials, engineered materials, wafer fabrication and supply, assembly, packaging and testing may be unable to secure raw materials, reduce their resources available to us and our immediate suppliers, not meet satisfactory yields or quality, or increase pricing, which could harm our ability to ship our solutions to our customers on time and in the quantity required which could cause an unanticipated decline in our sales and loss of customers;
- If significant tariffs or other trade restrictions are placed on our products or third-party suppliers, our revenue and results of operations may be materially harmed;

- A significant portion of our operations is located outside of the United States, which subjects us to additional risks, including increased complexity and costs of managing international operations and geopolitical instability;
- Our success and future revenue depend on our ability to achieve design wins and to convince our current and prospective customers to design our products into their product offerings, as well as our customers' ability to develop products that achieve market acceptance;
- Our target customer and product markets may not grow or develop as we currently expect, and if we fail to penetrate new markets and scale successfully within those markets, our revenue and financial condition would be harmed;
- If we are not able to successfully introduce and ship in volume new products in a timely manner, our business and revenue will suffer;
- Pandemics, epidemics, or other outbreaks of disease have had and may in the future have an adverse impact upon our business, results of operations, and financial condition, as well as the businesses of our suppliers and customers;
- Our gross margins may fluctuate due to a variety of factors, which could negatively impact our results of operations and our financial condition;
- Our revenue in previous periods may not be indicative of future performance and our revenue may fluctuate over time;
- Our customers require our products and our third-party contractors to undergo a lengthy and expensive qualification process, which does not assure product sales. If we are unsuccessful or delayed in qualifying any of our products with a customer, our business and operating results would suffer;
- We provide a lifetime warranty on our products and may be subject to warranty or product liability claims, which could harm our reputation, result in unexpected expenses, and cause us to lose market share;
- Defects in our products could harm our relationships with our customers and damage our reputation;
- If we fail to compete effectively, we may lose or fail to gain market share, which could negatively impact our operating results and our business;
- We may make acquisitions in the future that could disrupt our business, cause dilution to our stockholders, reduce our financial resources, and harm our business;
- We may not be able to accurately predict our future capital needs, and we may not be able to obtain additional financing to fund our operations;
- We may seek, or be required to seek debt financing;
- Failure to comply with the laws associated with our activities outside of the United States could subject us to penalties and other adverse consequences;
- We are subject to government regulation, including import, export and economic sanctions laws and regulations that may expose us to liability and increase our costs;
- New or future changes to U.S. and non-U.S. tax laws, or tax regulatory authorities disagreeing with our positions and conclusions regarding certain tax positions, could materially adversely affect us;
- Breaches, cyberattacks, or other disruptions to our information technology systems owned or maintained by us or third parties could disrupt our operations, compromise confidentiality of private customer data or our intellectual property, and adversely affect our business, reputation, operations, and financial results;
- We may fail to adequately protect our intellectual property and have received, and may in the future receive, claims of intellectual property infringement, misappropriation, or other claims, which in turn could result in significant expense, result in the loss of significant rights, and harm our relationship with our end customers and distributors;
- We may be impacted by risks associated with the concentration of ownership of a significant portion of our stock, and our other shareholders' ability to influence matters requiring stockholder approval will be limited, which could impact our business and operating results;
- Substantial future sales of our common stock could cause the market price of our common stock to decline; and

- Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

## PART I

### Item 1. Business

#### Overview

The ability to accurately measure and reference time has been essential to humankind's greatest inventions and technological advances. Timing technology has continued to evolve over centuries, underpinning broader technological evolution and is the heartbeat of digital electronic systems. Here, timing ensures that the system runs smoothly and reliably by providing and distributing clock signals to various critical components such as central processing units, communication and interface ICs, and radio frequency components. As electronics evolve to deliver higher performance, connectivity, and intelligence, even in increasingly challenging environments, while also being more complex and size-constrained, we believe they will require more sophisticated semiconductor-based timing solutions that cannot be developed in legacy quartz crystal-based technologies. Precision timing, a category that SiTime created ("Precision Timing") fills this need with the performance, power, size, and cost that is required by these applications.

We are a leading provider of Precision Timing solutions to the global electronics industry. Our Precision Timing solutions are the heartbeat of our customers' electronic systems, providing the timing functionality that is needed for electronics to operate reliably and accurately. We provide Precision Timing solutions that are differentiated by high performance, high resilience, and high reliability, along with programmability, small size, and low power consumption. Our products have been designed into over 300 applications across our target markets, including communications, datacenter and enterprise, automotive, industrial, aerospace, mobile, internet of things ("IoT"), and consumer. Our current solutions include various types of oscillators, as well as clock integrated circuits ("ICs") and resonators.

Our all-silicon solutions are based on four fundamental areas of technical expertise: micro-electro-mechanical systems ("MEMS"), analog mixed-signal design, and advanced system-level integration and software. This expertise, along with the knowledge of our customers' systems, gives our products a significant edge as we address customers' complex timing problems. In this aspect, we believe we are different than quartz-based oscillator and resonator providers, who typically have expertise in designing and manufacturing resonator components, but usually outsource the analog circuit design and packaging. We also have a deep understanding of the mechanical, electrical, and thermal properties of materials, which is a key requirement for developing our proprietary MEMS processes. To maximize MEMS first-silicon success, we have also developed our own MEMS simulation tools. We are also different in that our MEMS resonators are made using semiconductor technology which has significant benefits in features, performance, manufacturing, and cost, while the quartz resonator and oscillator suppliers use quartz crystal material.

We believe we are different from the traditional clock IC suppliers too. While they typically rely on quartz timing companies to obtain a discrete resonator that resides on the board, our clock solutions integrate such a resonator, and deliver a complete solution to the customer, one that has performance and integration benefits.

Our Precision Timing solutions are designed to be resilient to harsh environmental stressors. For the communications, datacenter and enterprise market, our products provide high performance and resilience in dense, less-controlled environments that experience extreme conditions. The resilience of our products becomes an increasing advantage as equipment is placed in dense, harsh environments and moves closer to the customer with the rollout of 5G, the rapid expansion in cloudification, and deployment of hyperscale and artificial intelligence ("AI") datacenters. For the automotive market, our solutions can be utilized in automotive electronics, including advanced driver assistance systems ("ADAS") for self-driving cars, which require increased timing accuracy. For the industrial market, our products offer programmability and high reliability for the diverse operating conditions of industrial equipment, including high temperature, mechanical shock, and vibration. For the aerospace market, our solutions provide high reliability and lower acceleration sensitivity for end products that operate in rugged conditions. For the mobile, IoT and consumer market, our timing solutions offer high performance at optimal power consumption and size, as our customers fit more functionality into smaller devices.

In all of these markets, the trend for increased data transfer at higher speeds and demand for lower latency continues to grow. This requires higher levels of performance in timing and synchronization. Additionally, as electronics continue to proliferate in all industries and areas of our daily life, digital devices are increasingly subjected to less controlled environments, making resiliency ever more important. These industry trends place higher demands on timing components, escalating the importance of resilient and reliable Precision Timing.

We believe that the total timing market is approximately \$10 billion in size. Since our founding, we have focused on the portion of the market that concentrates on delivering compelling solutions to solve difficult timing problems. Historically, our revenue has been substantially delivered from sales of oscillator systems across our target end markets.

In December 2023, we acquired clocking products through the acquisition of certain assets and the exclusive license to certain intellectual property from Aura Semiconductor Pvt. Ltd. and certain of its affiliated entities (together, "Aura") relating to Aura's timing business and clock products that significantly expands our presence within the clocking market. With the addition of all four categories of clock products including network synchronizers, jitter cleaners, clock generators, and buffers, we now offer a comprehensive portfolio of timing solutions. By pairing the new SiTime clocking products with our MEMS oscillators and/or our resonators, we expect to be able to offer a more complete clock tree that is simpler to design with higher performance, and more resilient to environmental stressors with better reliability. SiTime is now a key provider of all differentiated products in timing – oscillators, clocks, and resonators combined with depth in engineering expertise in Precision Timing solutions.

We sell our products primarily through distributors, who in turn sell to our end customers. We also sell products directly to some of our end customers. We leverage our global network of distributors to address the broad set of end markets we serve. For our largest accounts, dedicated sales personnel work with the end customer to ensure that our solutions fully address the customer's timing needs. Our smaller customers can select the optimum timing solution for their needs by working directly with our sales personnel or distributors or by shopping on our online store, SiTimeDirect™.

We operate a fabless business model, where we outsource manufacturing to semiconductor industry suppliers, which allows us to focus on, and excel in, the design, marketing, and sales of our products. A fabless infrastructure gives us production flexibility and the ability to scale capacity up and down to meet demand. While this model allows us to operate with lower capital expenditure investment than other semiconductor companies that own fabrication plants ("fabs"), we may be required to make such investments from time to time primarily to strengthen our supply chain and optimize our costs. These investments could put downward pressure on our gross margins if demand for our products does not materialize as expected. Further, this model could also subject us to supply constraints, when demand for our products is higher than anticipated, resulting in increased costs and impacting our gross margins. Our programmable architecture also plays a key role in ensuring optimal production flexibility. In contrast to products offered by traditional timing device suppliers, our products are batch produced and then custom programmed to customer needs, allowing us to offer shorter lead times and the ability to meet custom requirements more easily.

## Industry Background

### *Key Building Blocks of Timing Solutions*

Timing solutions are comprised of three key product types: resonators, oscillators, and clock ICs.

- Resonators are mechanical structures that vibrate at a precise frequency and provide the core accuracy and stability in oscillator systems. We create resonators in silicon using MEMS semiconductor technology, which is different than the quartz industry where the resonators are made from quartz crystals and are generally manufactured in non-semiconductor technologies.
- Oscillators are active systems that combine resonators with analog mixed-signal ICs that cause the resonators to vibrate - generating, amplifying, and sustaining accurate and stable clock signals. Each oscillator generally delivers a single clock signal.
- Clock ICs are integrated analog mixed-signal circuits that deliver multiple clock signals by using building blocks such as PLLs, clock dividers, and drivers. Clock ICs require resonators and oscillators for timing references and usually integrate these blocks into complex systems.

In an electronic system, these three product types may be used individually or in combination, depending on the end product's performance, price, and size requirements. Simpler electronic systems generally require a standalone resonator coupled with a basic oscillator circuit that is embedded in a semiconductor device such as a microprocessor, system on a chip ("SoC"), or application specific integrated circuit ("ASIC"). In this type of system, multiple resonators may be used for different functionality. More complex electronic systems require advanced timing solutions that may use a variety of oscillators, clock ICs, and resonators. The complexity of these timing solutions increases significantly when the performance requirements of the systems that use them increase, such as electronic systems required to support AI datacenters or 5G communication network infrastructure.

### *Limitations of Legacy Quartz-based Solutions*

Quartz crystal has been the predominant technology of choice for resonators for over half a century and will continue to play a role in the timing market. In a quartz-based oscillator, a quartz crystal resonator is paired with a silicon-based clock IC in a ceramic or metal package. However, quartz timing devices, largely unchanged in decades, have many inherent limitations, including limited frequency ranges, sensitivity to rapid temperature changes, vulnerability to vibration

and mechanical shock, susceptibility to frequency jumps at specific temperatures, and limited programmability. Quartz devices must be housed in specialized (i.e., ceramic) packaging, and thus are difficult to integrate into standard semiconductor packages. Quartz products require dedicated manufacturing facilities and have relatively long lead times due to the need to specify various characteristics well in advance of production, without the ability to reconfigure them during the design cycle. In addition, as electronic systems become more complex, feature-rich, and robust, they require more sophisticated timing systems that can seamlessly integrate a variety of oscillators, clock ICs, and resonators in various system-level combinations. This seamless integration is more difficult with legacy quartz systems. These limitations impact the precision and quality of the timing signal in harsh conditions.

### ***Precision MEMS Timing Solutions Poised to Disrupt the Market***

In recent years, advances in silicon-based manufacturing and packaging techniques have allowed the development of alternatives to quartz crystal technology. We believe that MEMS is an ideal technology for resonator design. Specifically, its ability to integrate with other circuits in standard semiconductor packages has made scalable standard manufacturing possible for resonators and broader timing technology. MEMS timing products can operate in a wide range of frequencies, are more resistant to vibration, mechanical shock, and temperature changes, and are less susceptible to frequency jumps. MEMS technology is also inherently well-suited to produce timing solutions that are small, and offer high performance, resilience and programmability. Timing solutions based on MEMS technology are manufactured using semiconductor processes in fabs with high capacity, allowing for cost-effective high-volume manufacturing.

### **The Opportunity for Advanced Solutions**

From high-performance network infrastructure equipment to low-power battery-operated devices, Precision Timing solutions enable virtually all electronics, as timing is fundamental in orchestrating the functionality of electronic systems - from providing a reference frequency for processing components (e.g., graphics processing units, microprocessors, microcontrollers, SoCs, ASICs, Field Programmable Gate Arrays) to synchronizing the transfer of data. The complexity of such timing solutions increases significantly with the performance requirements of the systems in which they are used. Below are some examples of end markets in which we believe our silicon-based timing is enabling or has the potential to enable, greater functionality than legacy solutions:

#### ***Communications, Datacenter, and Enterprise***

Communications infrastructure equipment used in wireless base stations, wired infrastructure equipment, enterprise networks, cloud data centers, and artificial intelligence infrastructure must provide high performance and stability in demanding environments, which may include temperature fluctuations, and vibration. For example, due to the density and large data processing within the equipment, internal temperatures elevate to levels that need cooling fans that both rapidly change ambient temperatures and cause vibration. If the timing solution within the equipment fails, data may be corrupted or networks can shut down, leading to service disruptions and higher operating costs.

#### ***Automotive, Industrial, and Aerospace***

In the past few years, the automotive industry has expanded the use of electronics in vehicles for diverse purposes such as sensing, ADAS, computing, and in-vehicle infotainment. In these applications, timing technology must perform reliably over the life of an automobile in an environment characterized by vibration, mechanical shocks, electromagnetic interference, wide and rapid temperature change. We believe Precision Timing can address many of the challenges associated with this demanding automotive ecosystem.

Industrial equipment, ranging from factory machinery to diagnostic equipment, is often exposed to environments characterized by temperature fluctuation, mechanical shocks, vibration, electromagnetic interference, and power supply noise. We believe our Precision Timing solutions can perform better than legacy quartz-based solutions in demanding industrial environments and with lower power consumption and higher reliability. In addition, with the highly diverse nature of industrial applications and the need for unique operating frequencies, we believe the programmable architecture of our Precision Timing products provides an advantage.

Timing devices used in aerospace and defense applications such as rockets and satellites need to withstand extreme vibration forces and temperature gradients during operation. Quartz-based solutions can be impacted by vibrational forces acting on the whole system. Precision Timing devices are well-suited for these applications, as they provide up to 50 times better acceleration sensitivity under vibration than comparable quartz-based solutions.

### ***Mobile, IoT and Consumer***

The growing reliance on mobile devices has enabled the proliferation of billions of internet-connected devices in industrial and consumer applications. These devices range from smartphones and personal wearable devices to electronics embedded in appliances and industrial machinery. Many of these devices need to package a significant amount of electronics in a limited battery-powered and size-constrained form factor, while still requiring high performance and high accuracy. Due to the ability to integrate with ICs, we believe silicon MEMS timing solutions are well-suited to optimize footprint, reliability, and power consumption of the overall system within mobile, IoT and consumer devices.

### **Our Solutions and Technology**

Our Precision Timing solutions comprise of:

- **Oscillators and Clock ICs:** We have a dedicated analog and mixed-signal engineering team focused on the most complex challenges related to oscillators, such as OCXOs, Super-TCXOs, XOs, VCXOs, and DCXOs, and clock ICs, such as network synchronizers, jitter cleaners, clock generators, and buffers. Our analog mixed-signal technologies include several innovative low-noise circuit-based oscillators, high-performance PLLs, low-noise data converters, and precision low-aging reference circuits. Many of our oscillators use temperature sensing to maximize frequency stability. Our low-power nano-ampere and high-resolution DualMEMS® sensing technologies stabilize our Precision Timing solutions despite rapid temperature changes. We also offer what we consider to be leading solutions across a range of performance attributes, including Allan deviation, power supply noise rejection, temperature-sensing resolution, and integrated phase jitter.
- **MEMS resonators:** We pioneered the silicon MEMS timing industry with the MEMS First®, EpiSeal®, TempFlat® and ApexMEMS processes and technologies. These manufacturing processes and technologies have allowed the hermetically sealed resonator die to be housed in industry-standard, low-cost plastic packages or use advanced packaging techniques such as wafer-level chip-scale packing. These processes and technologies improve resonator stability, increase quality and reliability, and decrease aging effects. Because our MEMS resonators are manufactured in silicon using semiconductor processes, they are easier to integrate into silicon-based oscillators and clock ICs, and allow us to develop tightly-integrated Precision Timing solutions.
- **Advanced system-level integration:** We have extensive know-how in integrating various timing components into elegant system-level solutions. Because the internal elements of our products are silicon - namely the silicon MEMS resonators and the analog mixed-signal ICs - our systems integration design teams are not limited by the restrictions of using dissimilar materials such as quartz crystals and semiconductor die within a package. Our ability to integrate MEMS-based resonators with analog mixed-signal products allows us to develop oscillators and clock ICs in diverse permutations, which helps us innovate without the boundaries imposed by legacy materials. Our all-silicon approach enables us to solve difficult timing challenges in new ways. For example, we can use advanced packaging designs, yielding some of the smallest footprints in the industry.

We design each key building block of the timing system, from MEMS resonators to oscillator circuits to clock ICs. Our ability to combine our MEMS resonators with analog-mixed signal components in a fabless semiconductor supply chain allows us to build full timing solutions from the ground up, enabling our customers to focus on their core expertise.

Our flexible and programmable Precision Timing solutions offer the following benefits:

- **High performance:** Our portfolio of MEMS-based Precision Timing products allows us to provide our customers with high performance solutions across a wide range of attributes including stability over temperature, low sensitivity to vibration, low phase jitter, and other metrics.
- **High resilience:** Due to the unique properties of silicon, construction of our resonators, and advancements in our analog design circuits, systems, and packaging, our products provide resilience and robustness against the harsh operating conditions of many end-products. Specifically, our solutions offer low sensitivity to electromagnetic energy, mechanical shock, vibration, airflow, temperature gradients and power supply noise.
- **Small size:** Our solutions have a small footprint and package size, optimizing the end customer's board area. Additionally, many of our products have added integrated functions such as on-chip regulators and load capacitors which reduce the need for external components and decrease the overall system size.

- **Low power:** Our solutions operate at low power levels and have differentiated power-saving features such as NanoDrive™ and FlexSwing™, making them well-suited for mobile, IoT and other power-sensitive applications. Additionally, the high stability of our products allows mobile and IoT devices to stay in sleep mode longer, extending battery life.
- **Programmability:** A majority of our oscillators have programmable output frequency that allows customers to optimize their design with custom frequencies. In contrast, traditional quartz oscillators are built to provide a single or very limited range of frequencies. Furthermore, our oscillators are configurable across a wide range of additional parameters, including stability metrics, voltage parameters, and temperature ranges, among others. This provides design flexibility for the customer, and enables us to produce a vast number of custom timing products on demand with short lead times.
- **High quality and reliability:** The combination of our materials, design, and manufacturing processes enables us to produce high quality products with long-term reliability.
- **Flexible integration:** Our MEMS resonators and clock ICs allow a wide range of packaging and integration methodologies to support various levels of size, cost, and electrical, thermal, and mechanical performance. We are one of the first companies to introduce a clock system-on-a-chip with an embedded MEMS resonator, which solves significant board and system level problems. We believe that we have an advantage in delivering such integrated clocking solutions because the expertise related to these high-performance technologies resides in house.
- **Leveraged product development:** Our solutions employ different combinations of MEMS and circuit components, enabling us to generate a vast number of custom part numbers, including over 40,000 unique part numbers shipped as of December 31, 2024.
- **Rapid time to market:** Our solutions can typically be delivered within weeks of initial customer order and configuration, enabling us to reduce our end customers' time to market.

## Our Strategy

Our objective is to be the leading provider of Precision Timing solutions for advanced and complex electronics applications. Our solutions not only displace existing products by providing improved performance across a range of operational attributes, but also enable next-generation electronic applications by providing high performance at affordable price points. We believe our performance and size benefits enable new system-level architectural options that in turn enable innovation for our end customers. Key elements of our strategy include:

- **Extend our leadership in Precision Timing.** SiTime pioneered the Precision Timing category, and we intend to continue driving innovation in the timing market and working with our ecosystem partners to help set the timing standards of the future. Through this and other efforts, we expect to enable customers to create reference architectures and purchase complete solutions. Our knowledge of the end systems architecture, its future trajectory, and the clock tree are important for developing better Precision Timing products, as well as helping customers get the best system performance and reliability. We plan to improve the performance of our current solution suite across a variety of key metrics, including size, power, frequency stability, phase noise, and signal quality, while adding new functionality.
- **Educate and promote the benefits of silicon timing technology.** We intend to continue to educate current and prospective customers about the benefits of our Precision Timing solutions relative to their existing and future products. Our *Timing Essentials Learning Hub* is an online educational platform established to share our knowledge to help customers better understand timing to improve their designs, as well as promote our thought and technology leadership.
- **Identify and promote new and emerging applications for our technologies.** We intend to continue to collaborate with our end customers to identify timing challenges related to their product roadmaps and to support new applications that would not be possible without SiTime's unique timing technology.
- **Enable future technology innovation.** We plan to continue to apply our MEMS, analog and mixed-signal, and systems expertise, as well as partner with leading technology companies to develop innovative products.
- **Broaden our product portfolio.** We intend to continue to broaden our product portfolio by offering additional varieties of oscillators, expanding into the clock IC market and growing our business in standalone resonators.

- **Continue to attract and acquire new customers.** We expect to continue expanding our end customer base through direct dialogue with large strategic accounts, partnerships with large distributors, as well as grow direct online sales with the SiTimeDirect store. With continued investment in our digital marketing strategies that advance the SiTime customer experience, along with sophisticated market segmentation efforts, we expect to identify new customers, and deliver differentiated Precision Timing solutions to them.
- **Drive margin expansion of our products.** We intend to use our technological expertise to deliver higher value and higher margin products through traditional and new innovative channels. In addition, we intend to continue to reduce our costs through operational improvements and supply-chain management initiatives.
- **Deliver lower cost of ownership.** In addition to differentiating our solutions based on technical features and value, we also intend to provide value to our customers on business metrics by leveraging our fabless semiconductor infrastructure. These benefits may include shorter lead times, higher quality and reliability, and therefore lower cost of ownership for the end customer.

## **Our Products**

Our Precision Timing products are designed to address a wide range of applications across a broad array of end markets. Our product portfolio encompasses oscillators, clock ICs, and resonators. The programmability of our product platforms enables us to generate solutions quickly to customer specifications.

We are well established with our core offering of oscillator products that comprise a MEMS resonator and an analog mixed-signal IC that are integrated into a package. The following table illustrates our current portfolio of products by target end market:

Products by Market			
Communications, Datacenter, & Enterprise	Automotive, Aerospace & Defense, Industrial		Mobile, IoT & Consumer
Low Jitter Oscillators	High Temp Oscillators	Clock Generators	Low Power Oscillators
DCXO In-System Programmable	Low Jitter Oscillators	Clock Buffers	µPower 32 kHz Oscillators
VCXO	DCXO In-System Programmable	Network Synchronizers/ Jitter Cleaners	µPower 32 kHz TCXO
TCXO/VCTCXO/ DCTCXO	VCXO	OEXO/DCOXO	Low Power TCXO
OEXO/DCOXO	Low Power Oscillators		Low Power DCXO
Network Synchronizers/ Jitter Cleaners	Spread Spectrum Oscillators		Active Resonators
Clock Generators	TCXO/VCTCXO/ DCTCXO		TCXO/VCTCXO/ DCTCXO
Clock Buffers	µPower 32 kHz Oscillators		Spread Spectrum Oscillators

### Our Customers

While our sales personnel interact directly with our end customers to sell our Precision Timing products, such sales are executed through distributors, who in turn sell our products to our end customers. We also sell products directly to some of our end customers. We work closely with our end customers throughout their design cycles and are able to develop long-term relationships as our technology becomes embedded in their products. As a result, we believe our products are well-positioned to be designed into their current systems and we are well-positioned to develop next generation solutions for their future products.

Pernas Electronics Co., Ltd. (“Pernas”), Arrow Electronics, Inc. (“Arrow”), and Quantek Technology Corporation (“Quantek”), three of our distributor customers, each directly accounted for more than 10% of our revenue in the years ended December 31, 2024, 2023, and 2022. Additionally, Sabre Technologies Pte. Ltd (“Sabre”) directly accounted for more than 10% of our revenue for the year ended December 31, 2023. Pernas directly accounted for 24%, 20%, and 20% of our revenue for the years ended December 31, 2024, 2023, and 2022, respectively, Arrow directly accounted for 19%, 18%, and 17% of our revenue for the years ended December 31, 2024, 2023, and 2022, respectively and Quantek directly accounted for 13%, 13%, and 12% of our revenue for the years ended December 31, 2024, 2023, and 2022, respectively. Sabre directly accounted for 10% of our revenue for the year ended December 31, 2023. Other than Pernas, Quantek, Arrow and Sabre, no other single direct customer accounted for more than 10% of our revenue in the years ended December 31, 2024, 2023, and 2022.

Based on the sell-through information provided to us from distributors who identify end customers, we believe that the majority of our products sold to Pemas and Quantek are in turn incorporated into products of Apple Inc. (“Apple”), our largest end customer.

As a result, we believe revenue attributable to our largest end customer accounted for approximately 22%, 21%, and 20% of our revenue for the years ended December 31, 2024, 2023, and 2022, respectively.

### **Sales and Marketing**

Our customers’ design cycle from initial engagement to volume shipment typically ranges from six months to three years, with product life cycles of up to ten years or more. For many of our products, early engagement with our customers’ technical staff is critical for success. To ensure an adequate level of early engagement, our sales, marketing, and customer and development engineers work closely with our customers and channel partners to understand, identify, and propose solutions to their systems’ challenges. We work closely with our customers, including technology leaders for the communications markets, to anticipate end customer market needs. In some cases, we work with our end customers to better understand the end customers’ market trends and new requirements that are being placed on our customers.

We sell our products worldwide through multiple channels, including our direct sales force and a network of distributors, contract manufacturers, contracted sales representatives, and independent design houses, as well as SiTimeDirect, our self-service online store.

We have a strategic accounts strategy executed by our direct sales force focused on design engineers, system architects and executive decision makers for the world’s leading electronics companies. These customers lead electronics innovation for their segments - from communications and datacenter equipment, to automotive, and IoT - and design in SiTime Precision Timing solutions that deliver the performance required by these devices. Beyond the well-established strategic account portfolio, we target a broad base of small to mid-size electronics OEMs and ODMs that accelerate growth and market expansion for SiTime. We intend to continue to expand our sales and marketing efforts through increased collaboration with our distributors. In addition, in 2022, we launched SiTimeDirect, a self-service online store supporting 24/7 sales of SiTime oscillators. Our expert inside sales team supports a “self-service model” for customers. SiTime’s unique programmability combined with the convenience of an online store, with rapid configuration and fulfillment, makes SiTimeDirect a unique approach in the semiconductor industry for Precision Timing solutions.

### **Seasonality**

Our revenue has historically been subject to some seasonal variation. Based on the production schedules of key customers, our products typically see stronger revenue in the second half of our fiscal year. However, there can be no assurance that this trend will occur in future years.

### **Manufacturing**

We operate a fabless business model and use third-party foundries and assembly and test contractors to manufacture, assemble, and test our semiconductor products. This outsourced manufacturing approach allows us to focus our resources on the design, sale, and marketing of our products. In addition, we believe that outsourcing many of our manufacturing and assembly activities provides us with the flexibility needed to respond to new market opportunities and scale for customer demand, simplifies our operations, and significantly reduces our capital commitments.

We subject our third-party manufacturing contractors to rigorous qualification requirements to meet the high quality and reliability standards required of our products. We carefully qualify each of our partners and their processes before applying the technology to our products. Our engineers work closely with our foundries and other contractors to increase yield, lower manufacturing costs, and improve product quality.

- **Fabrication.** We currently utilize a range of semiconductor process generations to develop and manufacture our products. We use Robert Bosch LLC (“Bosch”) in Germany, Taiwan Semiconductor Manufacturing Company (“TSMC”) in Taiwan, and Teledyne Digital Imaging Inc. (“Teledyne”) in Canada as our primary foundries and suppliers for our MEMS timing devices and analog mixed-signal circuit ICs.
- **Package, Assembly and Testing.** Upon the completion of processing at the foundry, we use third-party contractors for packaging, assembly, and testing, including Advanced Semiconductor Engineering, Inc. (“ASE”) in Taiwan, Carsem (M) Sdn Bhd. (“Carsem”) in Malaysia, United Test and Assembly Center Ltd.

(“UTAC”) in Thailand, Hana Semiconductor (Ayutthaya) Co., Ltd in Thailand, Daishinku Corp. (“Daishinku”) in Japan, and STATS ChipPAC Pte Ltd. in Singapore.

- **Warehousing.** Our products are warehoused at our outsourced semiconductor assembly and test facilities located in Malaysia, Taiwan, and Thailand.

We have a supply agreement with Bosch under which Bosch has agreed to fabricate our MEMS wafers based on purchase orders placed by us. Bosch has discretion whether to accept our purchase orders, and we can terminate purchase orders for convenience by giving written notice prior to shipment. The initial term of the supply agreement is for ten years through February 2027 and automatically renews. Other than Bosch, we do not have long-term supply agreements with most of our third-party manufacturing contractors, and we purchase products on a purchase order basis.

## **Research and Development**

We believe that our future success depends on our ability to introduce enhancements to our existing products and to develop new products for both existing and new markets. As a result, a significant majority of our operating expenses has been allocated towards this effort. Our research and development efforts are focused primarily on MEMS and advanced clock IC design and advanced system-level integration for Precision Timing solutions.

We have assembled a core team of experienced engineers and systems designers who conduct research and development activities in the United States, the Netherlands, Malaysia, Finland, Japan, Taiwan, Ukraine, and India. As of December 31, 2024, we had 182 full-time equivalent employees supporting research and development efforts worldwide.

## **Intellectual Property**

We rely primarily on patent, copyright, trademark, and trade secret laws, as well as confidentiality and non-disclosure agreements, and other contractual protections, to protect our technologies and proprietary know-how. As of December 31, 2024, we had 134 issued U.S. patents, expiring generally between 2026 and 2040, and 51 pending U.S. patent applications (including 11 provisional applications). We also had five foreign issued patents expiring in 2036 and five pending foreign patent applications. Our issued patents and pending patent applications generally relate to our MEMS fabrication process, MEMS resonators, circuits, packaging, and oscillator systems.

In addition to our own intellectual property, we also use third-party licenses for certain technologies, including some that are embedded in our MEMS solutions. For example, we have a license to certain patents from Bosch relating to the design and manufacture of MEMS-based timing applications and a license to certain intellectual property of Aura relating to our clock products. The patent rights obtained under the license agreement with Bosch expire between 2025 and 2029, and the license agreement expires upon expiration of the last patent licensed under the agreement. We do not believe there will be any significant impact upon expiration of these patents.

We generally control access to and use of our confidential information and trade secrets through the use of internal and external controls, including contractual protections with employees, contractors, and customers. We rely in part on the laws of the United States and international laws to protect our work. All employees and consultants are required to execute confidentiality agreements in connection with their employment and consulting relationships with us. We also require them to agree to disclose and assign to us all inventions conceived or made in connection with the employment or consulting relationship. However, we cannot guarantee that we have entered into such agreements with every such party and we may not have adequate remedies in case of a breach of any such agreements. Our trade secrets could be disclosed to our competitors or others may independently develop substantially equivalent technologies or otherwise gain access to our trade secrets. Trade secrets can be difficult to protect and some courts inside and outside of the United States are less willing or unwilling to protect trade secrets. Despite our efforts to protect our intellectual property, unauthorized parties may still copy, misappropriate, or otherwise obtain and use our software, technology, or other information that we regard as our proprietary intellectual property. In addition, we intend to expand our international operations, and effective patent, copyright, trademark, and trade secret, and other intellectual property protection may not be available or may be limited in some foreign countries.

The semiconductor industry is characterized by vigorous protection and pursuit of intellectual property rights and positions, which has resulted in protracted and expensive litigation for many companies. We have in the past received, and we may in the future receive, communications alleging liability for damages or challenging the validity of our intellectual property or proprietary rights. Any litigation, regardless of success or merit, could cause us to incur substantial expenses, reduce our sales, and divert the efforts of our management and other personnel. In the event we receive an adverse result in

any litigation, we could be required to pay substantial damages, seek licenses from third parties, which may not be available on reasonable terms or at all, cease sale of products, expend significant resources to develop alternative technology, or discontinue the use of processes requiring the relevant technology.

## **Competition**

The global semiconductor market in general, and the timing market in particular, is highly competitive. We expect competition to increase and intensify as additional companies enter our markets and as internal resources of large original equipment manufacturers (“OEMs”) grow. Increased competition could result in price pressure, reduced gross margins, and loss of market share, any of which could harm our business, financial condition, and results of operations.

Our competitors range from large, international companies offering a wide range of timing products to smaller companies specializing in narrow market verticals. Companies that we primarily compete with include, but are not limited to, Abracon, LLC, Daishinku Corp., Diodes Incorporated, Kyocera Corporation, Microchip Technology Inc., Murata Manufacturing Co., Ltd, Nihon Dempa Kogyo., Ltd., Rakon Limited, Renesas Electronics Corporation, Seiko Epson Corporation, Skyworks Solutions, Inc., Texas Instruments Incorporated, and TXC Corporation.

Our ability to compete successfully depends on elements both within and outside of our control, including industry and general economic trends. Many of our competitors are substantially larger, have greater financial, technical, marketing, distribution, customer support, and other resources, are more established than we are, and have significantly better brand recognition and broader product offerings. This may enable them to better withstand downturns in the timing market in which we compete, as well as adverse economic or market conditions. During past periods of downturns in our industry, competition in the markets in which we operate intensified as our customers reduced their purchase orders. We maintain our competitive position through our ability to successfully design, develop, and market new and existing Precision Timing solutions in a timely manner and to retain existing customers and add new customers.

## **Government Regulation**

Our business activities are worldwide and subject to various federal, state, local and foreign regulations and our products are governed by a number of rules and regulations. To date, our compliance with these regulations has not had a material impact on our results of operations.

## **Human Capital Resources and Empowerment**

We believe that our company culture, which promotes innovation, open communication, and teamwork, has been critical to our success. Our success depends largely upon the continued services of our executive officers and other key employees and on our ability to continue to attract, retain, and motivate qualified employees, particularly highly-skilled engineers involved in the design, development, support, and manufacture of new and existing products and processes, as well as our sales and marketing team, which is critical to achieving design wins, creating our brand awareness and reputation, and building long-lasting relationships with our customers and other industry participants. In order for us to attract the best talent, we aim to offer challenging work in an environment that enables our employees to learn, grow, and reach their full potential.

Our human capital resource objectives include identifying, recruiting, retaining, incentivizing and integrating our existing and future employees. We strive to attract and retain the most talented employees in the industry and across the globe by offering competitive compensation and benefits that support their health, financial, and emotional well-being. Our compensation philosophy is based on rewarding each employee’s individual contributions. We use a combination of fixed and variable pay including base salary, bonuses, performance awards, and stock-based compensation. The principal purposes of our equity incentive plans are to attract, retain, and motivate selected employees through the granting of stock-based compensation awards. We offer employees benefits that vary by country and are designed to meet or exceed local laws and to be competitive in the marketplace. Examples of benefits offered in the U.S. include: a 401(k) plan with employer contributions; health benefits; life, business travel, and disability insurance; additional voluntary insurance; paid time off and parental leave; and paid counseling assistance. For further information concerning our equity incentive plans, see Note 8, Stock-based Compensation, of the Notes to Consolidated Financial Statements contained in Part II, Item 8 of this Annual Report on Form 10-K.

We are committed to the health, safety, and wellness of our employees. We provide our employees and their families with access to a variety of health and wellness programs, including benefits that support their physical and mental

health. We maintain an office in Lviv, Ukraine. In connection with Russia's invasion of Ukraine in February 2022, we have prioritized the safety and welfare of our employees and their families in Ukraine. We also worked with our employees worldwide to minimize any disruption to our operations and business as a result of Russia's invasion of Ukraine.

We regularly review our employees and assess the needs of the business to identify our talent needs. We encourage periodic and meaningful conversations between managers and employees, including discussions regarding feedback, alignment of goals, and professional development. We encourage all employees to continue learning and provide learning opportunities as well as internal opportunities for cross functional work to support this. All employees receive training, including in the prevention of sexual harassment and abusive conduct in the workplace. We regularly review succession plans and focus on promoting internal talent to help grow our employees' careers.

As of December 31, 2024, we had 395 full-time equivalent employees located in locations including the United States, France, Malaysia, the Netherlands, Taiwan, Japan, Finland, Ukraine, Germany, South Korea, and India, including 182 in research and development, 143 in sales, general, and administrative, and 70 in operations. We consider relations with our employees to be good and have never experienced a work stoppage.

## **Corporate Information**

We were incorporated in Delaware on December 3, 2003. Our principal executive offices are located at 5451 Patrick Henry Drive, Santa Clara, California 95054, and our telephone number is (408) 328-4400. Our corporate website address is [www.sitime.com](http://www.sitime.com). Information found on, or accessible through, our website is not a part of, and is not incorporated into, this Annual Report on Form 10-K. Unless the context requires otherwise, references in this Annual Report on Form 10-K to "SiTime," "the Company," "we," "us" and "our" refer to SiTime Corporation and its wholly-owned subsidiaries on a consolidated basis.

## **Available Information**

Our website is located at <https://www.sitime.com>. Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available, free of charge, on our investor relations website as soon as reasonably practicable after we file such material electronically with or furnish it to the Securities and Exchange Commission (the "SEC"). The SEC also maintains a website that contains our SEC filings. The address of the website is [www.sec.gov](http://www.sec.gov).

## **Item 1A. Risk Factors.**

### **Risks Related to Our Business and Our Industry**

#### ***Global macroeconomic conditions have harmed and may continue to harm our business.***

We are a global company and therefore our business, results of operations, and financial condition are impacted by global macroeconomic conditions. Macroeconomic events such as rising inflation, recession, equity market volatility, geopolitical tensions, war, declines in income or asset values, decreased spending, changes to fuel and other energy costs, public health crises, supply chain disruptions, trade restrictions and sanctions, and global banking concerns have caused economic volatility, which has and may continue to harm our business, financial condition, and results of operations, and may cause an extended downturn in the worldwide economy, which would further harm our business, financial condition and results of operations. Economic volatility and adverse economic conditions have affected and may continue to affect the demand for our products and our customers' products. Reduced demand for our customers' products has led to a buildup of inventory at many of our customers, including distributors, and their affiliates, partners, and contract manufacturers, which has and may continue to adversely affect demand for our products. Reduced demand for our products could result in significant decreases in our sales and margins, and could materially harm our results of operations. The future effects of macroeconomic events on our business and results of operations, including inventory levels at our customers and their affiliates, partners, and contract manufacturers as well as demand for our products, are uncertain and difficult to predict.

A deterioration in credit markets as a result of macroeconomic events could also limit our ability to obtain external financing to fund our operations and capital expenditures. We may experience losses on our holdings of cash and investments due to failures of financial institutions and other parties. Further, adverse economic conditions may also result in a higher rate of losses on our accounts receivable due to credit defaults. As a result, global macroeconomic conditions have had and may continue to have a material adverse effect on our business, results of operations, and financial condition.

***We are subject to the cyclical nature of the semiconductor industry.***

The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change, rapid product obsolescence, price erosion, evolving standards, short product life cycles, and wide fluctuations in product supply and demand. From time to time, these factors, together with changes in macroeconomic conditions, can cause significant upturns and downturns in the semiconductor industry, and in our business. Downturns in the semiconductor industry have been characterized by diminished product demand, production overcapacity, high inventory levels for us and our customers, and erosion of average selling prices. For example, in 2023 we experienced, and we may in the future experience, customer inventory adjustments that may adversely affect our results of operations. Any downturns in the semiconductor industry could harm our business, financial condition, and results of operations. Any significant upturn in the semiconductor industry could result in increased competition for access to third-party foundry and assembly capacity. We are dependent on the availability of this capacity to manufacture and assemble our products and we can provide no assurance that adequate capacity will be available to us in the future. We cannot predict the duration or timing of any downturn or upturn in the semiconductor industry.

***We have historically depended on a limited number of customers for a significant portion of our revenue. If we are unable to expand or further diversify our customer base, our business, financial condition, and results of operations could suffer, and the loss of, or a significant reduction in orders from our customers, including a large customer or end customer, could significantly reduce our revenue and adversely impact our operating results.***

Historically we have derived a significant portion of our revenue from a limited number of customers. We sell our products primarily through distributors, who in turn sell to our end customers. We also sell directly to our end customers. Our top three distributors by revenue together accounted for approximately 56%, 51%, and 49% of our revenue for the years ended December 31, 2024, 2023, and 2022, respectively. Based on our shipment information, we believe that revenue attributable to our ten largest end customers accounted for 59%, 49% and 47% of our revenue for the years ended December 31, 2024, 2023, and 2022, respectively. Sales attributable to Apple, our largest end customer accounted for approximately 22%, 21%, and 20% of our revenue for the years ended December 31, 2024, 2023, and 2022, respectively. We anticipate revenue attributable to this customer will fluctuate from period to period. Although we sell our products to this customer through distributors on a purchase order basis, including Pernas Electronics Co., Ltd. (“Pernas”), Arrow Electronics, Inc. (“Arrow”), and Quantek Technology Corporation (“Quantek”), we have a development and supply agreement, which provides a general framework for certain transactions with Apple. This agreement continues until either party terminates for material breach. Under this agreement, we have agreed to develop and deliver new products to this end customer at its request, provided it also meets our business purposes, and have agreed to indemnify it for intellectual property infringement or any injury or damages caused by our products. This end customer does not have any minimum or binding purchase obligations to us under this agreement and could elect to discontinue making purchases from us with little or no notice. We expect the composition of our largest end customers to vary from period to period, and that revenue attributable to our largest ten end customers in any given period may decline over time. Our relationships with existing customers may deter potential customers who compete with these customers from buying our Precision Timing solutions.

We believe our operating results for the foreseeable future will continue to depend to a significant extent on sales attributable to a limited number of customers and end customers. If we are unable to expand or further diversify our customer base, it could harm our business, financial condition, and results of operations.

If our end customers were to choose to work with other manufacturers or our relationships with our customers are disrupted for any reason, it could have a significant negative impact on our business. Any reduction in sales attributable to our larger customers and end customers, including our largest end customer, would have a significant and disproportionate impact on our business, financial condition, and results of operations. Geopolitical tensions are leading to an increasing trend of customers seeking domestically produced products or reducing the dependence upon, or use of, products from certain countries, which could limit our ability to make sales to these customers.

Our end customers, or the distributors through which we sell to these customers, may choose to use products in addition to ours, use a different product altogether, or develop an in-house solution. In addition, the inability of our customers or their contract manufacturers to obtain sufficient supplies of third-party components used with our products could result in a decline in the demand of our products and a loss of sales. Any of these events could significantly harm our business, financial condition, and results of operations. Further, if our distributors’ relationships with our end customers, including our larger end customers, are disrupted for inability to deliver sufficient products or for any other reason, it could have a significant negative impact on our business, financial condition, and results of operations.

***Because we do not typically have long-term purchase commitments with our customers, orders may be cancelled, reduced, or rescheduled with little or no notice, which in turn exposes us to inventory risk, and may cause our business and results of operations to suffer.***

We sell our products primarily through distributors, usually with no long-term or minimum purchase commitments from them or their end customers. Substantially all of our sales to date have been made on a purchase order basis, which orders may be cancelled, changed, or rescheduled with little or no notice or penalty. As a result, our revenue and operating results could fluctuate materially and could be materially and disproportionately impacted by purchasing decisions of our customers, including our larger customers. In the future, our distributors or their end customers may decide to purchase fewer units than they have in the past, may alter their purchasing patterns at any time with limited or no notice, or may decide not to continue to purchase our Precision Timing solutions at all, any of which could cause our revenue to decline materially and materially harm our business, financial condition, and results of operations. Cancellations of, reductions in, or rescheduling of customer orders could also result in the loss of anticipated sales without allowing us sufficient time to reduce our inventory and operating expenses, as a substantial portion of our expenses are fixed at least in the short term. In addition, forecasts provided by customers, end customers, or their affiliates or contract manufacturers may change or may later prove to have been inaccurate which could make demand for our products difficult for us to predict and could expose us to the risks of inventory shortages or excess inventory and materially harm our results of operations. As we no longer intend to acquire inventory to pre-build custom products, we may not be able to fulfill increased demand in the short term. Any of the foregoing events could materially and adversely affect our business, financial condition, and results of operations.

***Our revenue and operating results may fluctuate from period to period, which could cause our stock price to fluctuate.***

Our revenue and operating results have fluctuated in the past and may fluctuate from period to period in the future due to a variety of factors, many of which are beyond our control. We expect our revenue to fluctuate in the future primarily based on the volume of shipments of our products and average selling price ("ASP") changes. Factors relating to our business that may contribute to fluctuations in our operating results include the following factors, as well as other factors described elsewhere in this report:

- macroeconomic conditions;
- cyclical fluctuations in the semiconductor market;
- customer demand and product life cycles;
- the receipt, reduction, or cancellation of, or changes in the forecasts or timing of, orders by customers;
- fluctuations in the levels of inventories held by our distributors or end customers;
- the gain or loss of significant customers;
- changes in our pricing, product cost, and product mix;
- supply chain disruptions, delays, shortages, and capacity limitations;
- market acceptance of our products and our customers' products;
- our ability to develop, introduce, and market new products and technologies on a timely basis;
- the timing and extent of product development costs;
- new product announcements and introductions by us or our competitors;
- our research and development costs and related new product expenditures and our ability to achieve cost reductions in a timely or predictable manner;
- seasonality and fluctuations in sales by product manufacturers that incorporate our Precision Timing solutions into their products;
- end-market demand into which we have limited insight, including cyclical, seasonality, and the competitive landscape;
- socioeconomic or political conditions in the countries where we operate or where our products are sold or used;

- the impact of any pandemic, epidemic, or outbreak of disease, on our business, suppliers, and customers;
- fluctuations in our manufacturing yields;
- significant warranty claims, including those not covered by our suppliers;
- new accounting pronouncements or changes in existing accounting standards; and
- loss of one or more of our executive officers or other key employees;

As a result of these and other factors, you should not rely on the results of any prior quarterly or annual periods, or any historical trends reflected in such results, as indications of our future revenue or operating performance. Fluctuations in our revenue and operating results could cause our stock price to decline and, as a result, you may lose some or all of your investment.

***We depend on third parties for our wafer fabrication, assembly, packaging, and testing operations, which exposes us to certain risks that may harm our business.***

We operate an outsourced manufacturing business model. As a result, we rely on third parties for all of our manufacturing operations, including wafer fabrication, assembly, packaging, and testing. Although we use multiple third-party supplier sources, we depend on these third parties to supply us with material of a requested quantity in a timely manner that meets our standards for yield, cost, and manufacturing quality. The manufacturing processes of our third-party suppliers for our products require specialized technology that requires certain raw and engineered materials. Many major components, product equipment items, engineered materials, and raw materials, that are procured or subcontracted by our third-party suppliers for manufacturing of our products are procured or subcontracted on a single or sole-source basis. Except for our agreement with Robert Bosch LLC ("Bosch") for MEMS wafers, we do not have any long-term supply agreements with any of our other manufacturing suppliers. These third-party manufacturers often serve customers that are larger than us or require a greater portion of their services, which may decrease our relative importance and negotiating leverage with these third parties.

If market demand for wafers or production and assembly materials increases, if a supplier of our wafers fails to procure materials needed for manufacture of our products, or if a supplier of our wafers ceases or suspends operations, our supply of wafers and other materials could become limited. We currently have a ten-year supply agreement with Bosch for the fabrication of our MEMS wafers. The initial term of this supply agreement is through February 2027 and automatically renews. We currently rely primarily on Bosch and Teledyne for our MEMS fabrication, and primarily on TSMC for our analog circuits fabrication, and any disruption in the supply of wafers or any increases in the wafer or materials prices could adversely affect our gross margins and our ability to meet customer demands in a timely manner, or at all, and lead to reduced revenue. In 2021 and the first half of 2022 there were a number of industry-wide supply constraints affecting the supply of analog circuits manufactured by certain foundries, including TSMC, and affecting outsourced semiconductor assembly and test providers ("OSATs"), which limited our ability to fully satisfy an increase in demand for some of our products. Moreover, wafers constitute a large portion of our product cost. If we are unable to negotiate volume discounts or otherwise purchase wafers at favorable prices and in sufficient quantities in a timely manner, our ability to ship our solutions to our customers on time and in the quantity required could be adversely affected, which in turn could cause an unanticipated decline in our sales, harm to our customer relationships, and our gross margins to be adversely affected.

To ensure continued wafer supply, we may be required to establish alternative wafer supply sources, which could require significant expenditures and limit our negotiating leverage. We currently rely on Bosch, TSMC and Teledyne as our primary foundries and suppliers for our MEMS timing devices and analog circuits, and only a few foundry vendors have the capability to manufacture our most advanced solutions, in particular with respect to our MEMS solution. If we engage alternative supply sources, we may incur additional costs and encounter difficulties and/or delays in qualifying the supply sources. For example, we had a license agreement with Bosch under which Bosch granted us a license to use certain patents. Under this agreement, we were required to pay a royalty fee to Bosch if we engaged third parties to manufacture, or if we decided to manufacture ourselves, certain generations of our MEMS wafers until March 31, 2024. In addition, shipments could be significantly delayed while these sources are qualified for volume production. If we are unable to maintain our relationship with Bosch, TSMC, or Teledyne, our ability to produce high-quality products could suffer, which in turn could harm our business, financial condition, and results of operations.

We currently primarily rely on Advanced Semiconductor Engineering, Inc. ("ASE"), Carsem (M) Sdn. Bhd. ("Carsem"), and United Test and Assembly Center Ltd. ("UTAC") for assembly and testing, as well as Daishinku Corp. ("Daishinku"), UTAC, Hana Semiconductor (Ayutthaya) Co., Ltd, and ASE for ceramic packaging for some of our products. We enter into capacity agreements with certain of our OSATs from time to time which may adversely impact our gross margins and results of operations if we do not purchase required minimum quantities.

Certain of our manufacturing, packaging, assembly, and testing facilities are located outside of the United States, including Malaysia, Taiwan, and Thailand, where we are subject to increased risk of political and economic instability, difficulties in managing operations, difficulties in enforcing contracts and our intellectual property, severe weather, and employment and labor difficulties. Additionally, public health crises, such as an outbreak of contagious diseases, may affect the production capabilities of our suppliers, including as a result of quarantines, closures of production facilities, lack of supplies, or delays caused by restrictions on travel or work-from-home orders. Restrictions like these could limit our suppliers' ability to operate their manufacturing facilities.

Any of these factors could result in manufacturing and supply problems, and delays in our ability to provide our solutions to our customers on a timely basis, or at all. If we experience manufacturing problems at a particular location, we may be required to transfer manufacturing to a new location or supplier. Converting or transferring manufacturing from a primary location or supplier to a backup facility could be expensive and could take several quarters or more. During such a transition, we would be required to meet customer demand from our then-existing inventory, as well as any partially finished goods that could be modified to the required product specifications. In addition, our end customers may require requalification with a new wafer manufacturer. We typically maintain at least a three-month supply of our MEMS wafers for which Bosch is our primary supplier. We do not otherwise maintain sufficient inventory to address a lengthy transition period. As a result, we may not be able to meet customer needs during such a transition, which could damage our customer relationships. Although we maintain business disruption insurance, this insurance may not be adequate to cover any losses we may experience as a result of such difficulties.

If one or more of the third parties we rely on for our manufacturing operations terminates its relationship with us, or if we encounter any problems with our manufacturing supply chain, our ability to ship our solutions to our customers on time and in the quantity required would be adversely affected, which in turn could cause an unanticipated decline in our sales, harm to our customer relationships and loss of customers.

***If significant tariffs or other trade restrictions are placed on our products or third-party suppliers, our revenue and results of operations may be materially harmed.***

Most of our revenue has been from sales of products to distributors with ship-to locations outside of the United States. Many of our third-party suppliers are located outside of the United States. If significant tariffs or other restrictions are placed on certain goods, existing tariffs are increased, or any related countermeasures are taken by other countries, our revenue and results of operations may be materially and adversely affected. For example, beginning in July 2018, the U.S. Trade Representative imposed tariffs on products from China and China then imposed certain retaliatory tariffs. It is uncertain what further alterations to trade terms between China and the United States may occur, including limiting trade with China and imposing additional tariffs on imports from China. In the event that future tariffs are imposed on imports of our products or on our third-party suppliers, or that China or other countries take retaliatory trade measures in response to existing or future tariffs or other trade restrictions, or that the United States imposes further restrictions on trade with China, our business may be impacted, and we may be required to raise prices or make changes to our operations, or we may not be able to sell our products to customers in China, any of which could materially harm our revenue or operating results.

***A significant portion of our operations is located outside of the United States, which subjects us to additional risks, including increased complexity and costs of managing international operations and geopolitical instability.***

We outsource the fabrication and assembly of all of our products to third parties that are primarily located in Germany and Asia. In addition, we conduct research and development activities in locations including the United States, Japan, the Netherlands, Taiwan, Ukraine, Finland, and India. We also conduct marketing and administrative functions in the United States, Japan, the Netherlands, China, Taiwan, Malaysia, Ukraine, and India. Members of our sales force are located in various locations outside of the United States. Certain of the critical functions for our business are performed in locations outside of the United States. In addition, approximately 92%, 86%, and 88% of our revenue for the years ended December 31, 2024, 2023, and 2022, respectively, was from distributors with ship-to locations outside the United States, although we believe the majority of our end customers are based in the U.S. based on sell-through information provided by these distributors. As a result of our international focus, we face numerous challenges and risks, including:

- complexity and costs of managing international operations, including manufacturing, assembly, and testing of our products and associated costs;
- geopolitical and military conflicts, including the effects of Russia's invasion of Ukraine;
- economic instability, including the effects of rising inflation and increased interest rates;
- limited protection for, and vulnerability to theft of, our intellectual property rights, including our trade secrets;

- compliance with local laws and regulations and unanticipated changes in local laws and regulations, including tax laws and regulations;
- trade and foreign exchange restrictions and higher tariffs, including the ongoing trade tensions between the U.S. and China that has resulted in higher tariffs on certain semiconductor products and increased trade restrictions;
- timing and availability of import and export licenses and other governmental approvals, permits, and licenses, including export classification requirements;
- foreign currency fluctuations and exchange losses relating to our international operating activities;
- restrictions imposed by the U.S. government or foreign governments on our ability to do business with certain companies or in certain countries as a result of international political conflicts and the complexity of complying with those restrictions;
- transportation delays and other consequences of limited local infrastructure, and disruptions, such as large scale outages or interruptions of service from utilities or telecommunications providers;
- difficulties in staffing international operations;
- changes in immigration policies which may impact our ability to hire personnel;
- local business and cultural factors that differ from our normal standards and practices;
- differing employment practices and labor relations;
- requirements in foreign countries which may impact availability of personnel, such as mandatory military service in countries such as Ukraine, Taiwan, and Finland;
- heightened risk of terrorist acts;
- regional health issues and the impact of public health epidemics on employees and the global economy;
- power outages and natural disasters; and
- travel, work-from-home or other restrictions or stoppages, like those imposed by governments around the world as a result of pandemics.

These risks could harm our international operations, delay new product releases, increase our operating costs, and hinder our ability to grow our operations and business and, consequently, our business, financial condition, and results of operations could suffer. For example, we rely on TSMC in Taiwan for the fabrication of our analog circuits and have engineering personnel in Taiwan and sales force personnel in China. If political tensions between China and Taiwan were to increase further, it could disrupt our business and adversely affect our financial condition and results of operations. In addition, given the current political and military situation in Russia and Ukraine, if the relationship between Russia and the United States worsens further, or we are restricted or precluded from continuing our operations in Ukraine, it could disrupt our business, our costs could increase, and our product development efforts, business, financial condition, and results of operations could be significantly harmed. Further, the COVID-19 pandemic led to travel, work-from-home, and other restrictions, which significantly impacted our domestic and international operations and the operations of our suppliers, distributors, partners, and customers.

***Our success and future revenue depend on our ability to achieve design wins and to convince our current and prospective customers to design our products into their product offerings. If we do not continue to win designs or our products are not designed into our customers' product offerings, our results of operations and business will be harmed.***

We sell our Precision Timing solutions to customers who select our solutions for inclusion in their product offerings. This selection process is typically lengthy and may require us to incur significant design and development expenditures and dedicate scarce engineering resources in pursuit of a single design win with no assurance that our solutions will be selected. If we fail to convince our current or prospective customers to include our products in their product offerings or to achieve a consistent number of design wins, our business, financial condition, and results of operations will be harmed.

Because of our extended sales cycle, our revenue in future years is highly dependent on design wins we are awarded in prior years. It is typical that a design win will not result in meaningful revenue for a year or more, if at all. If we do not continue to achieve design wins in the short term, our revenue in the following years may deteriorate.

Further, a significant portion of our revenue in any period may depend on a single product design win with a large customer. As a result, the loss of any key design win or any significant delay in the ramp of volume production of the customer's products into which our product is designed could adversely affect our business, financial condition, and results of operations. We may not be able to maintain sales to our key customers or continue to secure key design wins for a variety of reasons, and our customers can stop incorporating our products into their product offerings with limited notice to us and suffer little or no penalty.

If we fail to anticipate or respond to technological shifts or market demands, or to develop new or enhanced products or technologies in response to the same in a timely manner, it could result in decreased revenue and the loss of our design wins to our competitors. Due to the interdependence of various components in the systems within which our products and the products of our competitors operate, customers are unlikely to change to another design, once adopted, until the next generation of a technology. As a result, if we fail to introduce new or enhanced products that meet the needs of our customers or penetrate new markets in a timely manner, and our designs do not gain acceptance, we will lose market share and our competitive position.

The loss of a key customer or design win, a reduction in sales to any key customer, a significant delay or negative development in our customers' product development plans, or our inability to attract new significant customers or secure new key design wins could seriously impact our revenue and materially and adversely affect our business, financial condition, and results of operations.

***We may experience difficulties demonstrating the value to customers of newer solutions if they believe existing solutions are adequate to meet end customer expectations. If we are unable to sell new generations of our product, our business would be harmed.***

As we develop and introduce new solutions, we face the risk that customers may not value or be willing to bear the cost of incorporating these newer solutions into their product offerings, particularly if they believe their customers are satisfied with prior offerings. Regardless of the improved features or superior performance of the newer solutions, customers may be unwilling to adopt our new solutions due to design or pricing constraints. Because of the extensive time and resources that we invest in developing new solutions, if we are unable to sell new generations of our solutions, our revenue could decline and our business, financial condition, and results of operations would be negatively affected.

***Some of our customer and other third-party agreements provide for joint and/or custom product development, which subject us to a number of risks, and any failure to execute on any of these arrangements could have a material adverse effect on our business, results of operations, and financial condition.***

We have entered into development, product collaboration and technology licensing arrangements with some of our customers and other third parties, and we expect to enter into new arrangements of these kinds from time to time in the future. These agreements may increase risks for us, such as the risks related to timely delivery of new products, risks associated with the ownership of the intellectual property developed, risks that such activities may not result in products that are commercially successful or available in a timely fashion, and risks that third parties involved may abandon or fail to perform their obligations related to such agreements. In addition, such arrangements may provide for exclusivity periods during which we may only sell specified products or technologies to that particular customer. Any failure to develop commercially successful products under such arrangements in a timely manner as a result of any of these and other challenges could have a material adverse effect on our business, results of operations, and financial condition.

***The success of our products is dependent on our customers' ability to develop products that achieve market acceptance, and our customers' failure to do so could negatively affect our business.***

The success of our Precision Timing solutions is heavily dependent on the timely introduction, quality, and market acceptance of our customers' products incorporating our solutions, which are impacted by factors beyond our control. Our customers' products are often very complex and subject to design complexities that may result in design flaws, as well as potential defects, errors, and bugs. We have in the past been subject to delays and project cancellations as a result of design flaws in the products developed by our customers, changing market requirements, such as the customer adding a new feature, or because a customer's product fails their end customer's evaluation or field trial. In other cases, customer products are delayed due to incompatible deliverables from other vendors. We incur significant design and development costs in connection with designing our products for customers' products that may not ultimately achieve market acceptance. If our customers discover design flaws, defects, errors, or bugs in their products, or if they experience changing market requirements, failed evaluations or field trials, or incompatible deliverables from other vendors, they may delay, change, or cancel a project, and we may have incurred significant additional development costs and may not be able to recoup our costs, which in turn would adversely affect our business, financial condition, and results of operations.

***Our target customer and product markets may not grow or develop as we currently expect, and if we fail to penetrate new markets and scale successfully within those markets, our revenue and financial condition would be harmed.***

Our target markets include the communications, datacenter, and enterprise, automotive, industrial, aerospace, and mobile, IoT, and consumer markets. Substantially all of our revenue to date has been attributable to sales of MEMS oscillators. We have expanded our products to include clock IC and timing synchronization solutions. Any deterioration in our target customer or product markets or reduction in capital spending to support these markets could lead to a reduction in demand for our products, which would adversely affect our revenue and results of operations. Further, if our target customer markets do not grow or develop in ways that we currently expect, demand for our technology may not materialize as expected, which would also negatively impact our business, financial condition, and results of operations.

We may be unable to predict the timing or development of trends in our target markets with any accuracy. If we fail to accurately predict market requirements or market demand for these solutions, our business will suffer. A market shift towards an industry standard that we may not support could significantly decrease the demand for our solutions.

Our future revenue growth, if any, will depend in part on our ability to expand within our existing markets and our ability to enter into new markets. Each of our end markets presents distinct and substantial challenges and risks and, in many cases, requires us to develop new customized solutions to address the particular requirements of that market. Meeting the technical requirements and securing future design wins in any of these new markets will require a substantial investment of our time and resources. We cannot assure you that we will secure future design wins from these or other new markets, or that we will achieve meaningful revenue from sales in these markets. If new markets do not develop as we currently anticipate or if we are unable to penetrate them and scale in them successfully, our revenue could decline.

***Fluctuations in exchange rates between and among the currencies of the countries in which we do business could adversely affect our results of operations.***

Our sales have been historically denominated in U.S. dollars, even when sold to customers located outside of the U.S. An increase in the value of the U.S. dollar relative to the currencies of the countries in which our customers operate could increase the real cost to our customers of our products and impair the ability of our customers to cost-effectively purchase or integrate our solutions into their product offerings, which may materially affect the demand for our solutions and cause these customers to reduce their orders, or may increase pressure on us to lower our product prices, which in each case would adversely affect our revenue and business.

If we increase operations in other currencies in the future, we may experience foreign exchange gains or losses due to the volatility of other currencies compared to the U.S. dollar. Certain of our employees are located primarily in Finland, India, Japan, Malaysia, the Netherlands, Taiwan, and Ukraine. Accordingly, a portion of our payroll as well as certain other operating expenses are paid in currencies other than the U.S. dollar. Our results of operations are denominated in U.S. dollars, and the difference in exchange rates in one period compared to another may directly impact period-to-period comparisons of our results of operations. Furthermore, currency exchange rates have been especially volatile in the recent past, and these currency fluctuations may make it difficult for us to predict our results of operations.

***The average selling prices of our individual products have fluctuated historically over time and may do so in the future, which could harm our revenue and gross margins.***

Although on average selling prices of our products have increased over time as we introduce higher end products, the average selling prices of our individual products generally decrease over time. Our customers may change their purchase orders and demand forecasts at any time with limited notice due in part to fluctuating end-market demand, which can sometimes lead to price renegotiations. Although these price renegotiations can sometimes result in the average selling prices of the specified product fluctuating over the shorter term, we expect average selling prices of individual products generally to decline over the longer term as that product and our end customers' products mature.

We seek to offset the anticipated reductions in our average selling prices of individual products by reducing the cost of our products through improvements in manufacturing yields and lower wafer, assembly, and testing costs, developing new products, enhancing lower-cost products on a timely basis, and increasing unit sales. However, if we are unable to offset these anticipated reductions in our average selling prices, our business, financial condition, and results of operations could be negatively affected.

***If we are not able to successfully introduce and ship in volume new products in a timely manner, our business and revenue will suffer.***

We have developed products that we anticipate will have product life cycles of ten years or more, as well as other products in more volatile high growth or rapidly changing areas, which may have shorter life cycles. Our future success depends, in part, on our ability to develop and introduce new technologies and products that generate new sources of revenue to replace, or build upon, existing revenue streams. If we are unable to consistently introduce new products that ship in

volume, or if our transition to these new products does not successfully occur prior to any decrease in revenue from our prior products, our revenue will likely decline significantly and rapidly.

***Pandemics, epidemics, or other outbreaks of disease have had and may in the future have an adverse impact upon our business, results of operations, and financial condition.***

A future pandemic, epidemic, health crisis, or other outbreak of disease, may negatively and materially impact our business, results of operations, and financial condition, due to:

- a global economic recession or depression that could significantly reduce demand and/or prices for our products;
- reduced productivity in our product development, operations, marketing, sales, and other activities;
- government mandates, guidance, or recommendations regarding shutdown, closures, or other restrictions;
- disruptions to our supply chain;
- higher rate of losses on our accounts receivable due to credit defaults; or
- volatility in our stock price.

The potential impact that a future pandemic, epidemic, health crisis, or other outbreak of disease, could have on our business, results of operations, and financial condition, and on the other risk factors described in this “Risk Factors” section, remain unclear and difficult to predict.

***Our gross margins may fluctuate due to a variety of factors, which could negatively impact our results of operations and our financial condition.***

Our gross margins may fluctuate due to a number of factors, including customer and product mix, market acceptance of our new products, timing and seasonality of the end-market demand, yield, wafer pricing, packaging, and testing costs, competitive pricing dynamics, and geographic and market pricing strategies.

To attract new customers or retain existing customers, we have in the past and will in the future offer certain customers favorable prices, which would decrease our average selling prices and likely impact gross margins. Further, we may also offer pricing incentives to our customers on earlier generations of products that inherently have a higher cost structure, which would negatively affect our gross margins. In addition, in the event our customers, including our larger end customers, exert more pressure with respect to pricing and other terms with us, it could put downward pressure on our margins.

Because we do not operate our own manufacturing, assembly, or testing facilities, we may not be able to reduce our costs as rapidly as companies that operate their own facilities, and our costs may even increase, which could further reduce our gross margins. For instance, we continued to see increases in our manufacturing costs in fiscal year 2023 due to industry wide increases in costs. We rely primarily on obtaining yield improvements and volume-based cost reductions to drive cost reductions in the manufacture of existing products, introducing new products that incorporate advanced features and optimize die size, and other price and performance factors that enable us to increase revenue while maintaining gross margins. To the extent that such cost reductions or revenue increases do not occur at a sufficient level and in a timely manner, our business, financial condition, and results of operations could be adversely affected.

In addition, we maintain an inventory of our products at various stages of production and in some cases as finished good inventory. We hold these inventories in anticipation of customer orders. If those customer orders do not materialize in a timely manner, we may have excess or obsolete inventory which we would have to reserve or write-down, and our gross margins would be adversely affected.

***Our revenue in previous periods may not be indicative of future performance and our revenue may fluctuate over time.***

Our revenue has fluctuated over time. Our revenue was \$202.7 million, \$144.0 million, and \$283.6 million for the years ended December 31, 2024, 2023, and 2022, respectively. You should not rely on our revenue for any previous quarterly or annual periods as any indication of our revenue for future fiscal periods. As we grow our business, our revenue may fluctuate in future periods due to a number of reasons, which may include macroeconomic conditions, slowing demand for our products, increasing competition, a decrease in the growth of our overall market or market saturation, or our failure to capitalize on growth opportunities.

***If we are unable to manage our growth effectively, we may not be able to execute our business plan and our operating results could suffer.***

In order to succeed in executing our business plan, we will need to manage our growth effectively as we make significant investments in research and development and sales and marketing, and expand our operations and infrastructure both domestically and internationally. If our revenue does not increase to offset these increases in our expenses, we may not achieve or maintain profitability in future periods.

To manage our growth effectively, we must continue to expand our operations, engineering, financial accounting, internal management, and other systems, procedures, and controls. This may require substantial managerial and financial resources, and our efforts may not be successful. Any failure to successfully implement systems enhancements and improvements will likely have a negative impact on our ability to manage our expected growth, as well as our ability to ensure uninterrupted operation of key business systems and compliance with the rules and regulations applicable to public companies. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities or develop new Precision Timing solutions, and we may fail to satisfy customer product or support requirements, maintain the quality of our solutions, execute our business plan or respond to competitive pressures, any of which could negatively affect our business, financial condition, and results of operations.

***Our customers require our products and our third-party contractors to undergo a lengthy and expensive qualification process, which does not assure product sales. If we are unsuccessful or delayed in qualifying any of our products with a customer, our business and operating results would suffer.***

Prior to purchasing our Precision Timing solutions, our customers require that both our solutions and our third-party contractors undergo extensive qualification processes, which involve testing of our products in the customers' systems, as well as testing for reliability. This qualification process may continue for several months. However, qualification of a product by a customer does not assure any sales of the product to that customer. Even after successful qualification and sales of a product to a customer, a subsequent revision in our third-party contractors' manufacturing process or our selection of a new supplier may require a new qualification process with our customers, which may result in delays and in our holding excess or obsolete inventory. After our products are qualified, it can take several months or more before the customer commences volume production of components or systems that incorporate our products. Despite these uncertainties, we devote substantial resources, including design, engineering, sales, marketing, and management efforts, to qualifying our products with customers in anticipation of sales. If we are unsuccessful or delayed in qualifying any of our products with a customer, sales of those products to the customer may be precluded or delayed, which would cause our business, financial condition, and results of operations to suffer.

***We provide a lifetime warranty on our products and may be subject to warranty or product liability claims, which could result in unexpected expenses and loss of market share.***

We provide a lifetime warranty on our products and generally agree to indemnify our customers for defects in our products or failure of our products to meet our product specifications. Defects in our products could make our products unsafe and create a risk of property damage or personal injury. These risks may increase where our products are incorporated into specialized end products in industries such as automotive, aerospace, defense, and medical device. We may be subject to warranty or product liability claims. These claims may require us to make significant expenditures to defend those claims, replace our solutions, refund payments, or pay damage awards. This risk is exacerbated by the lifetime warranty of our products, which exposes us to warranty claims for the entire product lifecycle.

Our Precision Timing solutions have only been incorporated into end products since 2008. Accordingly, the operation of our products and technology has not been validated over longer periods. If a customer's product fails in use, the customer may incur significant monetary damages, including a product recall or associated replacement expenses as well as lost revenue. The customer may claim that a defect in our product caused the product failure and assert a claim against us to recover monetary damages. In certain situations, circumstances might warrant that we consider incurring the costs or expenses related to a recall of one of our products in order to avoid the potential claims that may be raised should a customer reasonably rely upon our product and suffer a failure due to a design or manufacturing process defect. In addition, the cost of defending these claims and satisfying any arbitration award or judgment with respect to these claims would result in unexpected expenses, which could be substantial, and could harm our business, financial condition, and results of operations. Although we carry product liability insurance, this insurance is subject to significant deductibles and may not adequately cover our costs arising from defects in our products or otherwise.

***Defects in our products or failures to meet product specifications could harm our relationships with our customers and damage our reputation.***

Our products must meet demanding specifications for quality, performance, and reliability. Defects in our products or failure of our products to meet required product specifications may cause our customers to be reluctant to buy our products,

which could harm our ability to retain existing customers and attract new customers and adversely impact our reputation. The process of identifying a defective or potentially defective product in systems that have been widely distributed may be lengthy and require significant resources. Further, if we are unable to determine the root cause of a problem or find an appropriate solution, we may delay shipment to customers. As a result, we may incur significant replacement costs and contract damage claims from our customers, and our reputation, business, financial condition, and results of operations may be adversely affected.

Though we are not currently aware of any occurrences, from time to time our products may be diverted from our supply chain or authorized distribution channels and sold on the “black market” or “gray market.” Customers purchasing our products on the black market or the gray market may use our products for purposes for which they were not intended, or may purchase counterfeit or substandard products, for instance that have been altered or damaged, which could result in damage to property or persons which could harm our business and cause our reputation to be adversely affected.

***If we fail to accurately anticipate and respond to rapid technological change in the industries in which we operate, our ability to attract and retain customers could be impaired and our competitive position could be harmed.***

We operate in industries characterized by rapidly changing technologies as well as technological obsolescence. The introduction of new products by our competitors, the delay or cancellation of any of our customers’ product offerings for which our Precision Timing solutions are designed, the market acceptance of products based on new or alternative technologies, or the emergence of new industry standards could render our existing or future products uncompetitive, obsolete, and otherwise unmarketable. Our failure to anticipate or develop new or enhanced products or technologies in a timely manner in response to changing market demand, whether due to technological shifts or otherwise, could result in the loss of customers and decreased revenue and have an adverse effect on our business, financial condition, and results of operations.

***If our products do not conform to, or are not compatible with, existing or emerging industry standards, demand for our existing solutions may decrease, which in turn would harm our business and operating results.***

We design certain of our products to conform to current industry standards. Some industry standards may not be widely adopted or implemented uniformly and competing standards may emerge that may be preferred by our distributors or our end customers.

Our ability to compete in the future will depend on our ability to identify and ensure compliance with evolving industry standards in our target markets, as well as in the timing semiconductor industry. The emergence of new industry standards could render our products incompatible with products developed by third-party suppliers or make it difficult for our products to meet the requirements of certain OEMs. If our customers or our third-party suppliers adopt new or competing industry standards with which our solutions are not compatible, or if industry groups fail to adopt standards with which our solutions are compatible, our products would become less desirable to our current or prospective customers. As a result, our sales would suffer, and we could be required to make significant expenditures to develop new products. Although we believe our products are compliant with applicable industry standards, proprietary enhancements may not in the future result in conformance with existing industry standards under all circumstances. If our products do not conform to, or are not compatible with, existing or emerging standards, it would harm our business, financial condition, and results of operations.

***We may be unable to make the substantial investments that are required to remain competitive in our business.***

The semiconductor industry requires substantial and continuous investment in research and development in order to bring to market new and enhanced solutions. We expect our research and development expenditures to increase in the future as part of our strategy to increase demand for our solutions in our current markets and to expand into additional markets. We are a smaller company with limited resources, and we may not have sufficient resources to maintain the level of investment in research and development required to remain competitive. In addition, we cannot assure you that the technologies, which are the focus of our research and development expenditures, will become commercially successful or generate any revenue.

***If we fail to compete effectively, we may lose or fail to gain market share, which could negatively impact our operating results and our business.***

The global semiconductor market in general, and the timing market in particular, is highly competitive. We expect competition to increase and intensify as additional companies enter our target markets, and as internal silicon design resources of large OEMs grow. Increased competition could result in price pressure, reduced gross margins and loss of market share, any of which could harm our business, financial condition, and results of operations. Our competitors range from large, international companies offering a wide range of timing products to smaller companies, including start-ups, specializing in narrow market verticals. Companies that we primarily compete with include, but are not limited to, Abracon LLC, Daishinku Corp., Diodes Incorporated, Kyocera Corporation, Microchip Technology Inc., Murata Manufacturing

Co., Ltd., Nihon Dempa Kogyo Co., Ltd., Rakon Limited, Renesas Electronics Corporation, Seiko Epson Corporation, Skyworks Solutions, Inc., Texas Instruments Incorporated, and TXC Corporation. We expect competition in our current markets to increase in the future as existing competitors improve or expand their technology and product offerings and as new competitors enter these markets. In addition, our future growth will depend in part on our ability to successfully enter and compete in new markets. Some of these markets will likely be served by only a few large, multinational OEMs with substantial negotiating and buying power relative to us and, in some instances, with internally developed silicon solutions that can be competitive to our products.

Our ability to compete successfully depends, in part, on factors that are outside of our control, including industry and general economic trends. Many of our competitors are substantially larger, have greater financial, technical, marketing, distribution, customer support, government support, and other resources; are more established than we are; and have significantly better brand recognition and broader product offerings. This may enable them to better withstand downturns in the timing market in which we compete, as well as adverse economic or market conditions. Our ability to compete successfully will depend on a number of factors, including:

- our ability to define, design, and regularly introduce new products that anticipate the functionality and integration needs of our customers' next-generation products and applications;
- our ability to build strong and long-lasting relationships with our customers and other industry participants;
- our ability to capitalize on, and prevent losses due to, vertical integration by significant customers;
- our solutions' performance and cost-effectiveness relative to those of competing products;
- our ability to achieve design wins;
- the effectiveness and success of our customers' products utilizing our solutions within their competitive end markets;
- our research and development capabilities to provide innovative solutions and maintain our product roadmap;
- the strength of our sales and marketing efforts, including those of our distributors, and our brand awareness and reputation;
- our ability to secure capacity with our foundry and assembly partners to manufacture and assemble our products;
- our ability to deliver products in volume on a timely basis at competitive prices;
- our ability to withstand or respond to significant price competition;
- our ability to build and expand international operations in a cost-effective manner;
- our ability to obtain, maintain, protect, and enforce our intellectual property rights, including obtaining intellectual property rights from third-parties that may be necessary to meet the evolving demands of the market;
- our ability to defend potential patent infringement claims arising from third-parties;
- our ability to promote and support our customers' incorporation of our solutions into their products; and
- our ability to retain high-level talent, including our management team and engineers.

Our competitors may also establish cooperative relationships among themselves or with third-parties or may acquire companies that provide similar products to ours. As a result, new competitors or alliances may emerge that could capture significant market share. Additionally, timing suppliers, especially resonator suppliers, may engage directly with our customers to help the customer build timing products, and eliminate the need for an external timing supplier in some of their applications. Any of these factors, alone or in combination with others, could harm our business, financial condition, and results of operations and result in a loss of market share and an increase in pricing pressure.

***We depend on our executive officers and other key employees, and the loss of one or more of these employees or an inability to attract or retain highly skilled employees could adversely affect our business.***

Our success depends largely upon the continued services of our executive officers and other highly skilled key employees, including in engineering, product development, operations, sales, and marketing. From time to time, there may be changes in our executive management team or other key personnel, which could disrupt our business. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers or other key employees, including due to adverse business conditions, could have an adverse effect on our business.

In addition, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for engineers with MEMS technology and advanced clock IC design expertise. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached legal obligations, resulting in a diversion of our time and resources. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may adversely affect our ability to recruit and retain highly skilled employees. Further, changes in immigration policies may negatively impact our ability to attract and retain personnel, including personnel with specialized technical expertise. If we fail to attract new personnel or fail to retain or motivate our current personnel, our business and future growth prospects could be adversely affected.

***Our company culture has contributed to our success and if we cannot maintain this culture, our business could be harmed.***

We believe that our company culture, which promotes innovation, open communication, and teamwork, has been critical to our success. We face a number of challenges that may affect our ability to sustain our corporate culture, including:

- the potential failure to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture, values, and mission;
- the increasing size and geographic diversity of our workforce;
- competitive pressures to move in directions that may divert us from our mission, vision, and values;
- the continued challenges of a rapidly-evolving industry; and
- the increasing need to develop expertise in new areas of business that affect us.

If we are not able to maintain our culture, our business, financial condition, and results of operations could be adversely affected.

***Our acquisition of certain assets and an exclusive license to certain intellectual property of Aura involves a number of risks.***

On December 1, 2023, we closed the acquisition of certain assets and an exclusive license to certain intellectual property of Aura. The payment obligations in connection with the acquisition have and will continue to reduce our liquidity, and may limit our flexibility in responding to other business opportunities, as well as increase our vulnerability to adverse economic and industry conditions.

We entered into the transaction with Aura with the expectation that the transaction would result in various benefits to us, including the expansion of our product portfolio, and growth of our business. To realize the anticipated benefits of the acquisition, the products of Aura must be successfully completed, delivered to us, and then integrated. Product completion can be complex and time consuming, and Aura may not be able to deliver the products on time or deliver products that meet the agreed specified criteria. Further, we may face significant challenges in integrating the technologies and products. If the products are not successfully completed and integrated, the anticipated benefits of the transactions may not be realized fully or may take longer to realize than expected. The acquisition may not further our business strategy as we expect and we may experience unanticipated costs or liabilities associated with the acquisition, which could adversely affect our business or operating results and potentially cause impairment to assets that we recorded as a part of the acquisition including intangible assets and goodwill. In addition, if we are unable to integrate and retain personnel that joined us as part of the transaction with Aura, we may not be able to fully capitalize on the benefits. Any of the above could decrease the benefits we expect to receive from the agreement with Aura and adversely affect our financial condition and operating results.

***We may make acquisitions in the future that could disrupt our business, cause dilution to our stockholders, reduce our financial resources, and harm our business.***

In the future, we may acquire other businesses, products, or technologies. Our ability to make acquisitions and successfully integrate personnel, technologies, or operations of any acquired business is unproven. If we complete acquisitions, we may not achieve the combined revenue, cost synergies, or other benefits from the acquisition that we anticipate, strengthen our competitive position, or achieve our other strategic goals in a timely manner, or at all, and these acquisitions may be viewed negatively by our customers, financial markets, or investors. In addition, any acquisitions we make may create difficulties in integrating personnel, technologies, and operations from the acquired businesses and in retaining and motivating key personnel. Acquisitions may disrupt our ongoing operations, divert management from their primary responsibilities, cause us to forgo other potential transactions or internal projects, subject us to additional liabilities, increase our expenses, and adversely impact our business, financial condition, and results of operations. Acquisitions may also reduce our cash available for operations and other uses, and could result in an increase in amortization expense related to identifiable assets acquired, potentially dilutive issuances of equity securities, or the incurrence of debt, any of which could harm our business, financial condition, and results of operations. Further, acquisitions may result in charges such as acquisition-related expenses, write-offs, restructuring charges, or future impairment of goodwill, as well as contingent liabilities, adverse tax consequences, additional share-based compensation expense, and other charges that could adversely affect our results of operations.

If we enter into an agreement for an acquisition, the transaction, or parts of the transaction, may fail to be completed due to factors such as: failure to obtain regulatory or other required approvals, disputes or litigation, or difficulties obtaining financing for the transaction. Even if we fail to complete an acquisition, we may have incurred significant expenses in connection with such transaction and the failure to complete a pending acquisition may result in negative publicity and a negative perception of us among the investment community.

For the foregoing reasons, pursuit of an acquisition of other businesses, products, or technologies could adversely impact our business, financial condition, and results of operations.

***If the foundries with which we contract do not achieve satisfactory yields or quality, our reputation and customer relationships could be harmed.***

We depend on satisfactory wafer foundry manufacturing capacity, wafer prices, and production yields, as well as timely wafer delivery to meet customer demand and enable us to maintain gross margins. The fabrication of our products is a complex and technically demanding process. Minor deviations in the manufacturing process can cause substantial decreases in yields and, in some cases, cause production to be suspended. Our foundry vendors may experience manufacturing defects and reduced manufacturing yields from time to time. Further, any new foundry vendors we employ may present additional and unexpected manufacturing challenges that could require significant management time and focus. Changes in manufacturing processes or the inadvertent use of defective or contaminated materials by the foundries that we employ could result in lower than anticipated production yields or unacceptable performance of our devices. Many of these problems are difficult to detect at an early stage of the manufacturing process and may be time-consuming and expensive to correct. Poor production yields from the foundries that we employ, or defects, integration issues, or other performance problems in our solutions could significantly harm our customer relationships and financial results and give rise to financial or other damages to our customers. Any product liability claim brought against us, even if unsuccessful, would likely be time-consuming and costly to defend.

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 business model 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.

***Raw material and engineered material availability and price fluctuations have in the past and may in the future increase the cost of our products, impact our ability to meet customer commitments, and may adversely affect our results of operations.***

The cost of raw and engineered materials is a key element in the cost of our products. Our inability to offset material price inflation through increased prices to customers, suppliers, productivity actions, or through commodity hedges could adversely affect our results of operations. Many major components, product equipment items, engineered materials, and raw materials, are procured or subcontracted on a single or sole-source basis. Although we maintain a qualification and performance surveillance process and we believe that sources of supply for engineered materials, raw materials, and components are generally adequate, it is difficult to predict what effects limited or delayed availability, or price increases

may have in the future. Our inability to fill our supply needs would jeopardize our ability to ship our solutions to our customers on time and in the quantity required, which could, in turn, result in reduced sales and profits, and damage to our customer relationships.

Furthermore, increases in the price of silicon wafers, testing costs, and commodities, which may result in increased production costs, mainly assembly and packaging costs, may result in a decrease in our gross margins. Moreover, our suppliers may pass the increase in engineered materials, raw materials and commodity costs onto us which would further reduce the gross margin of our products. In addition, as we are a fabless company, global market trends such as a shortage of capacity to fulfill our fabrication needs also may increase our raw material costs and thus decrease our gross margin.

***We rely on our relationships with industry and technology leaders to enhance our product offerings and our inability to continue to develop or maintain such relationships in the future would harm our ability to remain competitive.***

We develop many of our Precision Timing solutions for applications in systems that are driven by industry and technology leaders in the communications and computing markets. We work with distributors, OEMs, and system manufacturers to define industry conventions and standards within our target markets. We believe that these relationships enhance our ability to achieve market acceptance and widespread adoption of our products. If we are unable to continue to develop or maintain these relationships, our Precision Timing solutions could become less desirable to our customers, our sales could suffer and our competitive position could be harmed.

***Our ability to receive timely payments from, or the deterioration of the financial conditions of, our distributors or our end customers could adversely affect our operating results.***

Our ability to receive timely payments from or the deterioration of the financial condition of, our distributors or our end customers could adversely impact our collection of accounts receivable, and, as a result, our revenue. We regularly review the collectability and creditworthiness of our customers to determine an appropriate allowance for credit losses. Based on our review of our customers annually and as of December 31, 2024, substantially all of which are large distributors, OEMs, and system manufacturers, we had \$0.1 million and \$0.1 million in allowance for credit losses as of December 31, 2024 and December 31, 2023, respectively. If our credit losses, however, were to exceed our current or future allowance for credit losses, our business, financial condition, and results of operations would be adversely affected.

***We may not be able to accurately predict our future capital needs, and we may not be able to obtain additional financing to fund our operations.***

We may need to raise additional funds in the future. Any required additional financing may not be available on terms acceptable to us, or at all. If we raise additional funds by issuing equity securities or convertible debt, stockholders may experience significant dilution of their ownership interest, and the newly-issued securities may have rights senior to those of the holders of our common stock. If we raise additional funds by obtaining loans from third parties, the terms of those financing arrangements may include negative covenants or other restrictions on our business that could impair our operational flexibility and would also require us to incur additional interest expense. If additional financing is not available when required or is not available on acceptable terms, we may have to scale back our operations or limit our production activities, and we may not be able to expand our business, develop or enhance our solutions, take advantage of business opportunities, or respond to competitive pressures, which could negatively impact our revenue and the competitiveness of our products.

***Our cash and cash equivalents could be adversely affected if the financial institutions in which we hold our cash and cash equivalents fail.***

We regularly maintain cash balances at third-party financial institutions in excess of the Federal Deposit Insurance Corporation (“FDIC”) insurance limit. If a depository institution fails to return our deposits or if a depository institution is subject to other adverse conditions in the financial or credit markets, there is no guarantee that the U.S. Department of Treasury, FDIC or Federal Reserve Board will provide access to uninsured deposits, which could restrict access to our cash or cash equivalents and could adversely impact our operating liquidity, financial condition, and results of operations. As of December 31, 2024, a majority of our cash and short-term investment balances were maintained with Wells Fargo & Co., Morgan Stanley, and U.S. Bancorp.

***We may seek, or be required to seek, debt financing.***

We may seek, or be required to seek, debt financing. Any required financing may not be available on terms acceptable to us, or at all. The terms of any financing arrangements may include negative covenants or other restrictions on our business that could impair our operational flexibility and would also require us to incur additional interest expense. If financing is not available when required or is not available on acceptable terms, it could harm our liquidity position and we may have to scale back our operations or limit our production activities, which in turn would harm our business, operating results, and financial condition.

***Failure to comply with the laws associated with our activities outside of the United States could subject us to penalties and other adverse consequences.***

We face significant risks if we fail to comply with anti-corruption laws and anti-bribery laws, including, without limitation, the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), the U.S. Travel Act, and the UK Bribery Act 2010, that prohibit improper payments or offers of payment to foreign governments and political parties by us for the purpose of obtaining or retaining business. In many foreign countries, particularly in countries with developing economies, it may be a local custom that businesses operating in such countries engage in business practices that are prohibited by the FCPA or other applicable laws and regulations. Any violation of these laws could result in severe criminal or civil sanctions and, in the case of the FCPA, suspension or debarment from U.S. government contracting, which could have an adverse effect on our reputation, business, financial condition, and results of operations.

***We are subject to government regulation, including import, export and economic sanctions laws and regulations that may expose us to liability and increase our costs.***

Our products and technology are subject to U.S. export controls, including the U.S. Department of Commerce’s Export Administration Regulations (“EAR”) and economic and trade sanctions regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Controls. These regulations may limit the export of our products and technology, and provision of our services outside of the United States, or may require export authorizations, including by license, a license exception, or other appropriate government authorizations and conditions, including annual or semi-annual reporting. Export control and economic sanctions laws may also include prohibitions on the sale or supply of certain of our products to embargoed or sanctioned countries, regions, governments, persons, and entities. For example, we sell to markets in Asia where multiple companies have been added to the Entity List, requiring license for exports of items subject to control under the EAR. To our knowledge, we have not sold products subject to the EAR to Entity List persons. In addition, various countries regulate the importation of certain products, through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products. The exportation, re-exportation, and importation of our products and technology and the provision of services, including by our partners, must comply with U.S. and other laws or else we may be adversely affected through reputational harm, government investigations, penalties, and a denial or curtailment of our ability to export our products and technology. Although we take precautions to prevent our products and technology from being provided in violation of such laws, our products and technology may have previously been, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. Changes in export or import laws or sanctions policies also may adversely impact our operations, delay the introduction and sale of our products in international markets, or, in some cases, prevent the export or import of our products and technology to certain countries, regions, governments, persons, or entities altogether, which could adversely affect our business, financial condition, and results of operations.

***We identified a material weakness in our internal control over financial reporting, and we may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements of our financial statements. If we fail to remediate any material weaknesses or if we otherwise fail to establish and maintain effective control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected.***

As discussed elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 26, 2024, we identified a material weakness in our internal control over financial reporting related to the misclassification of “interest received upon maturity of held-to-maturity securities” as an investing activity instead of as an operating activity in the respective condensed consolidated statements of cash flows for the periods ended March 31, 2023, June 30, 2023, and September 30, 2023. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. Management, under the oversight from the Audit Committee, implemented additional review procedures to enhance our internal control over financial reporting with respect to the statement of cash flows in order to remediate the material weakness. These review procedures included the development of a review checklist to ensure that we will apply the applicable accounting guidance under Accounting Standards Codification (“ASC”) 230, Statement of Cash Flows.

As a result of the material weakness described above or any in future periods, we face potential for adverse regulatory consequences, including investigations, penalties or suspensions by the SEC or Nasdaq, litigation or other disputes which may include, among others, claims invoking the federal and state securities laws, contractual claims, or other claims arising from the restatement and material weakness in our internal control over financial reporting and the preparation of our consolidated financial statements. Any such regulatory consequences, litigation, claim, or dispute, whether successful or

not, could subject us to additional costs, divert the attention of our management, or impair our reputation. Each of these consequences could have a material adverse effect on our business, results of operations and financial condition.

We may identify future material weaknesses in our internal controls over financial reporting or fail to meet the demands that will be placed upon us as a public company, including the requirements of the Sarbanes-Oxley Act of 2002, and we may be unable to accurately report our financial results, or report them within the timeframes required by law or stock exchange regulations. We cannot assure that additional material weaknesses will not exist or otherwise be discovered, any of which could adversely affect our reputation, financial condition, and results of operations.

***Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, failure or interruption of information technology systems, the circumvention or overriding of controls, or fraud.***

Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed, and we could fail to meet our financial reporting obligations.

***Changes in environmental laws or regulations, as well as environmental, social, and governance initiatives, could impose substantial costs and may adversely affect our business.***

Our product or manufacturing standards could be impacted by new or revised environmental rules and regulations or other social initiatives. For example, a significant portion of our revenue comes from international sales. Environmental laws or regulations in those countries or in the countries of our end customers may increase our cost of doing business and adversely affect our business and results of operations.

Increasingly customers, regulators, investors, employees, and other stakeholders are focusing on environmental, social, and governance ("ESG") matters. While we have certain ESG initiatives, there is no assurance that customers, regulators, investors, and employees will determine that these programs are sufficient. Any actual or perceived shortcomings with respect to our ESG initiatives and reporting can impact our ability to retain certain customers or increase our customer base, reelect our board of directors, attract and retain certain types of investors, or hire and retain employees. Collecting, measuring, and reporting ESG information and metrics can be costly, difficult and time consuming, is subject to evolving reporting standards, and can present numerous operational, reputational, financial, legal, and other risks, any of which could adversely affect our business as well as on our reputation and stock price.

***New or future changes to U.S. and non-U.S. tax laws could materially adversely affect us.***

New or future changes in tax laws, regulations, and treaties, or the interpretation thereof, in addition to tax regulations enacted but not in effect, tax policy initiatives and reforms under consideration in the United States or related to the Organization for Economic Co-operation and Development's, Base Erosion and Profit Shifting Project ("BEPS"), the European Commission's state aid investigations, and other initiatives could have an adverse effect on the taxation of international businesses. Furthermore, countries where we are subject to taxes, including the United States, are independently evaluating their tax policy and we may see significant changes in legislation and regulations concerning taxation. Certain countries have already enacted legislation, including those related to BEPS, which could affect international businesses, and other countries have become more aggressive in their approach to audits and enforcement of their applicable tax laws. In addition, we are unable to predict what future tax reform may be proposed or enacted or what effect such changes would have on our business, but any changes, to the extent they are brought into tax legislation, regulations, policies, or practices, could increase our effective tax rates in the countries where we have operations and have an adverse effect on our overall tax rate, along with increasing the complexity, burden and cost of tax compliance, all of which could impact our business, financial condition, and results of operations.

***If we fail to comply with government contracting regulations, we could suffer a loss of revenue or other penalties.***

Some of our revenue is derived from contracts with agencies of the U.S. government and subcontracts with its prime contractors. As a result, we are subject to federal contracting regulations, including the Federal Acquisition Regulations. In connection with our business with the U.S. government, we are also subject to audits and review and approval of our policies, procedures, and internal controls for compliance with procurement regulations and applicable laws. In certain circumstances, if we do not comply with the terms of a government contract or with regulations or statutes, we could be subject to downward contract price adjustments or refund obligations or could in extreme circumstances be assessed civil and criminal penalties or be debarred or suspended from obtaining future contracts for a specified period of time, which could have an adverse effect on our business.

***Tax regulatory authorities may disagree with our positions and conclusions regarding certain tax positions resulting in unanticipated costs or non-realization of expected benefits.***

A tax authority may disagree with tax positions that we have taken. For example, the Internal Revenue Service, or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our intellectual property in connection with our intercompany research and development cost sharing arrangement and legal structure. A tax authority may take the position that material income tax liabilities, interest, and penalties are payable by us, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could be materially adverse to us and affect our anticipated effective tax rate or operating income, and we could be required to pay substantial penalties and interest where applicable.

***Catastrophic events may disrupt our business.***

Our corporate headquarters and some of our suppliers and foundry vendors are located in areas that are in active earthquake zones or are subject to power outages, natural disasters, political, social, or economic unrest, and other potentially catastrophic events. In the event of a major earthquake, hurricane, flooding, or other catastrophic event, including with respect to climate change, such as fire, power loss, telecommunications failure, cyber-attack, war, terrorist attack, political, social, or economic unrest, pandemic, epidemic, health crisis, or disease outbreak, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our product development, breaches of data security, or loss of critical data, any of which could have an adverse effect on our future results of operations.

***State, federal, and foreign laws and regulations and other legal obligations related to privacy, data protection, and data security could adversely affect us.***

We are subject to a variety of laws and regulations worldwide related to privacy, data protection, and data security, such as the European Union's General Data Protection Regulation (GDPR) or California's Consumer Privacy Act of 2018 and Privacy Rights Act of 2020. These laws and regulations are continuously and rapidly evolving, and the scope and interpretation of the laws and regulations that are or may be applicable to us are often uncertain and may be conflicting. As a result, these laws and regulations may be interpreted and applied in a manner inconsistent with our practices or policies and we could face fines, lawsuits, regulatory investigations, and other claims and penalties, and we could be required to fundamentally change our practices, which could adversely affect our business and operating results. Complying with such laws and regulations may be time-consuming and require additional resources, and could therefore adversely affect our business and results of operations. Any failure or perceived failure by us or our third-party service providers to comply with our privacy, data protection, or data security policies, or legal or contractual obligations, even if unfounded, may result in governmental enforcement actions, litigation, liability, or negative publicity, and could adversely affect our business, financial condition, and results of operations.

***Security breaches, cyberattacks, and other disruptions to information technology systems owned or maintained by us or third parties, such as vendors or suppliers, could disrupt our operations, compromise the confidentiality of private customer data or our intellectual property, and adversely affect our business, reputation, operations, and financial results.***

We rely on our information technology systems, and those of our vendors, suppliers, and customers, including hardware, software, cloud services, infrastructure, networks, and systems, for the effective operation of our business and for secure maintenance and storage of confidential data relating to our business. Additionally, in the ordinary course of business we collect and store sensitive data, including intellectual property and proprietary business information as well as personal information of our customers and employees, in data centers and on information technology systems, including systems that may be controlled or maintained by third parties. The secure operation of these information technology systems, and the processing and maintenance of the information processed by these systems, is critical to our business operations. While we and others have implemented various controls and defenses, cybersecurity attacks and threats have continued to become more prevalent and sophisticated. These threats are constantly evolving, making it increasingly difficult to successfully defend against or implement adequate preventive measures. Geopolitical tensions or conflicts have in the past led to, and may in the future lead to, increased risk of cybersecurity attacks. Notwithstanding defensive measures, experienced programmers, hackers, state actors, or others may be able to penetrate our security controls, or those of our vendors, suppliers, or customers, through attacks such as, but not limited to, phishing or other forms of social engineering, impersonating authorized users, ransomware, spyware, viruses, worms and other malicious software programs, software supply chain attacks, exploitation of compromised commercial software, bugs and other security weaknesses and vulnerabilities, covert introduction of malware to computers and networks. Any attack on the information technology systems of us or one of our vendors, suppliers, or customers may be difficult to detect, designed to remain dormant until a

triggering event, or may continue undetected for an extended period of time. In addition, our information technology systems and those of our vendors, suppliers, and customers may be vulnerable to damage, disruptions, or shutdowns due to errors, negligence or malfeasance by employees, contractors, or others who have access to these systems.

Security breaches, cyberattacks, and other disruptions to our information technology systems or those of our vendors, suppliers, or customers could compromise the confidentiality, operational integrity, and accessibility of our information technology systems, or those of our vendors, suppliers, or customers, which could result in the compromise, unauthorized publication, or loss of proprietary data, intellectual property, or personal information, as well as interruptions or delays in our business operations, loss of existing or future customers, and damage to our reputation, which could adversely affect our business, reputation, and financial results. In addition, such events could result in violations of privacy or other laws, increase the risk of litigation or regulatory investigation, or cause us to incur direct losses if attackers initiate wire transfers or access our bank or investment accounts. We expect ongoing and increasing costs related to investments in technology, controls, processes, and practices, however these investments may not be sufficient to shield us from significant losses or liability in the event of security breaches, cyberattacks, or other disruptions to our information technology systems.

***Our business may be impacted by information technology system failures or network disruptions, and lack of redundancy.***

Our ability to operate our business depends on the efficient operation of internal and third-party information technology systems, including cloud computing, data centers, hardware, software, and applications, to manage our company. We strive to use quality and secure systems, work with reputable system vendors, and implement procedures intended to enable us to protect our systems.

Our information technology systems and operations could be damaged or interrupted due to events such as natural or human-caused disasters, extreme weather, geopolitical events and security issues, computer viruses, cybersecurity incidents, telecommunication failures, and similar events, which could adversely affect our business, financial condition, and results of operations. Our systems are not fully redundant and depending on the severity of the damage or interruption, our disaster recovery plans may be inadequate or ineffective. These events could also damage our reputation, and result in increased costs or loss of sales.

***We might not be able to utilize a significant portion of our net operating loss carryforwards and research and development tax credit carryforwards.***

As of December 31, 2024, we had U.S. federal, state and foreign net operating loss (“NOL”), carryforwards of approximately \$250.7 million, \$84.5 million and \$2.0 million, respectively, and U.S. federal and state research and development tax credit carryforwards of approximately \$3.9 million and \$3.6 million, respectively. The U.S. federal, state, and the foreign NOL carryforwards begin to expire in 2028. The U.S. federal research and development tax credit carryforwards begin to expire in 2025 and the state research and development tax credit carryforwards carry forward indefinitely. These NOL and U.S. federal tax credit carryforwards could expire unused and/or be unavailable to offset future income tax liabilities. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”), and corresponding provisions of California state law, if a corporation undergoes an “ownership change,” which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation’s ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We completed a Section 382 analysis and determined an ownership change last occurred in 2014 and concluded that it had no impact on U.S. federal and California NOLs or on U.S. federal research and development credits. Our initial public offering in November 2019 did not result in a change in ownership of greater than 50% under Section 382. We also had a follow-on offering on June 16, 2020, which resulted in greater than 50% change under Section 382. We completed an updated Section 382 analysis based on this new change event and determined that it will not prohibit us from eventually utilizing our carryforwards. We updated the Section 382 analysis through December 31, 2024 and concluded there have not been any additional ownership changes as defined under Section 382 since the June 16, 2020 follow-on offering. We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. If we determine that an ownership change has occurred and our ability to use our historical NOL and tax credit carryforwards is materially limited, it would harm our future business, financial condition, and results of operations by effectively increasing our future tax obligations. In addition, under the Tax Act, federal NOLs incurred in 2018 and in future years may be carried forward indefinitely but generally may not be carried back and the deductibility of such NOLs is limited to 80% of taxable income. Under the Coronavirus Aid, Relief, and Economic Security Act, which was signed into law in 2020, an NOL from a tax year beginning in 2018, 2019 or 2020 can be carried back five years and would not be subject to the 80%-of-income limitation if they are exhausted during the five-year carryback period or during 2018, 2019 or 2020. The Company will not carry back any NOLs as they did not have taxable income in prior years.

## Risks Related to Intellectual Property

***Our failure to adequately protect our intellectual property rights could impair our ability to compete effectively or defend ourselves from litigation, which could harm our business, financial condition, and results of operations.***

Our success depends, in part, on our ability to protect our intellectual property. We rely primarily on patent, copyright, trademark, and trade secret laws, as well as confidentiality and non-disclosure agreements, and other contractual protections, to protect our technologies and proprietary know-how, all of which offer only limited protection. The steps we have taken to protect our intellectual property rights may not be adequate to prevent the misappropriation, infringement, or other violation of our proprietary information or infringement of our intellectual property rights, and our ability to prevent such misappropriation, infringement, or other violation is uncertain, particularly in countries outside of the United States. As of December 31, 2024, we had 134 issued U.S. patents, expiring generally between 2026 and 2040 and 51 pending U.S. patent applications (including 11 provisional applications). We also had 5 foreign issued patents expiring in 2036 and 5 pending foreign patent applications. Our issued patents and pending patent applications generally relate to our MEMS fabrication process, MEMS resonators, circuits, packaging, and oscillator systems. We cannot assure you that any patents from any pending patent applications (or from any future patent applications) will be issued, and even if the pending patent applications are granted, the scope of the rights granted to us may not be meaningful or provide us with any commercial advantage. For example, these patents could be opposed, contested, circumvented, designed around by third parties, be narrowed or declared invalid or unenforceable in judicial or administrative proceedings including re-examination, inter partes review, post-grant review, interference and derivation proceedings and equivalent proceedings in foreign jurisdictions, or be subject to ownership claims by third parties. The failure of our patents to adequately protect our technology might make it easier for our competitors to offer similar products or technologies. Our foreign patent protection is less comprehensive than our U.S. patent protection and may not protect our intellectual property rights in some countries where our products are sold or may be sold in the future. Even if foreign patents are granted, effective enforcement in foreign countries may not be available. Further, we are currently unable to take advantage of selling our products online in certain countries where we do not own trademarks for our corporate name. Many U.S.-based companies have encountered substantial third-party intellectual property infringement in foreign countries, including countries where we sell products. If such an impermissible use of our intellectual property or trade secrets were to occur, our ability to sell our solutions at competitive prices may be adversely affected and our business, financial condition, and results of operations could be adversely affected.

The legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain and evolving. We cannot assure you that others will not develop or patent similar or superior technologies or solutions, or that our patents, trademarks, and other intellectual property will not be challenged, invalidated, or circumvented by others.

We also have a license to certain patents from Bosch relating to the design and manufacture of MEMS-based timing applications. The patent rights obtained under the license agreement expire between 2021 and 2029, and the license agreement expires upon expiration of the last patent licensed under the agreement. We do not believe there will be any significant impact upon expiration of these patents.

We believe that the success of our business depends more on proprietary technology, information and processes, and know-how than on our patents or trademarks. Much of our proprietary information and technology related to manufacturing processes is not patented and may not be patentable.

Unauthorized copying or other misappropriation of our proprietary technologies could enable third parties to benefit from our technologies without paying us for doing so, which could harm our business. Monitoring unauthorized use of our intellectual property is difficult and costly. It is possible that unauthorized use of our intellectual property may have occurred or may occur without our knowledge. We cannot assure you that the steps we have taken will prevent unauthorized use of our intellectual property, or that others will not develop technologies similar or superior to our technology or design around our intellectual property. Our failure to effectively protect our intellectual property could reduce the value of our technology in licensing arrangements or in cross-licensing negotiations.

In addition, we also rely on contractual protections with our customers, suppliers, distributors, employees, and consultants, and we implement security measures designed to protect our trade secrets and know-how. However, we cannot assure you that we have entered into such agreements with every such party, that these contractual protections and security measures will not be breached, that we will have adequate remedies for any such breach, or that our customers, suppliers, distributors, employees, or consultants will not assert rights to intellectual property or damages arising out of such contracts.

We may in the future need to initiate infringement claims or litigation in order to try to protect or enforce our intellectual property rights. Litigation, whether we are a plaintiff or a defendant, can be expensive and time-consuming and may divert

the efforts of our management and other personnel, which could harm our business, whether or not such litigation results in a determination favorable to us. Litigation also puts our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, any enforcement of our patents or other intellectual property may provoke third parties to assert counterclaims against us. If we are unable to meaningfully protect our proprietary rights or if third parties independently develop or gain access to our or similar technologies, our business, financial condition, results of operations, reputation, and competitive position could be harmed.

***We may face intellectual property infringement, misappropriation, or other claims, which could be time-consuming and costly to defend or settle and which could result in the loss of significant rights and harm our relationships with our customers and distributors.***

The semiconductor industry in which we operate is characterized by companies that hold patents and other intellectual property rights and vigorously pursue, protect, and enforce intellectual property rights. From time to time, third parties may assert against us and our customers and distributors their patent and other intellectual property rights to technologies that are important to our business. Any litigation, regardless of success or merit, could cause us to incur substantial expenses, reduce our sales, and divert the efforts of our management and other personnel. In the event we receive an adverse result in any litigation, we could be required to pay substantial damages, seek licenses from third parties, which may not be available on reasonable terms or at all, cease sale of products, expend significant resources to develop alternative technology, or discontinue the use of processes requiring the relevant technology.

In addition, our commercial success depends upon our ability to manufacture and sell our products without infringing, misappropriating, or otherwise violating the intellectual property rights of others. Claims that our products, processes, or technology infringe, misappropriate, or otherwise violate third-party intellectual property rights, regardless of their merit or resolution, could be costly to defend or settle and could divert the efforts and attention of our management and other personnel. We may in the future, particularly as a public company with an increased profile and visibility, receive communications from others alleging our infringement, misappropriation, or other violation of patents, trade secrets, or other intellectual property rights. We cannot assure you that, if made, these claims will not be successful, and lawsuits resulting from such allegations, even if we believe they are invalid, could subject us to significant liability for damages, invalidate our proprietary rights, and prevent us from selling specific products. Moreover, there could be public announcements of the results of hearings, motions, or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

Intellectual property claims could also harm our relationships with our customers or distributors and might deter future customers from doing business with us. We do not know whether we will prevail in any such proceedings given the complex technical issues and inherent uncertainties in intellectual property litigation. If any future proceedings result in an adverse outcome, we could be required to:

- cease the manufacture, use or sale of the applicable products, processes, or technology;
- pay substantial damages for infringement by us or our customers;
- expend significant resources to develop non-infringing products, processes, or technology, which may not be successful;
- license technology from the third-party claiming infringement, which license may not be available on commercially reasonable terms, or at all;
- cross-license our technology to a competitor to resolve an infringement claim, which could weaken our ability to compete with that competitor;
- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property rights against others; or
- pay substantial damages to our customers or end users to discontinue their use of or to replace infringing technology sold to them with non-infringing technology, if available.

Any of the foregoing results could adversely affect our business, financial condition, and results of operations.

***Any potential dispute involving patents or other intellectual property could affect our customers, which could trigger our indemnification obligations to them and result in substantial expense to us.***

In any potential dispute involving patents or other intellectual property, our customers could also become the target of litigation. Our agreements with customers and other third-parties generally include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of

intellectual property infringement, damages caused by us to property or persons, or other liabilities relating to or arising from our solutions included in their products. Large indemnity payments or damage claims from contractual breach could harm our business, financial condition, and results of operations. From time to time, customers may require us to indemnify or otherwise be liable to them for breach of confidentiality or failure to implement adequate security measures with respect to their intellectual property and trade secrets. Although we normally contractually limit our liability with respect to such obligations, we may still incur substantial liability related to them. Any litigation against our customers could trigger technical support and indemnification obligations under some of our agreements, which could result in substantial expense to us.

In addition, other customers, or end customers with whom we do not have formal agreements requiring us to indemnify them may ask us to indemnify them if a claim is made as a condition to awarding future design wins to us. Because some of our customers are larger than we are and have greater resources than we do, they may be more likely to be the target of an infringement claim by third parties than we would be, which could increase our chances of becoming involved in a future lawsuit. If any such claims were to succeed, we might be forced to pay damages on behalf of our customers that could increase our expenses, disrupt our ability to sell our solutions and reduce our revenue and profit. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other current and prospective customers and reduce demand for our solutions. In addition to the time and expense required for us to supply support or indemnification to our customers, any such litigation could severely disrupt or shut down the business of our customers, which in turn could hurt our relations with our customers and cause the sale of our products to decrease. Any of the foregoing could harm our business, financial condition, and results of operations.

#### **Risks Related to Concentration of Ownership in Our Common Stock**

*As long as a limited number of stockholders hold a significant amount of our stock, our other stockholders' ability to influence matters requiring stockholder approval will be limited.*

Based on the latest filings with the SEC, holders of 5% or more of our common stock and their affiliates, beneficially owned approximately 57.4% of the outstanding shares of our common stock, based on the number of shares outstanding as of December 31, 2024. As a result, this group of stockholders has the ability to significantly influence us through this ownership position

For example, as long as this group of stockholders continue to hold a significant or the largest ownership position in our outstanding common stock, they may have the ability to affect the outcome of any stockholder vote during this period. As a result, they will have the ability to exert significant influence over many matters affecting us, either through a board representative or as a stockholder, including:

- determinations with respect to our business plans and policies, including the appointment and removal of our officers;
- any determinations with respect to mergers and other business combinations;
- our acquisition or disposition of assets;
- our financing activities;
- the payment of dividends on our common stock; and
- the number of shares available for issuance under our stock plans.

Significant ownership position of these stockholders may discourage transactions involving a change of control of us, including transactions in which other holders of our common stock might otherwise receive a premium for their shares over the then current market price. In addition, as a result of this significant influence, persons who we would like to invite to join our board of directors may decline to do so.

#### **Risks Related to Our Common Stock**

*Substantial future sales of our common stock could cause the market price of our common stock to decline.*

The market price of our common stock could decline as a result of substantial sales of our common stock, particularly sales by our directors, executive officers, and significant stockholders, including MegaChips, or the perception in the market that holders of a large number of shares intend to sell their shares.

***Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.***

Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the Chairman of our board of directors, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed only for cause;
- provide that vacancies on our board of directors may be filled by a majority of directors then in office, even if less than a quorum; and
- require the approval of our board of directors or the holders of at least 66 2/3% of our outstanding shares of capital stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any interested stockholder for a period of three years following the date on which the stockholder became an interested stockholder. Any delay or prevention of a change of control transaction or changes in our management could cause our stock price to decline.

***Our bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, and federal district courts will be the sole and exclusive forum for Securities Act claims, which could limit our stockholders' ability to obtain what they believe to be a favorable judicial forum for disputes with us or our directors, officers, or other employees.***

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf, (b) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or (d) any action asserting a claim against us governed by the internal affairs doctrine. Section 27 of the Securities Exchange Act of 1934, or the Exchange Act, creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our bylaws further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts are the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Any person or entity purchasing or otherwise acquiring any interest in our capital stock shall be deemed to have notice of and consented to the provisions of our bylaws described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, or other employees. Alternatively, if

a court were to find these provisions of our bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, and results of operations and result in a diversion of the time and resources of our management and board of directors.

***Our stock price may be volatile and may decline, resulting in a loss of some or all of our stockholder investment.***

The trading price and volume of our common stock is likely to be volatile and could fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- macroeconomic conditions,
- actual or anticipated fluctuations in our results of operations due to, among other things, changes in customer demand, product life cycles, pricing, ordering patterns, and unforeseen operating costs;
- the financial projections we may provide to the public, any changes in these projections, or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates or ratings by any securities analysts who follow us, or our failure to meet these estimates or the expectations of investors;
- announcements by our significant customers of changes to their product offerings, business plans, or strategies;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- changes in operating performance and stock market valuations of other technology companies generally, or those in the semiconductor industry;
- timing and seasonality of the end-market demand;
- cyclical fluctuations in the semiconductor market;
- price and volume fluctuations in the overall stock market from time to time, including as a result of trends in the economy as a whole;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- any major change in our management;
- lawsuits threatened or filed against us; and
- other events or factors, including those resulting from geopolitical activities, war, incidents of terrorism, natural disasters, pandemics, or responses to these events.

In addition, the market for technology stocks and the stock markets in general have experienced extreme price and volume fluctuations. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business, financial condition, and results of operations.

**Item 1B. Unresolved Staff Comments.**

None

**Item 1C. Cybersecurity**

***Cybersecurity Risk Management and Strategy***

We have established policies and processes for assessing, identifying, and managing material risks from cybersecurity threats. These policies and processes are intended to protect the confidentiality, integrity, and availability of our critical information systems and our critical data, including intellectual property and confidential information that is proprietary, strategic, or competitive in nature (“Information Systems and Data”).

Our IT management team, with oversight by our board of directors (“Board”) and audit committee of the Board (“Audit Committee”), helps identify, assess, and manage risks from cybersecurity threats by monitoring and evaluating threats through our cybersecurity risk management program, which leverages the National Institute of Standards and Technology Cybersecurity Framework.

Our cybersecurity risk management program incorporates a variety of methods to manage and mitigate material risks from cybersecurity threats to our Information Systems and Data, including:

- risk assessments designed to help identify cybersecurity risks to our Information Systems and Data;
- a team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- annual training of our employees at all levels and in all departments regarding cybersecurity awareness and protection of confidential information; and
- a cybersecurity incident response plan that includes procedures for detecting and responding to cybersecurity incidents.

Additionally, our cybersecurity risk management program incorporates a variety of tools and services to assess, identify, and manage material risks from cybersecurity threats, including regular network and endpoint monitoring, vulnerability assessments, and penetration testing.

Our cybersecurity risk management program is integrated in our overall enterprise risk management program. For example, our IT team works with management to prioritize our risk management processes and mitigate cybersecurity threats that are more likely to lead to a material impact on our business.

Our cybersecurity risk management program also seeks to manage cybersecurity risks associated with our use of third-party service providers through risk assessments and imposition of contractual obligations.

For a description of risks from cybersecurity threats that may materially affect the Company and how they may do so, see Item 1A “Risk Factors” in this annual report on form 10-K, including the risk factors entitled “*Security breaches, cyberattacks, and other disruptions to information technology systems owned or maintained by us or third parties, such as vendors or suppliers, could disrupt our operations, compromise the confidentiality of private customer data or our intellectual property, and adversely affect our business, reputation, operations, and financial results*” and “*Our business may be impacted by information technology system failures or network disruptions, and lack of redundancy.*”

#### **Cybersecurity Governance**

Our Board considers cybersecurity risk as part of its overall risk oversight function and has delegated to the Audit Committee oversight of cybersecurity matters and other policies and internal controls regarding information security risks. The Audit Committee oversees management’s implementation of our cybersecurity risk management program.

The Audit Committee receives quarterly reports from management on our cybersecurity risks. In addition, management will update the Audit Committee, as necessary, regarding any significant cybersecurity incidents. The Audit Committee reports to the full Board regarding its activities, including those related to cybersecurity. The full Board also receives a briefing from management on our cyber risk management program at least annually.

Our management team, including our IT management team, are responsible for day-to-day implementation, assessment, and management of our cybersecurity risk assessment and management processes. The IT management team has primary responsibility for our overall cybersecurity risk management program, including monitoring the prevention, detection, mitigation, and remediation of cybersecurity incidents, and works in partnership with our other business leaders, including our Chief Legal Officer. Our IT management team supervises both our internal cybersecurity personnel and any retained external cybersecurity consultants. Our Senior Director of IT has served in various roles in information technology and information security for over 25 years.

Our cybersecurity incident response plan is designed to escalate certain cybersecurity incidents to a team of business leaders, including, but not limited to, our Chief Legal Officer, Executive Vice President and Chief Financial Officer, Executive Vice President of Engineering and Technology, and Executive Vice President of Operations. This team

of business leaders works with our incident response team to help determine the severity of the impact of a cybersecurity incident, as well as to help mitigate and remediate cybersecurity incidents of which they are notified.

**Item 2. Properties.**

Our principal executive offices are located in a leased facility in Santa Clara, California, consisting of approximately 50,400 square feet of office space under lease that expires in March 2027. This facility accommodates our principal engineering, sales, marketing, operations, finance, and administrative activities. Outside of the United States, we also lease facilities in various international locations that are used for research and development, sales, business development, operations, and administrative support. These international facilities are mainly located in Japan, Malaysia, the Netherlands, Taiwan, Finland, India and Ukraine. We do not own any real property. We believe that our leased facilities are adequate to meet our current needs and that additional facilities will be available on commercially reasonable terms for lease to meet future needs.

**Item 3. Legal Proceedings.**

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not currently a party to any legal proceedings the outcome of which, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our business, financial condition, and results of operations.

**Item 4. Mine Safety Disclosures.**

Not applicable

**PART II**

**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

**Market Information for Common Stock**

Our common stock has been quoted on the Nasdaq Global Market under the symbol “SITM” since our initial public offering in November 2019. Prior to that time, there was no public market for our common stock.

As of February 10, 2025, there were 30 holders of record (not including beneficial holders of stock held in street names) of our common stock.

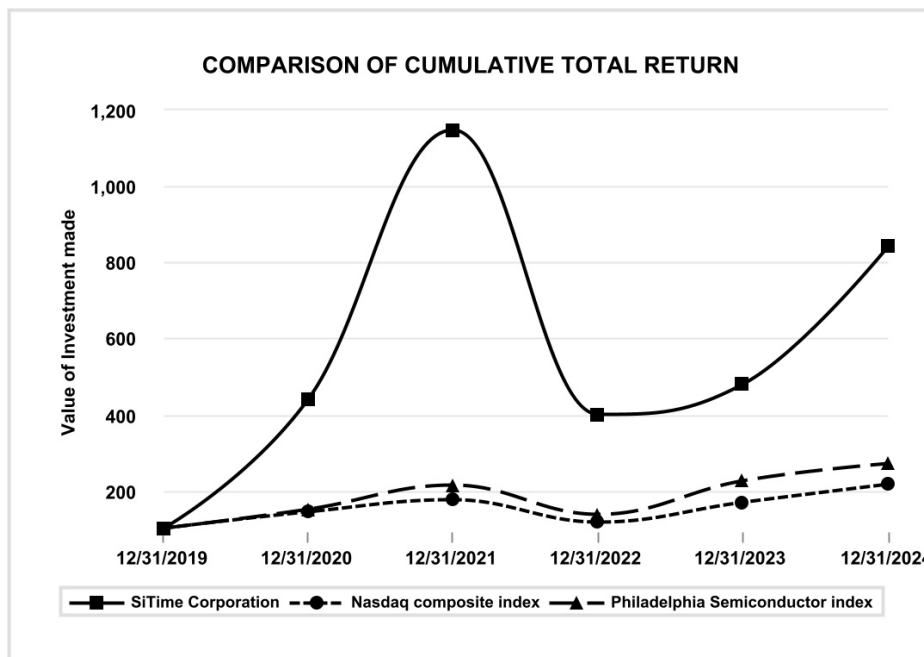
**Dividend Policy**

We have never paid any cash dividends on our common stock. Our board of directors currently intends to retain any future earnings to support operations and to finance the growth and development of our business and does not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board.

**Stock Performance Graph**

The following information shall not be deemed to be soliciting material or to be filed with the SEC, or subject to Regulations 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

The following line graph compares the cumulative total stockholder return for our common stock, the Nasdaq Composite Index and Philadelphia Semiconductor Index for the five years ending on December 31, 2024. The graph assumes that \$100 was invested on January 1, 2020 in our common stock and in each of the Nasdaq 100 Index and Philadelphia Semiconductor Index. Our common stock is a component of each of the presented indices. Total return assumes reinvestment of dividends in each of the indices indicated. The stockholder return shown in the graph below is not necessarily indicative of, nor is it intended to forecast, the potential future performance of our common stock, and we do not make or endorse any predictions as to future stockholder returns.



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<u>Company Name/Index</u>	<b>December 31, 2019</b>	<b>December 31, 2020</b>	<b>December 31, 2021</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2024</b>
SiTime Corporation	100.00	438.94	1,147.22	398.51	478.75	841.29
Nasdaq composite index	100.00	143.64	174.36	116.65	167.30	215.22
Philadelphia Semiconductor index	100.00	151.14	213.35	136.90	225.75	269.24

**Item 6. [Reserved]**

## **Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

The Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) should be read in conjunction with the financial statements and the notes thereto included elsewhere in this Annual Report on Form 10-K. The MD&A contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that involve risks and uncertainties, which are discussed under Part I, Item 1A.

### **Overview**

The ability to accurately measure and reference time has been essential to humankind’s greatest inventions and technological advances. Timing technology has continued to evolve over centuries, underpinning broader technological evolution and is the heartbeat of digital electronic systems. Here, timing ensures that the system runs smoothly and reliably by providing and distributing clock signals to various critical components such as central processing units, communication and interface ICs, and radio frequency components. As electronics evolve to deliver higher performance, connectivity, and intelligence, even in increasingly challenging environments, while also being more complex and size-constrained, we believe they will require more sophisticated semiconductor-based timing solutions that cannot be developed in legacy quartz crystal-based technologies. Precision timing fills this need with the performance, power, size, and cost that is required by these applications.

We are a leading provider of Precision Timing solutions to the global electronics industry. Our Precision Timing solutions are the heartbeat of our customers’ electronic systems, providing the timing functionality that is needed for electronics to operate reliably and accurately. We provide Precision Timing solutions that are differentiated by high performance, high resilience, and high reliability, along with programmability, small size, and low power consumption. Our products have been designed into over 300 applications across our target markets, including communications, datacenter and enterprise, automotive, industrial, aerospace, mobile, IoT, and consumer. Our current solutions include various types of oscillators, as well as clock ICs and resonators.

Our all-silicon solutions are based on three fundamental areas of technical expertise: MEMS, analog mixed-signal design, and advanced system-level integration. This expertise enables us to design silicon MEMS resonators, analog circuits, as well as systems and packaging, and bring these all together to deliver a system-level solution that synergistically solves customers’ complex timing problems. In this aspect, we believe we are different than quartz-based timing providers, who typically have expertise in designing and manufacturing resonator components, but usually outsource the analog circuit design and packaging. We also have a deep understanding of the mechanical, electrical, and thermal properties of materials, which is a key requirement for developing our proprietary MEMS processes. To maximize MEMS first-silicon success, we have also developed our own MEMS simulation tools. We are also different in that our MEMS resonators are made using semiconductor technology which has significant benefits in features, performance, manufacturing, and cost, while the quartz resonator and oscillator suppliers use quartz crystal material

Compared to traditional clock IC suppliers, we are different in that we design the resonator in-house and can integrate it into the clock IC package. Our analog/mixed-signal die are developed using industry-standard processes and deliver high levels of performance using programmable PLLs, temperature sensors, regulators, data converters, drivers and other building blocks. Unlike most clock IC vendors, we do not rely on quartz vendors to provide the quartz resonator clock reference that is required for their clock ICs to function. Our expertise creates supply chain advantages for us and most importantly, enables us to design and build complete timing systems that result in performance advantages, providing a complete solution to the customer.

Our Precision Timing solutions are designed to be resilient to harsh environmental stressors. For the communications, datacenter and enterprise market, our products provide high performance and resilience in dense, less-controlled environments that experience extreme conditions. The resilience of our products becomes an increasing advantage as equipment is placed in dense, harsh environments and moves closer to the customer with the rollout of 5G, the rapid expansion in cloudification, and deployment of hyperscale and AI datacenters. For the automotive market, our solutions can be utilized in automotive electronics, including ADAS for self-driving cars, which require increased timing accuracy. For the industrial market, our products offer programmability and high reliability for the diverse operating conditions of industrial equipment, including high temperatures, mechanical shock, and vibration. For the aerospace market, our solutions provide high reliability and lower acceleration sensitivity for end products that operate in rugged conditions. For the mobile, IoT and consumer market, our timing solutions offer high performance at optimal power consumption and size, as our customers fit more functionality into smaller devices.

In all of these markets, the trend for increased data transfer at higher speeds and demand for lower latency continues to grow. This requires higher levels of performance in timing and synchronization. Additionally, as electronics continue to proliferate in all industries and areas of our daily life, digital devices are increasingly subjected to less

controlled environments, making resiliency ever more important. These industry trends place higher demands on timing components, escalating the importance of resilient and reliable Precision Timing.

We believe that the total timing market is approximately \$10 billion in size. Since our founding, we have focused on transforming this market with compelling solutions that solve difficult timing problems. Historically, our revenue has been substantially delivered from sales of oscillator systems across our target end markets.

In December 2023, we acquired clocking products through the acquisition of certain assets and the exclusive license to certain intellectual property from Aura Semiconductor Pvt. Ltd. and certain of its affiliated entities (together, "Aura") relating to Aura's timing business and clock products that significantly expands our presence within the clocking market. With the addition of all four categories of clock products including network synchronizers, jitter cleaners, clock generators, and buffers, we now offer a comprehensive portfolio of timing solutions. By pairing the new SiTime clocking products with our MEMS oscillators and/or our resonators, we expect to be able to offer a more complete clock tree that is simpler to design with higher performance, and more resilient to environmental stressors with better reliability. SiTime is now a key provider of all differentiated products in timing – oscillators, clocks, and resonators combined with depth in engineering expertise in Precision Timing solutions.

We sell our products primarily through distributors, who in turn sell to our end customers. We also sell products directly to some of our end customers. We leverage our global network of distributors to address the broad set of end markets we serve. For our largest accounts, dedicated sales personnel work with the end customer to ensure that our solutions fully address the end customer's timing needs. Our smaller customers can select the optimum timing solution for their needs by working directly with our sales personnel or distributors or by shopping on our online store, SiTimeDirect™.

We operate a fabless business model, where we outsource manufacturing to semiconductor industry suppliers, which allows us to focus on, and excel in, the design, marketing, and sales of our products. A fabless infrastructure gives us production flexibility and the ability to scale capacity up and down to meet demand. While this model allows us to operate with lower capital expenditure investment than other semiconductor companies that own fabs, we may be required to make such investments from time to time primarily to strengthen our supply chain and optimize our costs. These investments could put downward pressure on our gross margins if demand for our products does not materialize as expected. Further, this model could also subject us to supply constraints, when demand for our products is higher than anticipated, resulting in increased costs and impacting our gross margins. Our programmable architecture also plays a key role in ensuring optimal production flexibility. In contrast to products offered by traditional timing device suppliers, our products are batch produced and then custom programmed to customer needs, allowing us to offer shorter lead times and the ability to meet custom requirements more easily.

Since our IPO in November 2019, while our revenue has grown, gross margins have improved, and new opportunities for growth for our business have emerged, adverse macroeconomic events including geopolitical tensions and conflicts have substantially increased. In 2020 and 2021, there were a number of industry-wide supply constraints affecting the supply of analog circuits manufactured by certain foundries, including TSMC, and affecting outsourced semiconductor assembly and test providers. We believe that the effects of the industry-wide supply constraints on other timing device suppliers contributed in part to our revenue and gross margin growth in 2021 and the first half of 2022. In 2022 and 2023, macroeconomic events such as rising inflation, fear of recession, equity market volatility, geopolitical tensions, war, decreased consumer spending, lower demand for electronic products following a period of strong demand during the COVID-19 pandemic, supply chain disruptions, and the COVID-19 pandemic measures implemented in China, harmed sales of our products and results of operations. We believe that some of our customers built up inventory of our products in 2022 to overcome the industry-wide supply constraints that occurred in the previous periods and that the macroeconomic events in the second half of 2022 and through 2023 led to reduced demand for our customers' products, which led to an inventory buildup at some of our customers and their affiliates, partners and contract manufacturers, which has adversely affected sales of our products. We believe that while this inventory buildup has reduced through the second half of 2023 and in 2024, any further increase could negatively impact the sales of our products and could result in decreases in our sales and margins, and could materially harm our results of operations. The future effects of macroeconomic events on our business and results of operations, including inventory levels at our customers and their affiliates, partners, and contract manufacturers as well as demand for our products, are uncertain and difficult to predict. For additional discussion please see Part I, Item 1A "Risk Factors" of this report, especially the risk factor titled "Global macroeconomic conditions have harmed and may continue to harm our business" and "Our revenue and operating results may fluctuate from period to period, which could cause our stock price to fluctuate."

## **Key Factors Affecting Our Performance**

### ***Customer Orders and Forecasts***

Because our sales are made pursuant to standard purchase orders, orders may be cancelled, reduced, or rescheduled with little or no notice and without penalty. Cancellations of orders could result in the loss of anticipated sales without allowing us sufficient time to reduce our inventory and operating expenses. In addition, changes in forecasts or the timing of orders from customers exposes us to the risks of inventory shortages or excess inventory. We may not be able to fulfill increased demand, at least in the short term, as we do not intend to acquire excess inventory to pre-build custom products.

### ***Design Wins with New and Existing Customers***

Our solutions enable our customers to differentiate their product offerings and position themselves to gain market share. We work closely with our customers to understand their product roadmaps and strategies. Our end customers continuously develop new products in existing and new application areas. We also consider design wins critical to our future success and anticipate being increasingly dependent on revenue from new design wins for our new higher-end products which have higher average selling prices (“ASPs”). The selection process is typically lengthy and may require us to incur significant design and development expenditures in pursuit of a design win with no assurance that our solutions will be selected. As a result, the loss of any key design win or any significant delay in the ramp of volume production of the customer’s products into which our product is designed could adversely affect our business.

### ***Customer Demand and Product Life Cycles***

Once customers design our Precision Timing solutions into their products, we closely monitor all aspects of their demand cycle, including the initial design phase, prototype production, volume production, and inventories, as well as end-market demand, including seasonality, cyclical, and the competitive landscape. Given our customer relationships and the long-term aspects of our solutions, we benefit from visibility into customer demand. This in turn provides an opportunity for us to monitor and refine our business fundamentals.

### ***Product Adoption within New Markets and Applications***

As we evaluate new market opportunities and bring new products to market, we pay particular attention to forecasts by industry analysts and the adoption curve of technology. We also analyze in detail potential competing forces that could hinder such adoption. If we fail to anticipate or respond to technological shifts or market demands, or to timely develop new or enhanced products or technologies in response to the same, it could result in decreased revenue and the loss of our design wins to our competitors.

### ***Pricing, Product Cost, and Product Mix***

The ASPs of our products vary significantly. While the ASP of any individual product generally decreases over time, our average ASPs have historically remained relatively flat as we continue to introduce new higher-end products with higher ASPs. Our pricing and margins depend on customer demand as well as the volumes and the features of the timing devices we provide to our customers. We continually monitor and work to reduce the cost of our products and improve the potential value our solutions provide to our customers as we target new design win opportunities and manage the product life cycles of our existing customer designs. Since we rely on third-party wafer foundries and assembly and test contractors to manufacture, assemble, and test our products, we maintain a close relationship with our suppliers to improve quality and increase yields.

Gross margin, or gross profit as a percentage of revenue, has been, and will continue to be, affected by a variety of factors, including ASPs, and product mix in a given period, material costs, yields, inventory write-downs and manufacturing operations costs. We believe the primary driver of gross margin is the ASPs negotiated between us and our customers relative to material costs and yield improvement. As our products mature and unit volumes increase, we expect their ASPs to decline. These declines often coincide with improvements in manufacturing yields and lower wafer, assembly, and testing costs, which offset some or all of the margin reduction that results from lower ASPs. However, we expect our gross margin to fluctuate on a quarterly basis as a result of changes in ASPs due to new product introductions, existing product transitions into high-volume manufacturing, manufacturing costs, and our product mix.

### *Cyclical Nature of the Semiconductor Industry*

The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change, rapid product obsolescence, price erosion, evolving standards, short product life cycles, and wide fluctuations in product supply and demand. From time to time, these factors, together with changes in macroeconomic conditions, can cause significant upturns and downturns in the semiconductor industry, and in our business. Downturns in the semiconductor industry have been characterized by diminished product demand, production overcapacity, high inventory levels, and accelerated erosion of average selling prices. Any prolonged or significant downturn in the semiconductor industry generally could adversely affect our business and reduce demand for our products and otherwise harm our business, financial condition and results of operations. Any significant upturn in the semiconductor industry could result in increased competition for access to third-party foundry and assembly capacity. We are dependent on the availability of this capacity to manufacture and assemble our products and we can provide no assurance that adequate capacity will be available to us in the future. We cannot predict the duration or timing of any downturn or upturn in the semiconductor industry.

### Results of Operations

The following table summarizes our results of operations for the periods presented.

	Year Ended December 31,			Change 2024 vs 2023	
	2024	2023	2022	\$	%
(in thousands, except percentage)					
Revenue	\$ 202,697	\$ 143,993	\$ 283,605	\$ 58,704	41 %
Cost of revenue	98,203	61,905	100,643	36,298	59 %
Gross profit	104,494	82,088	182,962	22,406	27 %
Operating expenses:					
Research and development	106,855	97,589	90,288	9,266	9 %
Selling, general and administrative	102,157	83,971	76,532	18,186	22 %
Acquisition related costs	10,722	7,728	—	2,994	39 %
Total operating expenses	219,734	189,288	166,820	30,446	16 %
Income (loss) from operations	(115,240)	(107,200)	16,142	(8,040)	8 %
Interest income	22,883	26,958	7,291	(4,075)	(15 %)
Other expense, net	(758)	(141)	(97)	(617)	438 %
Income (loss) before income taxes	(93,115)	(80,383)	23,336	(12,732)	16 %
Income tax expense	(486)	(152)	(82)	(334)	220 %
Net income (loss) attributable to common stockholders and comprehensive income (loss)	\$ (93,601)	\$ (80,535)	\$ 23,254	\$ (13,066)	16 %

A discussion of changes in our results of operations from fiscal 2022 to fiscal 2023 has been omitted from this Annual Report on Form 10-K, but may be found in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Form 10-K for fiscal 2023 filed with the SEC on February 26, 2024.

### Revenue

We derive revenue primarily from sales of Precision Timing solutions to distributors. We also sell products directly to some of our end customers. Our sales are made pursuant to standard purchase orders which may be cancelled, reduced, or rescheduled, with little or no notice. We recognize product revenue upon shipment when we satisfy our performance obligations as evidenced by the transfer of control of our products to customers. We measure revenue based on the amount of consideration we expect to be entitled to in exchange for products.

	Year Ended December 31,			Change 2024 vs 2023	
	2024	2023	2022	\$	%
(in thousands except percentage)					
Revenue	\$ 202,697	\$ 143,993	\$ 283,605	\$ 58,704	41 %

Revenue increased by \$58.7 million, or 41%, for 2024 compared to 2023. The increase was primarily related to an increase in sales volume by 36% as well as an increase in ASPs of our products due to change in mix of the products we shipped. Lower sales volume in the prior year was driven by excess inventory buildup at many of our customers, distributors and their affiliates, partners, and contract manufacturers, and lower demand for our products due to macroeconomic conditions.

Our top ten direct customers, including distributors, accounted for approximately 84%, 82% and 74% of net revenues in 2024, 2023, and 2022, respectively. Three customers each in 2024, and 2022, and four customers in 2023 which are distributors of our products, accounted for more than 10% of our net revenues. International sales, identified based upon the ship-to location of the customers who purchased the Company's products, represented approximately 92%, 86%, and 88% of net revenues in 2024, 2023, and 2022, respectively.

### Cost of Revenue, Gross Profit, and Gross Margin

Cost of revenue consists of wafers acquired from third-party foundries, assembly, packaging, and test cost of our products paid to third-party contract manufacturers, and personnel and other costs associated with our manufacturing operations. Cost of revenue also includes depreciation of production equipment, inventory write-downs, shipping and handling costs, and allocation of overhead and facility costs. We also include credits for rebates received from third-party contract manufacturers in cost of revenue.

	Year Ended December 31,			Change 2024 vs 2023	
	2024	2023	2022	\$	%
	(in thousands except percentage)				
Cost of Revenue	\$ 98,203	\$ 61,905	\$ 100,643	\$ 36,298	59 %
Gross Profit	104,494	82,088	182,962	22,406	27 %
Gross Margin	52 %	57 %	65 %		

Gross profit increased by \$22.4 million in the year ended December 31, 2024 compared to the same period in 2023. Gross profit increased \$41.2 million mainly from higher revenue. This increase was partially offset by higher amortization from acquired intangibles of \$11.6 million, and higher other manufacturing and overhead costs of \$6.8 million, which primarily consists of depreciation and amortization, freight and inventory reserves.

Gross margin was lower by 5% in the year ended December 31, 2024 compared to the same period in 2023. The decrease was mainly due to higher amortization from acquired intangibles by 6%, partially offset by lower stock-based compensation costs by 1%.

Gross margin may fluctuate from time to time due to a variety of factors. For additional discussion please see Part I, Item 1A "Risk Factors" of this report, especially the risk factor titled "Our gross margins may fluctuate due to a variety of factors, which could negatively impact our results of operations and our financial condition."

### Operating Expenses

Our operating expenses consist of research and development, sales and marketing, general and administrative expenses, and acquisition related costs. Personnel costs are the most significant component of our operating expenses and consist of salaries, benefits, bonuses, stock-based compensation, and commissions. Our operating expenses also include consulting costs, allocated costs of facilities, information technology, and depreciation.

	Year Ended December 31,			Change 2024 vs 2023	
	2024	2023	2022	\$	%
	(in thousands except percentage)				
Operating Expenses:					
Research and development	\$ 106,855	\$ 97,589	\$ 90,288	\$ 9,266	9 %
Selling, general and administrative	102,157	83,971	76,532	18,186	22 %
Acquisition related costs	10,722	7,728	—	2,994	39 %
Total operating expenses	\$ 219,734	\$ 189,288	\$ 166,820	\$ 30,446	16 %

**Research and Development**

Our research and development efforts are focused on the design and development of Precision Timing solutions. Our research and development expense consists primarily of personnel costs, as well as pre-production engineering mask costs, software license and intellectual property expenses, design tools and prototype-related expenses, facility costs, supplies, professional and consulting fees, and allocated overhead costs, which may be offset by non-recurring engineering contra-expenses recorded in certain periods. There is no assurance that we will have non-recurring engineering contra-expense from period to period. We expense research and development costs as incurred. We believe that continued investment in our products is important for our future growth and acquisition of new customers and, as a result, we expect our research and development expenses to continue to increase in absolute dollars. However, we expect our research and development expense to fluctuate as a percentage of revenue from period to period depending on the timing of these expenses.

Research and development expense increased by \$9.3 million, or 9%, for the year ended December 31, 2024 compared to the same period in 2023, primarily due to an increase in stock-based compensation expense of \$5.0 million, a decrease in non-recurring engineering contra-expense recognized of \$2.3 million, and higher engineering spend towards ongoing new product development of \$1.6 million.

There is no guarantee we will enter into a non-recurring engineering arrangement or recognize such contra-expense in any future period. Based on our current contracts, we expect the non-recurring engineering contra-expense to decline in future periods.

**Sales, General and Administrative**

Sales, general and administrative expense consists of personnel costs, professional and consulting fees, accounting and audit fees, legal costs, field application engineering support, travel costs, advertising expenses, and allocated overhead costs. We expect sales, general and administrative expense to continue to increase in absolute dollars as we increase our personnel and grow our operations, although it may fluctuate as a percentage of revenue from period to period depending on the timing of these expenses.

Selling, general and administrative expense increased by \$18.2 million, or 22%, for the year ended December 31, 2024 compared to the same period in 2023, primarily due to higher stock-based compensation expense of \$12.0 million, higher wages and bonus of \$4.2 million related to increased headcount, higher sales commission payouts of \$0.7 million due to higher sales, and higher travel costs of \$0.6 million.

**Acquisition related costs**

Acquisition related costs include legal, regulatory, consulting, and other costs incurred towards the acquisition closed during the year ended December 31, 2023 and changes in the fair value of the sales-based earnout liability and interest accretion related to the acquisition consideration payable. Acquisition related costs increased by \$3.0 million, or 39%, for the year ended December 31, 2024, primarily due to accretion of acquisition consideration payable of \$3.3 million and an increase in the fair value of sales-based earnout liability of \$4.9 million, partially offset by a reduction in one-time acquisition costs related to the 2023 Aura transaction of \$5.2 million. We will continue to incur incremental costs beyond 2024 related to the Aura transaction arising from changes in the fair value of the sales-based earnout liability and accretion of acquisition consideration payable.

**Interest Income and Other Expense, net**

Interest income and other expense consists primarily of interest income on our cash balances, and foreign exchange gains and losses.

	Year Ended December 31,			Change 2024 vs 2023	
	2024	2023	2022	\$	%
	(in thousands except percentage)				
Interest income	\$ 22,883	\$ 26,958	\$ 7,291	\$ (4,075)	(15)%
Other expense, net	(758)	(141)	(97)	(617)	438 %
Total interest income and other expense, net	\$ 22,125	\$ 26,817	\$ 7,194	\$ (4,692)	(17)%

Interest income and other expense, net decreased \$4.7 million for the year ended December 31, 2024 compared to the same period in 2023, primarily related to lower interest income earned on short term investments due to lower interest rates and a decrease in investment balances arising from acquisition related payments and higher capital expenditures.

### Income Tax Expense

Income tax expense consists primarily of state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. The income tax expense in foreign jurisdictions was higher due to increased operational activities in our foreign entities. We have a full valuation allowance for deferred tax assets as the realization of the full amount of our deferred tax asset is uncertain, including net operation losses (NOL), carryforwards, and tax credits related primarily to research and development. We expect to maintain this full valuation allowance until realization of the deferred tax assets becomes more likely than not. At December 31, 2024 and 2023, we had federal NOL carry-forwards of approximately \$250.7 million and \$230.2 million, respectively, state NOL carry-forwards of approximately \$84.5 million and \$83.7 million, respectively, and foreign NOL carry-forwards of approximately \$2.0 million and \$1.7 million, respectively. These federal, state, and foreign net operating loss carry-forwards will expire beginning in 2028. At December 31, 2024 and 2023, we had research and development tax credit carryforwards of approximately \$3.9 million and \$3.9 million, respectively for U.S. federal income tax purposes and \$3.6 million and \$3.6 million, respectively for state income tax purposes. The research and development credit carryforwards for federal tax purposes will begin to expire in 2025, and state tax credits carry forward indefinitely.

	Year Ended December 31,			Change 2024 vs 2023	
	2024	2023	2022	\$	%
	(in thousands except percentage)				
Income tax expense	\$ (486)	\$ (152)	\$ (82)	\$ (334)	220%

### Liquidity and Capital Resources

As of December 31, 2024 and 2023 we held short-term investments in held-to-maturity securities of \$412.7 million and \$518.7 million, respectively, which consisted of Treasury Bills. As of December 31, 2024 and 2023, we also had cash and cash equivalents of \$6.1 million and \$9.5 million, respectively. Our principal use of cash is to fund our operations, to support growth through capital investments, and to acquire complementary businesses, products, services, or technologies in the future.

In February 2024, we entered into a Sales Agreement ("Sales Agreement") with Stifel, Nicolaus & Company, Incorporated ("Stifel"), under which we may offer and sell from time to time at our sole discretion, up to an aggregate of 1,200,000 shares of our common stock, par value \$0.0001 per share, through Stifel as our sales agent. The Company used the net proceeds from the shares of common stock offered and sold to replenish funds expended to satisfy tax withholding and remittance obligations related to the net settlement upon vesting of restricted stock unit awards ("RSU") granted to employees under the equity incentive plans. During the year ended December 31, 2024, we sold 332,500 shares of our common stock under the Sales Agreement at a weighted average price of \$151.91 per share resulting in net proceeds to us of \$48.8 million, after deducting underwriting discounts and commissions and offering costs.

Our purchase obligations primarily include design and simulation licenses. For information about our contractual obligations refer to "Note 5 - Lease" and "Note 6 – Commitments and Contingencies" of the Notes to Consolidated Financial Statements.

We expect to continue our investing activities to support growth, primarily through the purchase of property and equipment, intellectual property licenses, and capitalized software, to support research and development, sales and marketing, product support, and administrative staff.

We believe that our existing cash and cash equivalents and our short-term investments will be sufficient to meet our cash needs for at least the next 12 months. Over the longer term, our future capital requirements will depend on many factors, including our growth rate, the timing and extent of our sales and marketing and research and development expenditures, and the continuing market acceptance of our solutions. In the event that we need to borrow funds or issue additional equity, we cannot provide any assurance that any such additional financing will be available on terms acceptable to us, if at all. If we are unable to raise additional capital when we need it, it would harm our business, results of operations and financial condition.

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Net cash provided by operating activities	\$ 23,190	\$ 8,056	\$ 39,752
Net cash provided by (used in) investing activities	64,759	(36,660)	(560,088)
Net cash provided by (used in) financing activities	(91,311)	3,469	(4,522)
Net increase decrease in cash and cash equivalents	<u>\$ (3,362)</u>	<u>\$ (25,135)</u>	<u>\$ (524,858)</u>

### ***Operating Activities***

In 2024, net cash provided by operating activities of \$23.2 million was primarily due to net loss of \$93.6 million and a change in operating assets and liabilities of \$25.0 million, offset by non-cash expenses of \$141.8 million. Non-cash expenses were mainly related to stock-based compensation expense, depreciation and amortization, change in fair value of sales based earnout liability and acquisition consideration payable, inventory write-downs and net changes in unrealized interest on held to maturity investments. The changes in operating assets and liabilities resulted in cash used for operations primarily due to higher accounts receivable due to timing of shipments, increase in inventories as we managed our inventory levels, higher prepaid expenses and other assets, partially offset by higher accrued expenses and other liabilities and higher accounts payable due to timing of payments.

In 2023, net cash provided by operating activities of \$8.1 million was primarily due to a net loss of \$80.5 million and a change in operating assets and liabilities of \$4.3 million, offset by depreciation and amortization, stock-based compensation expense, a net change in unrealized interest on held to maturity securities, change in fair value of sales based earnout liability and acquisition consideration payable for a total of \$92.9 million. The changes in operating assets and liabilities resulted in cash provided primarily due to lower accounts receivable due to timing of shipments offset by an increase in inventories as we managed our inventory levels, higher prepaid expenses and other assets, lower accrued expenses and other liabilities due to timing of payments and a decrease in accounts payable.

### ***Investing Activities***

Our investing activities consist primarily of the purchase of short-term investments and capital expenditures for property and equipment purchases. Our capital expenditures for property and equipment have primarily been for general business purposes, including machinery and equipment, leasehold improvements, acquired software, computer equipment used internally, and production masks to manufacture our products.

In 2024, cash provided by investing activities was \$64.8 million. We received proceeds from the maturity of held to maturity investments of \$909.3 million. This was partially offset by purchases of \$807.8 million of short-term investments in held-to-maturity securities, \$36.2 million largely to purchase test and other manufacturing equipment to support our operations and other property and equipment for general business purposes, and \$0.5 million to purchase intangible assets in software licenses.

In 2023, cash used in investing activities was \$36.7 million. We paid \$1,046.4 million to purchase short-term investments in held-to-maturity securities and \$39.0 million for the acquisition of certain assets and the exclusive license to certain intellectual property from Aura. We paid \$8.9 million largely to purchase test and other manufacturing equipment to support our operations and other property and equipment for general business purposes. We paid \$3.3 million to purchase intangible assets in software licenses. All such payments were partially offset by \$1,061.0 million proceeds from the maturity of held to maturity investments.

### ***Financing Activities***

Our financing activities have primarily consisted of proceeds from issuance of shares, payment of withholding of taxes on restricted stock units and payment of acquisition related consideration and earnouts.

During the year ended December 31, 2024, we sold 332,500 shares of our common stock under the Sales Agreement resulting in net proceeds to us of \$48.8 million, after deducting underwriting discounts and commissions of \$1.0 million and offering costs of \$0.7 million. The net proceeds from the Sales Agreement were offset by tax withholdings

paid on behalf of employees for net share settlement of \$52.6 million, payment towards the Aura transaction of \$75.2 million and related payment of earnouts of \$12.3 million.

During the year ended December 31, 2023, we sold 400,000 shares of our common stock under the Sales Agreement resulting in net proceeds to us of \$44.8 million, after deducting underwriting discounts and commissions of \$0.9 million and offering costs of \$0.3 million. The net proceeds from the Sales Agreement were offset by tax withholdings paid on behalf of employees for net share settlement of \$41.3 million.

### **Critical Accounting Estimates**

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected.

The critical accounting policies requiring estimates, assumptions, and judgments that we believe have the most significant impact on our consolidated financial statements are described below.

### ***Revenue Recognition***

We derive our revenue from product sales primarily to distributors. We recognize product revenue, at a point in time, upon shipment when we satisfy our performance obligations as evidenced by the transfer of control of our products to customers. We measure revenue based on the amount of consideration we expect to be entitled to in exchange for products. Variable consideration is estimated and reflected as an adjustment to the transaction price. Depending on the terms of the contract, variable consideration is estimated using either the expected value approach or the most likely value approach. We determine variable consideration at the end of each reporting period, which consists primarily of price adjustments and product returns by estimating the amount of consideration we expect to be entitled to from our customers based on historical experience. Adjustments for the variable consideration has been in the range of 2% to 3% on a quarterly basis for the current year. Our customers have limited return rights under our contracts with them. If variable considerations are anticipated to exceed historical experience, we may adjust our sales returns allowance accordingly to properly reflect our net revenue. Since our performance obligations relate to contracts with a duration of less than one year, we do not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

### ***Business Combinations***

We apply the provisions of ASC 805, Business Combinations (ASC 805), in accounting for our acquisitions. ASC 805 requires that we evaluate whether a transaction pertains to an acquisition of assets, or to an acquisition of a business. A business is defined as an integrated set of assets and activities that is capable of being conducted and managed for the purpose of providing a return to investors. Asset acquisitions are accounted for by allocating the cost of the acquisition to the individual assets and liabilities assumed on a relative fair value basis; whereas the acquisition of a business requires us to recognize separately from goodwill the assets acquired and the liabilities assumed at the acquisition date fair values, including in-process research and development. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed.

Our valuation of acquired assets and assumed liabilities requires significant estimates, especially with respect to intangible assets, that were derived using valuation techniques and models such as the income approach. Such models require use of significant estimates including future expected revenue, expenses, capital expenditures, and other costs, and discount rates. The approach to estimating an initial contingent consideration associated with the purchase price also uses similar unobservable factors such as revenue projections over the term of the contingent earn-out period, discounted for the

period over which the initial contingent consideration is measured, and expected volatility. Based upon these assumptions, the initial contingent consideration is then valued using a Monte Carlo simulation.

We have used third-party qualified specialists to assist management in determining the fair value of assets acquired and liabilities assumed. This includes assistance with the determination of economic useful lives and valuation of identifiable intangibles.

We estimate the fair value based upon assumptions we believe to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from our estimates. Estimates associated with the accounting for acquisitions may change as additional information becomes available regarding the assets acquired and liabilities assumed. As a result, during the measurement period, which may be up to one year from the business acquisition date, we record certain adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Contingent consideration which are compensatory will be expensed over the required service period.

All acquisition-related costs are accounted for as expenses in the period in which they are incurred. Contingent consideration is remeasured each reporting period using Level 3 inputs, and the change in fair value, including accretion for the passage of time, is recognized in acquisition related costs in the consolidated statements of operations and comprehensive income.

### ***Inventories***

Inventories consist of raw materials, work-in-process, and finished goods and are stated at the lower of standard cost, (which approximates actual cost on a first-in first out basis) or net realizable value. The Company reduces excess and obsolete inventories to their estimated net realizable value based on management's assessment of future demand, historical usage of by product, and market conditions. Once written-down, inventory write-downs are not reversed until the inventory is sold or scrapped.

### **Recent Accounting Pronouncements**

See Note 1 to our consolidated financial statements under Part II, Item 8 for information regarding recently issued accounting pronouncements.

### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

#### ***Foreign Currency Risk***

Substantially all of our revenue is denominated in U.S. dollars. Our expenses are generally denominated in the currencies in which our operations are located, which is primarily in the United States and, to a lesser extent, in Malaysia, the Netherlands, France, Taiwan, Japan, Finland, Korea, Germany, Ukraine, and India. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. As of December 31, 2024, the effect of a hypothetical 10% change in foreign currency exchanges rates applicable to our business would not have had a material impact on our historical consolidated financial statements. We do not currently have a hedging policy with respect to foreign currency exchange risk.

#### ***Interest Rate Risk***

We had cash and cash equivalents of \$6.1 million as of December 31, 2024 consisting of bank deposits, money market funds, and Treasury Bills. We also had short-term investments in held-to-maturity securities of \$412.7 million consisting of Treasury Bills as of December 31, 2024. Such interest-earning instruments carry a degree of interest rate risk. During the year ended December 31, 2024 we generated \$22.9 million in interest income through our cash, cash equivalents and short-term investment balances.

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. As of December 31, 2024, a hypothetical 10% increase or decrease in market interest rates would change the fair value and related interest income on our interest-earning instruments of \$412.7 million, by an increase or decrease of approximately \$2.3 million for the twelve months ended December 31, 2024.

**Item 8. Financial Statements and Supplementary Data.**

**Index to Consolidated Financial Statements and Financial Statement Schedule**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of SiTime Corporation

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of SiTime Corporation and subsidiaries (the "Company") as of December 31, 2024, the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flow, for the period ended December 31, 2024, and the related notes and schedule II (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 14, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Critical Audit Matter Description*

Inventories consist of raw materials, work-in-process, and finished goods and are stated at the lower of standard cost, (which approximates actual cost on a first-in first out basis) or net realizable value. Management reduces excess and obsolete inventories to their estimated net realizable value based on management's assessment of future demand, historical usage by product, and market conditions.

We identified the estimated net realizable value of excess and obsolete inventories as a critical audit matter because of the significant estimates management makes in its demand forecast. Specifically, performing audit procedures to evaluate the reasonableness of Management's estimates of forecasted demand required a high degree of auditor judgement and increased audit effort.

#### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to management's estimates of forecasted demand used in the estimate of the net realizable value of excess and obsolete inventories included the following, among others:

- We tested the effectiveness of controls over the review and approval of the estimated net realizable value of excess and obsolete inventories, including controls designed to review and approve the assumptions such as expected forecasted demand by product, customer backlog, expected product lifecycles and current market conditions.

- We evaluated management’s ability to accurately estimate forecasted demand by comparing historical forecasts to the actual results for those periods.
- We made inquiries of business unit managers as well as executives, sales and marketing personnel, and operations personnel about their assessment of future demand, historical usage by product, and market conditions, and compared their expectations to actual developments over the period.
- We selected a sample of inventory products and tested the forecasted demand by comparing internal and external information such as historical usage, contracts, communications with customers and macroeconomic conditions with the Company’s forecast.
- We considered, when relevant, the existence of contradictory evidence based on reading of internal financial and operational information used by management and the board of directors, Company press releases, and analysts' reports, as well as our observations and inquires as to changes within the business and evidence obtained through other areas of the audit.

/s/ Deloitte & Touche LLP

San Jose, California

February 14, 2025

We have served as the Company's auditor since 2024.

**Report of Independent Registered Public Accounting Firm**

Shareholders and Board of Directors  
SiTime Corporation  
Santa Clara, California

**Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheet of SiTime Corporation (the “Company”) as of December 31, 2023, the related consolidated statements of operations and comprehensive income (loss), stockholders’ equity, and cash flows for each of the two years then ended, and the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023, and the results of its operations and its cash flows for the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

We also have audited the adjustments to the 2023 consolidated financial statements to retrospectively apply the change in accounting for ASU No. 2023-07, “Improvements to Reportable Segment Disclosures (Topic 280)”, as discussed in Note 1. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2024 consolidated financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2024 consolidated financial statements taken as a whole.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, P.C.

We served as the Company's auditor from 2019 to 2024.

San Jose, California  
February 26, 2024, except for Note 11, as to which date is February 14, 2025

**SiTime Corporation**  
**Consolidated Balance Sheets**  
(In thousands, except per share amounts)

	As of	
	December 31, 2024	December 31, 2023
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 6,106	\$ 9,468
Short-term investments in held-to-maturity securities	412,728	518,733
Accounts receivable, net	38,209	21,861
Inventories	76,741	65,539
Prepaid expenses and other current assets	10,276	7,641
Total current assets	544,060	623,242
Property and equipment, net	82,475	54,685
Intangible assets, net	163,558	177,079
Right-of-use assets, net	6,569	8,262
Goodwill	87,098	87,098
Other assets	1,199	1,317
Total assets	\$ 884,959	\$ 951,683
<b>Liabilities and Stockholders' Equity:</b>		
Current liabilities:		
Accounts payable	\$ 22,894	\$ 8,690
Accrued expenses and other current liabilities	85,555	112,704
Total current liabilities	108,449	121,394
Other non-current liabilities	76,791	122,237
Total liabilities	185,240	243,631
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock, \$0.0001 par value - 200,000 shares authorized; 23,598 and 22,692 shares issued and outstanding at December 31, 2024 and 2023	2	2
Additional paid-in capital	881,718	796,450
Accumulated deficit	(182,001)	(88,400)
Total stockholders' equity	699,719	708,052
Total liabilities and stockholders' equity	\$ 884,959	\$ 951,683

The accompanying notes are an integral part of the consolidated financial statements.

## SiTime Corporation

**Consolidated Statements of Operations and Comprehensive Income (Loss)**  
**(In thousands, except per share amounts)**

	Year Ended December 31,		
	2024	2023	2022
Revenue	\$ 202,697	\$ 143,993	\$ 283,605
Cost of revenue	98,203	61,905	100,643
Gross profit	104,494	82,088	182,962
Operating expenses:			
Research and development	106,855	97,589	90,288
Selling, general and administrative	102,157	83,971	76,532
Acquisition related costs	10,722	7,728	—
Total operating expenses	219,734	189,288	166,820
Income (loss) from operations	(115,240)	(107,200)	16,142
Interest income	22,883	26,958	7,291
Other expense, net	(758)	(141)	(97)
Income (loss) before income taxes	(93,115)	(80,383)	23,336
Income tax expense	(486)	(152)	(82)
Net income (loss)	\$ (93,601)	\$ (80,535)	\$ 23,254
Net income (loss) attributable to common stockholders and comprehensive income (loss)	\$ (93,601)	\$ (80,535)	\$ 23,254
Net income (loss) per share attributable to common stockholders, basic	\$ (4.05)	\$ (3.63)	\$ 1.09
Net income (loss) per share attributable to common stockholders, diluted	\$ (4.05)	\$ (3.63)	\$ 1.03
Weighted-average shares used to compute basic net income (loss) per share	23,118	22,188	21,245
Weighted-average shares used to compute diluted net income (loss) per share	23,118	22,188	22,664

The accompanying notes are an integral part of the consolidated financial statements.

**SiTime Corporation**

**Consolidated Statements of Stockholders' Equity**  
(In thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
<b>Balances at December 31, 2021</b>	20,825	\$ 2	\$ 663,614	\$ (31,119)	\$ 632,497
Stock-based compensation expense	—	—	57,251	—	57,251
Net income	—	—	—	23,254	23,254
Issuance of common stock in connection with At-The-Market offering net of underwriting discounts and commissions and other offering costs	225	—	33,030	—	33,030
Issuance of shares upon vesting of restricted stock units, net of tax withholdings	652	—	(37,552)	—	(37,552)
<b>Balances at December 31, 2022</b>	21,702	2	716,343	(7,865)	708,480
Stock-based compensation expense	—	—	76,638	—	76,638
Net loss	—	—	—	(80,535)	(80,535)
Issuance of common stock in connection with At-The-Market offering net of underwriting discounts and commissions and other offering costs	400	—	44,815	—	44,815
Issuance of shares upon vesting of restricted stock units, net of tax withholdings	590	—	(41,346)	—	(41,346)
<b>Balances at December 31, 2023</b>	22,692	2	796,450	(88,400)	708,052
Stock-based compensation expense	—	—	89,122	—	89,122
Net loss	—	—	—	(93,601)	(93,601)
Issuance of common stock in connection with At-The-Market offering net of underwriting discounts and commissions and other offering costs	333	—	48,779	—	48,779
Issuance of shares upon vesting of restricted stock units, net of tax withholdings	573	—	(52,633)	—	(52,633)
<b>Balances at December 31, 2024</b>	23,598	\$ 2	\$ 881,718	\$ (182,001)	\$ 699,719

The accompanying notes are an integral part of the consolidated financial statements.

**SiTime Corporation**  
**Consolidated Statements of Cash Flows**  
(In thousands)

	Year Ended December 31,		
	2024	2023	2022
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ (93,601)	\$ (80,535)	\$ 23,254
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization expense	30,072	16,128	11,843
Stock-based compensation expense	92,634	76,753	57,415
Net change in unrealized interest on held to maturity securities	4,577	(3,829)	(5,055)
Change in fair value of sales based earnout liability	6,049	1,183	—
Accretion of acquisition consideration payable	4,056	710	—
Inventory write-down	4,431	1,997	2,972
Other, net	—	(23)	358
Changes in assets and liabilities:			
Accounts receivable, net	(16,348)	19,368	(2,853)
Inventories	(14,344)	(9,886)	(36,992)
Prepaid expenses and other assets	(2,516)	(6,116)	(7,460)
Accounts payable	6,122	(5,706)	2,468
Accrued expenses and other liabilities	2,058	(1,988)	(6,198)
Net cash provided by operating activities	<u>23,190</u>	<u>8,056</u>	<u>39,752</u>
<b>Cash flows from investing activities</b>			
Purchase of held to maturity securities	(807,836)	(1,046,407)	(673,370)
Proceeds from maturity of held to maturity securities	909,265	1,060,996	148,931
Acquisition of business	—	(39,000)	—
Purchase of property and equipment	(36,217)	(8,945)	(31,793)
Cash paid for intangibles	(453)	(3,304)	(3,856)
Net cash provided by (used in) investing activities	<u>64,759</u>	<u>(36,660)</u>	<u>(560,088)</u>
<b>Cash flows from financing activities</b>			
Tax withholding paid on behalf of employees for net share settlement	(52,633)	(41,346)	(37,552)
Proceeds from At-The-Market offering	50,509	46,025	33,977
Payments for At-The-Market offering costs	(1,730)	(1,210)	(947)
Payment of contingent consideration towards earnouts	(12,254)	—	—
Payment of deferred acquisition consideration payable	(75,203)	—	—
Net cash provided by (used in) financing activities	<u>(91,311)</u>	<u>3,469</u>	<u>(4,522)</u>
Net decrease in cash and cash equivalents	<u>(3,362)</u>	<u>(25,135)</u>	<u>(524,858)</u>
<b>Cash and cash equivalents</b>			
Beginning of period	9,468	34,603	559,461
End of period	<u>\$ 6,106</u>	<u>\$ 9,468</u>	<u>\$ 34,603</u>
<b>Supplemental disclosure of cash flow information</b>			
Income taxes paid	88	199	58
<b>Supplemental disclosure of noncash flow information</b>			
Unpaid property and equipment	8,949	866	747
Unpaid intangibles, net	—	—	606
Right-of-use assets acquired under operating leases	1,147	—	4,761
Settlement of pre-existing arrangement in connection with acquisition	—	9,974	—

Acquisition consideration payable at acquisition date	—	107,947	—
Fair value of sales based earnout liability at acquisition date	—	102,278	—

The accompanying notes are an integral part of the consolidated financial statements.

**SiTime Corporation**  
**Notes to Consolidated Financial Statements**

## **1. The Company and Summary of Significant Accounting Policies**

SiTime Corporation (the “Company”) was incorporated in the State of Delaware in December 2003. The Company is a leading provider of Precision Timing solutions to the global electronics industry, providing the timing functionality that is needed for electronics to operate reliably and correctly. The Company's products have been designed to address a wide range of applications across a broad array of end markets. The Company operates a fables business model and leverages its global network of distributors to address the broad set of end markets that it serves.

### **Basis of Presentation**

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”). The consolidated financial statements include all adjustments necessary for a fair presentation of our annual results. The Company’s fiscal year begins on January 1 of the year stated and ends on December 31 of the same year. The Company reports its results on a calendar year basis.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

### **Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The significant areas requiring the use of management estimates and assumptions include fair value of assets acquired and liabilities assumed in business combinations, estimate of reserve for excess and obsolete inventories, and sales reserves. Actual results could differ materially from such estimates. Management believes that the estimates, and judgments upon which they rely, are reasonable based upon information available to them at the time that these estimates and judgments are made.

### **Foreign Currency Remeasurement**

The Company and its wholly-owned subsidiaries use the U.S. dollar as their functional currency. Foreign currency assets and liabilities are remeasured into U.S. dollars at the end-of-period exchange rates except for non-monetary assets and liabilities, which are measured at historical exchange rates. Revenue and expenses denominated in non-U.S. dollars are remeasured using an average exchange rate in effect for the period. Gains or losses from foreign currency remeasurement and transactions are included in other expense, net. For the years ended December 31, 2024, 2023, and 2022, foreign currency remeasurement and transactions gains and losses resulting in a net charge of \$0.8 million, \$0.1 million, and \$0.1 million, respectively.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash balances in the Company’s bank checking and savings accounts and liquid short-term investments with original maturities of 90 days or less at the date of purchase, readily convertible to known amounts of cash.

### **Fair Value Measurements**

The Company determines fair value measurements used in its consolidated financial statements based upon the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between (i) market participant assumptions developed based on market data obtained from independent sources (observable inputs), and (ii) an entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs).

The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2: Valuations based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

Level 3: Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

*Cash equivalents*

At December 31, 2024 and 2023, highly liquid money market funds of \$0.3 million and \$0.4 million, respectively, were valued using Level 1, of the fair value hierarchy, quoted prices in active markets for identical assets and are included in cash equivalents.

*Short-term investments in held-to-maturity securities*

As of December 31, 2024, the Company had purchased Treasury Bills with maturities ranging from 3 to 6 months, which the Company intends to hold until maturity and has classified as held-to-maturity securities. The held-to-maturity securities are recorded at amortized cost totaling \$412.7 million including gross accrued interest of \$4.3 million. As of December 31, 2024, the fair value and gross unrealized gain on the held-to-maturity securities was \$412.9 million and \$0.2 million respectively. The carrying value of the Company's investments is reviewed quarterly for changes in circumstances or the occurrence of events that suggests an investment may not be fully recoverable. These Treasury Bills were valued using Level 1 of the fair value hierarchy, quoted prices in active markets for identical assets, and are included in short-term investments.

As of December 31, 2023, the Company had purchased Treasury Bills with maturities ranging from 3 to 12 months, which the Company held until maturity and classified as held-to-maturity securities. The held-to-maturity securities were recorded at amortized cost totaling \$518.7 million including gross accrued interest of \$8.9 million. As of December 31, 2023, the fair value and gross unrealized gain on the held-to-maturity securities was \$519.0 million and \$0.3 million respectively. The carrying value of the Company's investments is reviewed quarterly for changes in circumstances or the occurrence of events that suggests an investment may not be fully recoverable. These Treasury Bills were valued using Level 1 of the fair value hierarchy, quoted prices in active markets for identical assets, and are included in short-term investments.

*Sales based earnout liability*

The estimated fair value of the sales based earnout liability is determined using a Monte Carlo simulation model using significant unobservable fair value inputs and is therefore classified as a Level 3 measurement. The assumptions used in the calculation are based on the revenue projections over the term of the contingent earn-out period, expected volatility, and discount rate. The estimates of fair value are uncertain and changes in any of the estimated inputs used as of the date of this report will result in significant adjustments to the fair value. As of December 31, 2024, the Company used a volatility rate of 20%, risk-free rate ranging from 4.1% to 4.4%, and an expected term ranging from 0.1 years to 3.9 years.

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities:

	Year Ended December 31,	
	2024	2023
<b>Beginning fair value</b>	\$ 103,461	\$ —
Initial fair value of sales-based earnout liability	—	102,278
Change in the fair value during the year recorded to acquisition related costs	6,049	1,183
Payments made during the period	(12,254)	—
<b>Ending fair value</b>	<b>\$ 97,256</b>	<b>\$ 103,461</b>

There were no transfers between Level 1, Level 2, and Level 3 categories during any of the periods presented.

### Accounts Receivable and Allowances for Credit Losses

Trade accounts receivable are recorded at the invoiced amount, net of allowances for credit losses. An allowance for credit losses is recorded when it is probable that amounts will not be collected based on historical collection trends, age of outstanding receivables, specific customer circumstances, existing economic conditions and future forecasted information. The Company performs periodic credit evaluations of its customers' financial condition and generally requires no collateral from its customers. Losses have not been significant in any of the periods presented.

### Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, short-term investments and accounts receivable. Substantially all of the Company's cash and cash equivalents balances are in excess of Federal Deposit Insurance Corporation insurance limits with financial institutions. Investment policies have been implemented that limit purchases of marketable debt securities to investment-grade securities.

The Company extends credit based on an evaluation of the customer's financial condition and collateral is not typically required. The Company primarily sells its products through third-party distributors. Three distributors directly accounted for 10% or more of the Company's revenue for the years ended December 31, 2024 and 2022. Four distributors directly accounted for 10% or more of the Company's revenue for the year ended December 31, 2023.

The following table discloses these customers' percentage of revenue for the respective periods:

Customer	Year Ended December 31,		
	2024	2023	2022
Pernas Electronics Co. Ltd.	24%	20%	20%
Arrow Electronics, Inc.	19%	18%	17%
Quantek Technology Corporation	13%	13%	12%
Sabre Technologies Pte. Ltd	*	10%	*

\* Revenue from this customer was below 10%.

Revenue from sales attributed to one end customer through multiple distributors accounted for 22%, 21% and 20% of consolidated revenues for the years ended December 31, 2024, 2023, and 2022, respectively. No other distributors or end customers accounted for 10% or more of the Company's consolidated revenues for the years ended December 31, 2024, 2023, and 2022.

At December 31, 2024 and 2023 these customers accounted for 10% or more of accounts receivable:

Customer	As of December 31,	
	2024	2023
Pernas Electronics Co. Ltd.	31%	29%
Quantek Technology Corporation	17%	18%
Sabre Technologies Pte. Ltd	*	16%
Arrow Electronics, Inc.	15%	*

\* Accounts receivable from these customers was below 10%.

### Inventories

Inventories are stated at the lower of standard cost (which approximates actual cost on a first-in, first-out basis) or net realizable value. The Company reduces excess and obsolete inventories to their estimated net realizable value based on management's assessment of future demand, historical usage by product, and market conditions. Inventory reserve write-downs, once established, are not released until the related inventory has been sold or scrapped.

## Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation of property and equipment is recognized on a straight-line basis over the estimated useful lives of the respective assets as follows:

Lab and manufacturing equipment	3 to 7 years
Computer equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of remaining lease term or estimated useful lives of the assets

Maintenance and repair costs are charged to expense as incurred, and expenditures that extend the useful lives of assets are capitalized. Upon retirement or sale of the property and equipment, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is recorded in operating expenses.

## Intangible Assets

Purchased intangible assets with finite lives are carried at cost, less accumulated amortization. Amortization is computed using the straight-line method over the estimated useful lives of the respective assets of 3 to 10 years. Acquisition-related in-process research and development represents the fair value of incomplete research and development projects that have not reached technological feasibility as of the date of acquisition. Initially, these assets are not subject to amortization. Assets related to projects that have been completed are transferred to developed technology, which are subject to amortization.

## Leases

The Company determines if an arrangement is a lease at inception. Lease classification is evaluated at commencement and, as necessary, at modification. Operating lease related balances are included in right-of-use ("ROU"), assets, accrued expenses and other current liabilities, and other non-current liabilities in the Company's consolidated balance sheets. The Company currently does not have any finance leases.

Operating lease right-of-use assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the present value of the Company's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is the incremental borrowing rate of the Company, because the interest rates implicit in most of its leases are not readily determinable. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. Operating lease right-of-use assets also include adjustments related to lease incentives, prepaid or accrued rent and initial direct lease costs. Operating lease right-of-use assets are subject to evaluation for impairment or disposal on a basis consistent with other long-lived assets.

Lease terms may include periods under options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company generally uses the base, non-cancelable lease term when determining the lease right-of-use assets and lease liabilities. Operating lease cost is recognized on a straight-line basis over the lease term.

The Company has elected the practical expedient within ASC Topic 842 to account for lease and non-lease components as a single lease component. Additionally, the Company has elected the short-term lease exception for all classes of assets and does not recognize right-of-use assets and lease liabilities for leases with a term of 12 months or less and recognizes lease payments for short-term leases as expense either straight-line over the lease term or as incurred depending on whether the lease payments are fixed or variable. These elections are applied consistently for all leases. Payments under the Company's lease arrangements are primarily fixed, however, certain lease agreements contain variable payments, which are expensed as incurred and not included in the operating lease right-of-use assets and liabilities. Variable lease payments are primarily comprised of common area maintenance charges and utility costs.

## **Business Combinations**

The Company applies the provisions of ASC 805, Business Combinations (ASC 805), in accounting for acquisitions. ASC 805 requires that the Company evaluates whether a transaction pertains to an acquisition of assets, or to an acquisition of a business. A business is defined as an integrated set of assets and activities that is capable of being conducted and managed for the purpose of providing a return to investors. Asset acquisitions are accounted for by allocating the cost of the acquisition to the individual assets and liabilities assumed on a relative fair value basis; whereas the acquisition of a business requires the Company to recognize separately from goodwill the assets acquired and the liabilities assumed at the acquisition date fair values. Goodwill as of the business acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. The Company also evaluates all contingent consideration arrangements to determine if the arrangements are compensatory in nature. No liability is recognized at the acquisition date for arrangements concluded to be compensatory. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the business acquisition date as well as any contingent consideration, where applicable, the estimates are inherently uncertain and subject to refinement. Estimates and assumptions relevant to the determination of the fair value of the assets acquired and liabilities assumed include, but are not limited to, revenue projections, discount rates, and other assumptions. The approach to estimating an initial contingent consideration associated with the purchase price also uses similar unobservable factors such as revenue projections over the term of the contingent earn-out period, discounted for the period over which the initial contingent consideration is measured and expected volatility. Based upon these assumptions, the initial contingent consideration is then valued using a Monte Carlo simulation. As a result, during the measurement period, which may be up to one year from the business acquisition date, the Company may record certain adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of a business acquisition's measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of operations. In the event an acquisition involves an entity with which the Company has a preexisting relationship, the Company will recognize a gain or loss, if any, to settle that relationship as of the acquisition date within the consolidated statement of operations and comprehensive loss. All acquisition-related costs are accounted for as expenses in the period in which they are incurred. Changes in the fair value of contingent consideration arrangements that are not measurement period adjustments are recognized in earnings.

## **Impairment of Goodwill, Intangible Assets, and Other Long-Lived Assets**

Goodwill is evaluated for impairment on an annual basis in the fourth quarter of the Company's fiscal year, and whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable. The Company has elected to first assess qualitative factors to determine whether it is more likely than not that the fair value of its single reporting unit is less than its carrying amount, including goodwill. If the Company determines that it is more likely than not that the fair value is less than its carrying amount, then the quantitative impairment test will be performed. Under the quantitative impairment test, if the carrying amount exceeds its fair value, the Company will recognize an impairment loss in an amount equal to that excess but limited to the total amount of goodwill.

The Company evaluates events and changes in circumstances that could indicate carrying amounts of purchased intangible assets and other long-lived assets may not be recoverable. When such events or changes in circumstances occur, it assesses the recoverability of these assets or asset groups by determining whether or not the carrying amount will be recovered through undiscounted expected future cash flows. If the total of the future undiscounted cash flows is less than the carrying amount of an asset or asset group, the Company records an impairment loss for the amount by which the carrying amount exceeds the fair value of the asset or asset group.

The Company did not recognize any impairment losses on its goodwill, intangible assets, or other long-lived assets during the years ended December 31, 2024, 2023, and 2022.

## **Warranty**

The Company provides limited lifetime warranty coverage on all of its products by guaranteeing that all timing components from the Company will be free from defects in workmanship and materials and will conform to specifications for the life of the system. This assurance-type warranty is not considered a separate performance obligation, and thus no transaction price is allocated to it. The Company records the warranty costs in cost of revenue in the consolidated statements of operations and comprehensive income (loss). The warranty reserve is calculated using historical claim information to project future warranty claims activity and is recorded within accrued expenses and other current liabilities and other non-current liabilities on the consolidated balance sheets based on the expected timing of the related payments.

To date, the Company has had negligible warranty claims for any defective products, and hence the warranty reserve balances as of December 31, 2024 and 2023 was not significant for any periods presented.

### **Income Taxes**

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts in the consolidated financial statements of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards, using enacted tax rates in effect for the year in which the differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. A valuation allowance is provided in order to reduce the deferred tax assets to a level which, more likely than not, will be realized.

While the Company believes it has adequately reserved for its uncertain tax positions, no assurance can be given that the final tax outcome of these matters will not be different. The Company adjusts these reserves in light of changing facts and circumstances, such as the closing of a tax audit. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the provision for income taxes and the effective tax rate in the period in which such determination is made.

The Company recognizes tax positions in the consolidated financial statements only when it is more likely than not that the position will be sustained upon examination by the relevant taxing authority. Liabilities are established for differences between positions taken in a tax return and amounts recognized in the consolidated financial statements. The Company reports interest and penalties related to uncertain tax positions, if any, in the provision for income taxes in the consolidated statements of operations and comprehensive income (loss). To the extent that accrued interest and penalties do not ultimately become payable, amounts accrued will be reduced and reflected as a reduction of the overall provision for income taxes in the period that such determination is made.

### **Revenue Recognition**

The Company derives revenue from its product sales primarily to distributors, who in turn sell to original equipment manufacturers or other end customers. The Company recognizes product revenue, at a point in time, upon shipment when it satisfies its performance obligations as evidenced by the transfer of control of its products to customers. The Company measures revenue based on the amount of consideration it expects to be entitled to in exchange for products. Variable consideration is estimated and reflected as an adjustment to the transaction price. Depending on the terms of the contract, variable consideration is estimated using either the expected value approach or the most likely value approach. The Company determines variable consideration, which consists primarily of price adjustments and product returns by estimating the amount of consideration the Company expects to receive from its customers based on historical experience of price adjustments and product returns. Changes to the Company's estimated variable consideration were not material for the periods presented. Since the Company's performance obligations relate to contracts with a duration of less than one year, it does not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Company's payment terms vary by contract type and type of customer and generally range from 30 to 60 days from shipment. The Company has also elected to recognize the cost for freight and shipping when control over the products sold passes to customers and revenue is recognized.

As a practical expedient, the Company records the incremental costs of obtaining a contract, consisting primarily of sales commissions, when incurred because the amortization period is one year or less. These costs are recorded within selling, general, and administrative expenses.

### **Cost of Revenue**

Cost of revenue consists of wafers acquired from third-party foundries, assembly, packaging, and test cost of the Company's products paid to third-party contract manufacturers, and personnel and other costs associated with the manufacturing operations of the Company. Cost of revenue also includes depreciation of production equipment, inventory write-downs, shipping and handling costs, and allocation of overhead and facility costs. The Company also includes credits for rebates received from third-party contract manufacturers in cost of revenue.

### **Research and Development Expenses**

Research and development costs consist primarily of personnel cost, material cost, and facilities related expenses, incurred in the course of planned research and development of new products. Research and development costs are expensed as incurred.

### **Non-recurring engineering services**

The Company has certain contracts to provide non-recurring engineering (NRE) services for research and development arrangements through 2024, which do not meet the requirement to be accounted for under ASC 606, Revenue from Contracts with Customers. The Company recognizes the payments received under these NRE arrangements as liabilities and recognizes them as an offset to research and development expense as the Company achieves the milestones of the contract. As the progress towards completion occurs, the Company uses an input method based on the ratio of costs incurred to date to total estimated costs of the project. Judgment is required to estimate the remaining effort to complete the project. These estimates are reassessed throughout the term of the arrangement. There was no liability outstanding in relation to such arrangements as of December 31, 2024. A liability of \$1.0 million was recorded as accrued expenses and other current liabilities in the consolidated balance sheet as of December 31, 2023. For the years ended December 31, 2024, 2023 and 2022, the Company recorded \$1.5 million, \$3.9 million and \$9.0 million, respectively as a reduction of research and development expenses in the consolidated statements of operations.

### **Selling, General and Administrative Expenses**

Selling, general and administrative expenses primarily consist of personnel costs, field application engineering support, travel costs, professional and consulting fees, accounting and audit fees, legal, advertising expenses, and allocated overhead costs. Selling, general and administrative costs are expensed as incurred. Advertising expenses were \$1.5 million, \$1.6 million and \$2.3 million, for the years ended December 31, 2024, 2023, and 2022, respectively.

### **Stock-Based Compensation**

The Company grants restricted stock unit awards ("RSUs") of its own common stock. Compensation expense related to share-based transactions is measured at fair value on the grant date. The Company recognizes share-based compensation expense for awards with only service conditions on a straight-line basis over the requisite service period.

Stock-based compensation expense for performance-based restricted stock unit awards ("PRSU") is recognized when it becomes probable that the performance conditions will be met. The Company amortizes stock-based compensation expense for PRSUs using the graded-vesting method over the requisite performance period. The Company recognizes the expense related to the multi-year performance based restricted stock unit awards ("MYPSU") on a graded-vesting method over the requisite service period.

The Company recognizes forfeitures as they occur.

### **Net Income (Loss) Per Share Attributable to Common Stockholders**

Basic net income (loss) per share attributable to common stockholders is calculated by dividing the net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration for potentially dilutive securities. Diluted net income (loss) per share is computed by dividing the net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock and potentially dilutive securities outstanding for the period. Refer to "Note 3 - Net Income (Loss) Per Share" for further discussion regarding potentially dilutive and anti-dilutive securities.

### **Comprehensive Income (Loss)**

The Company has no components of other comprehensive income loss. Therefore, net income (loss) equals comprehensive income (loss) for all periods presented.

## Recent Accounting Pronouncements

### *Recently issued accounting pronouncements not yet adopted*

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. This ASU will likely result in the required additional disclosures being included in our consolidated financial statements, once adopted.

In November 2024, the FASB issued ASU No. 2024-03, Disaggregation of Income Statement Expenses (Subtopic 220-40). The ASU requires the disaggregated disclosure of specific expense categories, including purchases of inventory, employee compensation, depreciation, and amortization, within relevant income statement captions. This ASU also requires disclosure of the total amount of selling expenses along with the definition of selling expenses. The ASU is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Adoption of this ASU can either be applied prospectively to consolidated financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the consolidated financial statements. Early adoption is also permitted. This ASU will likely result in the required additional disclosures being included in our consolidated financial statements, once adopted. We are currently evaluating the provisions of this ASU.

### *Recently adopted accounting pronouncements*

In November 2023, the FASB issued ASU No. 2023-07, "Improvements to Reportable Segment Disclosures (Topic 280)" in order to require disclosure of incremental segment information on an annual and interim basis for all public entities. The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items and interim disclosures of a reportable segment's profit or loss and assets. The ASU is to be applied retrospectively to all prior periods presented in the financial statements and is effective for our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and interim periods thereafter. The Company adopted this guidance with no material impact on its consolidated financial statements. Refer to "Note 11 - Segment Information and Operations by Geographic Area" for further details.

## 2. Acquisitions

### *Fiscal 2023*

On December 1, 2023, we completed our acquisition of certain assets and an exclusive license to certain intellectual property ("IP") relating to Aura's timing business and clock products, and an assembled workforce. The acquisition date fair value of the purchase consideration was \$259.2 million, which was comprised of the following:

	Estimated Fair Value	
	(in thousands)	
Fixed consideration	\$	139,946
Fair value of sales based earnout liability		102,278
Settlement of pre-existing arrangement		16,974
<b>Total purchase consideration</b>	<b>\$</b>	<b>259,198</b>

The purchase consideration allocation to the assets acquired based on their respective estimated fair values as of the date of acquisition is as follows:

	Estimated Fair Value (in thousands)	Estimated Useful Life (in years)	Financial Statement Line Item
Developed Technology	\$ 96,700	5 to 8 years	Intangible assets, net
In-process research and development	69,500	N/A	Intangible assets, net
Goodwill	87,098	Indefinite	Goodwill
Assumed customer agreements	5,900	4 years	Intangible assets, net
<b>Total assets acquired</b>	<b>\$ 259,198</b>		

We did not record any measurement period adjustments for this acquisition.

Goodwill is primarily attributed to the assembled workforce and expected synergies from acquiring the underlying IP. Goodwill from this business combination is deductible for income tax purposes.

### 3. Net Income (Loss) Per Share

The following table summarizes the computation of basic and diluted net income (loss) per share attributable to common stockholders of the Company:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands, except per share data)		
Net income (loss) attributable to common stockholders	\$ (93,601)	\$ (80,535)	\$ 23,254
Weighted-average shares outstanding			
Weighted average shares used to compute basic net income per share	23,118	22,188	21,245
Dilutive effect of employee equity incentive plans	—	—	1,419
Weighted average shares used to compute diluted net income (loss) per share	23,118	22,188	22,664
Net income (loss) attributable to common stockholders per share, basic	\$ (4.05)	\$ (3.63)	\$ 1.09
Net income (loss) attributable to common stockholders per share, diluted	\$ (4.05)	\$ (3.63)	\$ 1.03

Potential dilutive securities include dilutive common shares from share-based awards attributable to the assumed exercise of vested restricted stock units using the treasury stock method. Under the treasury stock method, potential common shares outstanding are not included in the computation of diluted net income per share if their effect is anti-dilutive.

Anti-dilutive potential shares from share-based awards are excluded from the calculation of diluted earnings per share if either their exercise price exceeded the average market price during the period or the share-based awards were determined to be anti-dilutive based on applying the treasury stock method. During the year ended December 31, 2024, 2023, and 2022 the Company had 620,889, 1,078,089, and 309,963 potential shares from share-based awards that are anti-dilutive, respectively. Anti-dilutive potential shares from share-based awards are excluded from the calculation of diluted loss per share for the years ended December 31, 2024 and December 31, 2023 due to the net losses reported in this period.

#### 4. Balance Sheets Components

##### Accounts Receivable, net

Accounts receivable, net consisted of the following:

	As of		
	December 31, 2024	December 31, 2023	December 31, 2022
	(in thousands)		
Accounts receivable, gross	\$ 38,259	\$ 21,911	\$ 41,279
Allowance for credit losses	(50)	(50)	(50)
Accounts receivable, net	\$ 38,209	\$ 21,861	\$ 41,229

##### Inventory

Inventory consisted of the following:

	As of	
	December 31, 2024	December 31, 2023
	(in thousands)	
Raw materials	\$ 14,995	\$ 17,550
Work in progress	47,300	35,193
Finished goods	14,446	12,796
Total inventories	\$ 76,741	\$ 65,539

##### Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	As of	
	December 31, 2024	December 31, 2023
	(in thousands)	
Prepaid expenses	\$ 4,305	\$ 3,563
Other current assets	5,971	4,078
Total prepaid expenses and other current assets	\$ 10,276	\$ 7,641

##### Property and Equipment, Net

Property and equipment, net consisted of the following:

	As of	
	December 31, 2024	December 31, 2023
	(in thousands)	
Lab and manufacturing equipment	\$ 119,964	\$ 80,772
Computer equipment	3,833	3,541
Furniture and fixtures	1,167	969
Construction in progress	9,538	5,978
Leasehold improvements	7,818	7,847
	142,320	99,107
Accumulated depreciation	(59,845)	(44,422)
Total property and equipment, net	\$ 82,475	\$ 54,685

Depreciation expense related to property and equipment was \$16.1 million, \$13.3 million, and \$10.1 million for the years ended December 31, 2024, 2023, and 2022, respectively.

### Intangible Assets, Net

Intangible assets, net consisted of the following:

	As of					
	December 31, 2024			December 31, 2023		
	(in thousands)					
	Gross Assets	Accumulated Amortization	Net Assets	Gross Assets	Accumulated Amortization	Net Assets
Developed technology	\$ 96,700	\$ (10,575)	\$ 86,125	\$ 96,700	\$ (159)	\$ 96,541
Contract based royalty asset	5,900	(1,598)	4,302	5,900	(121)	5,779
Internal use software	9,434	(9,434)	—	9,434	(9,234)	200
Purchased software	15,551	(11,920)	3,631	15,110	(10,051)	5,059
<b>Total amortizable intangible assets</b>	<b>\$ 127,585</b>	<b>\$ (33,527)</b>	<b>\$ 94,058</b>	<b>\$ 127,144</b>	<b>\$ (19,565)</b>	<b>\$ 107,579</b>
In-process research and development	69,500	—	69,500	69,500	—	69,500
<b>Total intangible assets</b>	<b>\$ 197,085</b>	<b>\$ (33,527)</b>	<b>\$ 163,558</b>	<b>\$ 196,644</b>	<b>\$ (19,565)</b>	<b>\$ 177,079</b>

Amortization expense for intangible assets was \$14.0 million, \$2.9 million, and \$1.7 million, for the years ended December 31, 2024, 2023, and 2022, respectively.

The estimated aggregate future amortization expense for intangible assets and subject to amortization as of December 31, 2024 is summarized as below:

	(in thousands)
2025	\$ 15,429
2026	15,066
2027	14,694
2028	12,955
2029	11,104
2030 and beyond	24,810
	<b>\$ 94,058</b>

### Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	As of	
	December 31, 2024	December 31, 2023
	(in thousands)	
Accrued payroll and related benefits	\$ 12,381	\$ 6,358
Revenue reserves	3,673	2,954
Sales based earnout liability, current	23,953	19,733
Acquisition consideration payable, current	37,760	75,695
Short term lease liability	2,744	2,601
Other accrued expenses	5,044	5,363
<b>Total accrued expenses and other current liabilities</b>	<b>\$ 85,555</b>	<b>\$ 112,704</b>

The Company has consolidated the deferred non-recurring engineering services and accrued customer rebates into the Other accrued expenses line item above as the amounts are not significant. The prior period balance has been updated to reflect current period presentation.

## Other Non-current Liabilities

Other non-current liabilities consisted of the following:

	As of	
	December 31, 2024	December 31, 2023
	(in thousands)	
Sales based earnout liability, non-current	\$ 73,303	\$ 83,728
Acquisition consideration payable, non-current	—	33,086
Long term lease liability	3,488	5,423
Total other non-current liabilities	<u>\$ 76,791</u>	<u>\$ 122,237</u>

## 5. Leases

The Company leases real estate property under operating leases. The Company leases office space in California, Michigan, Malaysia, Japan, Taiwan, the Netherlands, Finland, India, and Ukraine all under non-cancellable operating leases with various expiration dates through May 2029.

The remaining lease terms vary from a few months to 5 years. For certain of its leases, the Company has options to extend the lease term for periods varying from one to 5 years. These renewal options are not considered in the remaining lease term unless it is reasonably certain that the Company will exercise such options. The Company also has variable lease payments that are primarily composed of common area maintenance and utility charges.

The table below presents the lease-related assets and liabilities recorded on the consolidated balance sheets as of December 31, 2024 and 2023:

	As of	
	December 31, 2024	December 31, 2023
	(in thousands)	
Right-of-use assets	\$ 6,569	\$ 8,262
Lease liabilities included in accrued expenses and other current liabilities	2,744	2,601
Lease liabilities included in other non-current liabilities	3,488	5,423
Total operating lease liabilities	<u>\$ 6,232</u>	<u>\$ 8,024</u>
Weighted-average remaining lease term (years)	2.4	3.1
Weighted-average discount rate	5.1 %	4.5 %

The table below presents certain information related to the lease costs for operating leases for the years ended December 31, 2024, 2023, and 2022:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Operating lease cost	\$ 3,098	\$ 3,024	\$ 2,759
Short-term lease cost	1,038	758	1,389
Variable lease cost	1,481	1,022	911
Total lease cost	<u>\$ 5,617</u>	<u>\$ 4,804</u>	<u>\$ 5,059</u>

Cash paid for operating lease liabilities was \$3.1 million, \$3.1 million, and \$2.5 million for the years ended December 31, 2024, 2023, and 2022 respectively.

## Operating Lease Cash Flows

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the operating lease liabilities recorded on the consolidated balance sheet as of December 31, 2024:

	(in thousands)
2025	\$ 3,144
2026	2,499
2027	696
2028	229
2029	85
Total minimum lease payments	6,653
Less: amount of lease payments representing interest	(421)
Present value of future minimum lease payments	6,232
Less: current obligations under leases	(2,744)
Long-term lease liabilities	\$ 3,488

## 6. Commitments and Contingencies

### Purchase Commitments

The Company purchases components from a variety of suppliers and uses several contract manufacturers to provide manufacturing services for its products. During the normal course of business, in order to manage manufacturing lead times and to help ensure adequate component supply, the Company enters into agreements with the Company's contract manufacturers and suppliers that allow them to procure inventory based upon criteria as defined by the Company. A portion of the Company's reported purchase commitments arising from these agreements consists of firm, non-cancelable purchase commitments. In certain instances, these agreements allow the Company the option to cancel, reschedule, and adjust the Company's requirements based on its business needs prior to when production starts. However, in situations where the Company is unable to cancel, reschedule, or adjust the purchase commitment due to changing customer demand, excess inventories could result in material inventory provisions. Total future non-cancelable purchase commitments as of December 31, 2024 were as follows:

	(in thousands)
2025	\$ 7,402
2026	6,668
2027	4,533
2028	12,625
Total	\$ 31,228

### Indemnification

The Company is a party to a variety of agreements pursuant to which it may be obligated to indemnify other parties to such agreements with respect to certain matters. Typically, these obligations arise in the context of contracts that the Company has entered into, under which the Company customarily agrees to hold the other party harmless against losses arising from a breach of representations and covenants or terms and conditions related to such matters as the sale and/or delivery of its products, title to assets sold, certain intellectual property claims, defective products, specified environmental matters, and certain income taxes. Further, the Company's obligations under these agreements may be limited in terms of time, amount, or the scope of its responsibility and in some instances, the Company may have recourse against third parties for certain payments made under these agreements. It is not possible to predict the maximum potential amount of future payments under these agreements due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, the Company has had no material indemnification claims under these agreements.

## Legal Matters

From time to time, the Company may be a party to various litigation claims in the normal course of business. Legal fees and other costs associated with such actions are expensed as incurred. The Company assesses, in conjunction with legal counsel, the need to record a liability for litigation and contingencies. Accrual estimates are recorded when and if it is determined that such a liability for litigation and contingencies are both probable and reasonably estimable.

## 7. Stockholders' Equity

The Company's certificate of incorporation, as amended and currently in effect, authorizes the Company to issue 200,000,000 shares of common stock and 10,000,000 shares of preferred stock, par value \$0.0001 per share. Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when and if declared by the board of directors, subject to the prior rights of holders of all classes of preferred stock outstanding. The Company has never declared any dividends. As of December 31, 2024 and 2023, there were no shares of preferred stock outstanding.

### *At-The-Market offering*

On February 27, 2024, the Company entered into a Sales Agreement ("Sales Agreement"), with Stifel, Nicolaus & Company, Incorporated ("Stifel"), under which the Company may offer and sell from time to time at its sole discretion, up to an aggregate of 1,200,000 shares of its common stock, par value \$0.0001 per share, through Stifel as its sales agent. The Company used the net proceeds from the shares of common stock offered and sold to replenish funds expended to satisfy anticipated tax withholding and remittance obligations related to the net settlement upon vesting of restricted stock unit awards ("RSU") granted to employees under the equity incentive plans. The Company has filed a prospectus supplement pursuant to the Sales Agreement for the offer and sale of up to an aggregate of 1,200,000 shares of its common stock. Subject to the terms and conditions of the Sales Agreement, Stifel will sell the common stock from time to time, based upon instructions from the Company. The Company agreed to pay Stifel a commission of up to 3% of the gross sales proceeds of any common stock sold through Stifel under the Sales Agreement.

During the year ended December 31, 2024, the Company sold 332,500 shares of its common stock to Stifel under the Sales Agreement at a weighted average price of \$151.91 per share resulting in net proceeds to the Company of \$48.8 million, after deducting underwriting discounts and commissions of \$1.0 million and offering costs of \$0.7 million. During the year ended December 31, 2023, the Company sold 400,000 shares of its common stock to Stifel under the Sales Agreement at a weighted average price of \$115.06 per share resulting in net proceeds to the Company of \$44.8 million, after deducting underwriting discounts and commissions of \$0.9 million and offering costs of \$0.3 million.

## 8. Stock-based Compensation

### *SiTime Corporation 2019 Stock Incentive Plan*

The SiTime Corporation 2019 Stock Incentive Plan (the "2019 Plan") provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights, performance stock awards, and other forms of equity compensation (collectively, "stock awards"), and cash awards, all of which may be granted to employees (including officers), directors, and consultants or affiliates. Awards granted under the 2019 Plan vest at the rate specified by the plan administrator, for restricted stock unit awards primarily within the quarter up to five years. As of December 31, 2024, 1.8 million shares were available for future issuance.

### *SiTime Corporation 2022 Inducement Award Plan*

The SiTime Corporation 2022 Inducement Award Plan (the "2022 Plan"), which initially reserved 250,000 shares of the Company's common stock, provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights, and other forms of equity compensation and cash awards, all of which may be granted to employees (including officers). Awards granted under the 2022 Plan vest at the rate specified by the plan administrator, for restricted stock unit awards primarily over one to four years. In February 2023, the Company amended and restated the 2022 Plan to reserve an additional 250,000 shares of the Company's common stock. As of December 31, 2024, 118,418 shares were available for future issuance.

### *Bonus and Retention Plans*

On August 4, 2020, the Compensation Committee of the Company adopted and approved the Executive Bonus and Retention Plan (the "Bonus and Retention Plan"). In January and August 2022, the Compensation Committee approved target bonus amounts and performance goals for the first half and second half, respectively, of the fiscal year 2022 (the "2022 Goals"). In January 2023 and March 2024, the Compensation Committee approved target bonus amounts and performance goals for the fiscal year 2023 (the "2023 Goals") and fiscal year 2024 (the "2024 Goals"), respectively. The

2022 Goals, 2023 Goals, and 2024 Goals are based on the achievement of revenue and Non-GAAP operating profit, as well as individual performance goals. The awards for the actual payouts are granted in the quarter following the end of the performance period and vest as per the Compensation Committee approval. The target bonuses were granted based on a fixed dollar amount to be settled in RSUs on the vesting date and hence the awards have been classified as liability-based awards until settled. Such expense is included in the non-cash adjustment within stock-based compensation expense on the consolidated cash flow statements. The liability of \$5.4 million for the 2024 Goals was recorded as accrued expenses and other current liabilities in the consolidated balance sheet as of December 31, 2024. Actual payouts ranged from 44% to 130% of target for the 2022 Goals, ranged from 0% to 45% of target for the 2023 Goals, and ranged from 170% to 200% of target for the 2024 Goals, in each case based on performance.

In April 2022, the Company adopted a bonus plan for certain employees. The target bonuses are granted based on a fixed dollar amount to be settled in RSUs in the quarter following the end of the performance period. Due to the fixed dollar amount targets, the awards have been classified as liability-based awards until settled. Once settled, these awards are reflected as RSUs granted in the table below. Such expense is included in the non-cash adjustment within stock-based compensation expense on the consolidated cash flow statements and was \$4.6 million for the year ended December 31, 2024. The liability of \$1.1 million was recorded as accrued expenses and other current liabilities in the consolidated balance sheet as of December 31, 2024.

In February 2022, the Compensation Committee of the Company approved and granted to certain of the Company's executive officers MYPSUs with vesting based on achievement of stock price targets, which are measured based on the 60-trading day average per share closing price of the Company's common stock on the Nasdaq Global Market during the performance periods of up to six years from the date of grant, subject to the continued service of the grantee through the vest date. The grant-date fair value of each MYPSU was determined using a Monte Carlo simulation model. The assumptions used in the Monte Carlo simulation included expected volatility of 44.4%, risk free rate of 1.83%, no expected dividend yield, expected term of six years and possible future stock prices over the performance period based on historical stock and market prices. The Company recognizes the expense related to the MYPSUs on a graded-vesting method over the requisite service period. To date, no MYPSUs have vested.

In February 2023 and March 2023, the Compensation Committee of the Company approved PRSUs for the year 2023 with performance goals based on the achievement of revenue over a one year performance period (the "PRSU 2023 Goals") and achievement of relative total stockholder return with a two year performance period (the "2023 TSR PRSU Goals"). The grant-date fair value of each PRSU with 2023 TSR PRSU Goals was determined using a Monte Carlo simulation model. The assumptions used in the Monte Carlo simulation included expected volatility of 84.0% and 83.8%, risk free rate of 4.67% and 4.05%, no expected dividend yield, and expected term of 1.9 years and 1.8 years for the awards approved in February 2023 and March 2023, respectively. The Company recognizes the expense related to the PRSUs with PRSU 2023 Goals and PRSUs with 2023 TSR PRSU Goals on a graded-vesting method over the requisite performance period. These grants are included in the PRSU awards granted in the table below.

In March 2024 and August 2024, the Compensation Committee of the Company approved PRSUs for the fiscal year 2024 with performance goals based on the achievement of relative total stockholder return with a two year and a three year performance period (the "2024 TSR PRSU Goals"). The grant-date fair value of each PRSU was determined using Monte Carlo simulation model. The assumptions used in the Monte Carlo simulation for the March 2024 awards included expected volatility of 74.7%, risk free rate of 4.5%, no expected dividend yield and expected term of 2.8 years. The assumptions used in the Monte Carlo simulation for the August 2024 awards included expected volatility ranging from 60.5% to 71.9%, risk free rate ranging from 3.9% to 4.3%, no expected dividend yield and expected term ranging from 1.4 years to 2.4 years. The Company recognizes the expense related to the 2024 TSR PRSU Goals on a graded-vesting method over the requisite performance period. These grants are included in the PRSU awards granted in the table below.

The following table summarizes the RSU, PRSU, and MYPSU awards activity for the year ended December 31, 2024:

	RSU		PRSU		MYPSU	
	Number of Shares	Grant Date Fair Value per share	Number of Shares	Grant Date Fair Value per share	Number of Shares	Grant Date Fair Value per share
<b>Unvested at December 31, 2023</b>	1,238,417	\$ 103.8	108,622	145.5	285,880	\$ 88.6
Granted	687,318	117.0	156,954	82.8	—	—
Vested	(928,570)	86.3	—	—	—	—
Forfeited	(82,013)	133.6	(55,532)	123.6	—	—
<b>Unvested at December 31, 2024</b>	915,152	\$ 128.7	210,044	\$ 104.3	285,880	\$ 88.6

The difference between the number of RSUs vested and the shares of common stock issued during the year ended December 31, 2024 and 2023 is the result of RSUs withheld in satisfaction of minimum tax withholding obligations associated with the vesting. The weighted-average grant date fair value for RSUs granted for the years ended December 31, 2024, 2023, and 2022 was \$117.0, \$120.1, and \$188.3 per share, respectively. The weighted-average grant date fair value for PRSUs granted for the years ended December 31, 2024 and 2023 was \$82.8 and \$145.5 per share, respectively. The weighted-average grant date fair value for MYPSUs granted for the year ended December 31, 2022 was \$88.6 per share. No PRSUs were granted for the year ended December 31, 2022. No MYPSUs were granted for the years ended December 31, 2024 and 2023. The total grant date fair value, as of the vesting date, of awards vested during the years ended December 31, 2024, 2023, and 2022 were \$80.2 million, \$55.6 million, and \$40.8 million, respectively.

Total stock-based compensation expense for employees recognized in the consolidated statements of operations and comprehensive income (loss) was as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
<b>Equity based awards</b>			
Cost of revenue	\$ 1,553	\$ 2,765	\$ 1,861
Research and development	34,247	30,893	23,024
Selling, general and administrative	47,632	39,111	28,177
	\$ 83,432	\$ 72,769	\$ 53,062
<b>Liability based awards - to be settled in equity</b>			
Cost of revenue	\$ 100	\$ 75	\$ 121
Research and development	3,701	2,017	2,214
Selling, general and administrative	5,401	1,892	2,018
	\$ 9,202	\$ 3,984	\$ 4,353
<b>Total stock-based compensation - equity and liability based</b>	\$ 92,634	\$ 76,753	\$ 57,415
<b>Stock-based compensation expense recorded to additional paid-in capital</b>			
Equity based awards	\$ 83,432	\$ 72,769	\$ 53,062
Liability based awards - settled in equity	4,554	3,869	4,189
Stock compensation expense capitalized to inventory	1,136	—	—
<b>Total stock-based compensation expense recorded to additional paid-in capital</b>	\$ 89,122	\$ 76,638	\$ 57,251

The following table presents the unrecognized compensation costs and related weighted average period of recognition as of December 31, 2024:

	As of December 31, 2024	
	Unrecognized Compensation Costs (in thousands)	Weighted Average Period of Recognition (in years)
RSUs	\$ 97,607	2.0
PRsUs	11,694	1.2
MYPsUs	2,686	1.0
Liability-based awards	4,429	0.3
Total unrecognized compensation costs	<u>\$ 116,416</u>	

## 9. Income Taxes

The components of income (loss) before income taxes were as follows:

	Years Ended December 31,		
	2024	2023	2022
	(in thousands)		
United States	\$ (93,691)	\$ (81,208)	\$ 22,208
Foreign	576	825	1,128
	<u>\$ (93,115)</u>	<u>\$ (80,383)</u>	<u>\$ 23,336</u>

The components of income tax expense were as follows:

	Years Ended December 31,		
	2024	2023	2022
	(in thousands)		
<b>Current Provision:</b>			
Federal	\$ —	\$ —	\$ —
State	(1)	(1)	(1)
Foreign	(485)	(151)	(81)
Total current provision	(486)	(152)	(82)
Total deferred provision	—	—	—
Total income tax provision	<u>\$ (486)</u>	<u>\$ (152)</u>	<u>\$ (82)</u>

The material components of the deferred tax assets and liabilities consisted of net operating loss carry-forwards, capitalized research and development costs, and tax credit carry-forwards.

	Years Ended December 31,		
	2024	2023	2022
	(in thousands)		
Deferred tax assets (liabilities):			
Deferred tax assets:			
Accrual, write-down and other	\$ 12,863	\$ 9,169	\$ 5,433
Acquired assets	4,623	1,650	-
Capitalized research and development	46,495	37,706	23,513
Credits	5,657	5,657	5,657
Net operating loss and credits carry forwards	58,689	54,212	49,647
Gross deferred tax assets	<u>\$ 128,327</u>	<u>\$ 108,394</u>	<u>\$ 84,250</u>
Deferred tax liabilities:			
Depreciation and amortization	\$ (2,277)	\$ (2,622)	\$ (1,576)
Gross deferred tax liabilities	<u>\$ (2,277)</u>	<u>\$ (2,622)</u>	<u>\$ (1,576)</u>
Total gross deferred tax assets (liabilities)	<u>\$ 126,050</u>	<u>\$ 105,772</u>	<u>\$ 82,674</u>
Valuation allowance	(126,050)	(105,772)	(82,674)
Total net deferred tax assets	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

The net valuation allowance increased by \$20.3 million and \$23.1 million for the year ended December 31, 2024 and 2023 respectively.

A reconciliation of the Company's effective tax rate to the statutory U.S. federal rate is as follows:

	Years Ended December 31,		
	2024	2023	2022
US Federal rate expense	21.0 %	21.0 %	21.0 %
RSU excess tax expense (benefit)	15.5	12.9	(88.6)
Section 162(m) limitation	(10.4)	—	—
Permanent differences and others	(5.0)	(7.0)	10.9
Change in valuation allowance	<u>(21.6)</u>	<u>(27.1)</u>	<u>57.0</u>
Net tax expense (benefit)	<u><u>(0.5)%</u></u>	<u><u>(0.2)%</u></u>	<u><u>0.3 %</u></u>

The reported amount of income tax expense differs from an expected amount based on statutory rates primarily due to the Company's valuation allowance.

As of December 31, 2024 and 2023, based on the available objective evidence, management believes it is more likely than not that the net deferred tax assets will not be realized. Accordingly, management has applied a full valuation allowance against its net deferred tax assets at December 31, 2024 and 2023.

At December 31, 2024 and 2023, the Company has federal net operating loss carry-forwards of approximately \$250.7 million and \$230.2 million, respectively, and state net operating loss carry-forwards of approximately \$84.5 million and \$83.7 million, respectively. At December 31, 2024 and 2023, the Company has net operating loss carryforwards for foreign income tax purposes of approximately \$2.0 million and \$1.7 million, respectively. These federal, state, and foreign net operating loss carry-forwards will expire beginning in 2028.

At December 31, 2024 and 2023, the Company also has federal research and development tax credit carry-forwards of approximately \$3.9 million and \$3.9 million, respectively, and state research and development tax credit carry-forwards of approximately \$3.6 million and \$3.6 million, respectively. The federal tax credits begin to expire in 2025, and the California tax credits carry forward indefinitely.

Utilization of the net operating loss carry-forwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended (“the Code”), and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization.

As of December 31, 2024 and 2023, the Company had \$2.5 million and \$2.3 million of total unrecognized tax benefits. The Company currently has a full valuation allowance against its net deferred tax assets which would impact the timing of the effective tax rate benefit should any of these uncertain tax positions be favorably settled in the future. If the Company is able to eventually recognize these uncertain tax positions, none of the unrecognized benefit would reduce the Company’s effective tax rate due to full valuation allowance of the Company’s deferred tax assets. The Company’s policy is to record interest and penalties related to unrecognized tax benefits as income tax expense. During the years ended December 31, 2024 and 2023, the Company had immaterial amounts related to the accrual of interest and penalties.

A reconciliation of the beginning and ending unrecognized tax benefit amount is as follows:

	December 31,	
	2024	2023
	(in thousands)	
Beginning balance	\$ 2,271	\$ 2,302
Increase (decrease) in balance related to tax position taken during prior periods	259	—
Increase (decrease) in balance related to tax position taken during the current period	(25)	(31)
Ending balance	\$ 2,505	\$ 2,271

These amounts are related to certain deferred tax assets with a corresponding valuation allowance. As of December 31, 2024, the total amount of unrecognized tax benefits, if recognized, that would affect the effective tax rate is \$0.5 million. The Company does not anticipate a material change to our unrecognized tax benefits over the next twelve months. Unrecognized tax benefits may change during the next twelve months for items that arise in the ordinary course of business.

The Company does not have any tax positions for which it is reasonably possible the total amount of gross unrecognized tax benefits will increase or decrease within 12 months of the years ended December 31, 2024 and 2023.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. Due to the Company’s net losses, its federal, state and local, and foreign tax returns since inception are subject to audit.

#### 10. 401(k) Plan

The Company has a 401(k) retirement plan for the U.S. based employees that qualifies as a defined contribution plan. All U.S. based employees are eligible to participate on the first day of the month following their hire date with the Company. Under the defined contribution plan, employees may contribute up to the lesser of 90% of their pre-tax salaries per year or the maximum contribution allowed under the Code. The Company may make discretionary matching contributions, if deferral contributions are made by the employees. The Company’s matching contributions for the years ended December 31, 2024, 2023, and 2022 resulted in expense of \$1.4 million, \$1.3 million, and \$1.3 million respectively.

In addition, other eligible employees outside of the U.S. receive retirement benefits under various statutory plans. Expenses under the Company's statutory plans were not material for any of the periods presented.

#### 11. Segment Information and Operations by Geographic Area

The Company operates in one reportable segment related to the design, development, and sale of silicon timing systems solutions. The chief operating decision maker for the Company is the Chief Executive Officer (the "CEO"). The Company’s CEO reviews operating results on an aggregate basis and manages the Company’s operations as a whole for the purpose of evaluating financial performance and allocating resources. Accordingly, the Company has determined that it has a single reportable and operating segment structure.

The CEO uses aggregate net income to allocate resources (including employees, financial, or capital resources) in the annual budgeting and forecasting process and uses that measure as a basis for evaluating financial performance quarterly by comparing the actuals with historical budgets.

The accounting policies of the Company's single segment are the same as those described in the summary of significant accounting policies within Note 1 of this Annual Report on Form 10-K. The CEO assesses performance for the Company and decides how to allocate resources based on net income that is also reported on the consolidated income statement as net income (loss). The measure of segment assets is reported on the consolidated balance sheets as total assets.

The table below provides information about the Company's revenue, significant segment expenses and other segment expenses.

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Revenue	\$ 202,697	\$ 143,993	\$ 283,605
Less:			
Product costs	61,626	42,612	76,633
Depreciation	8,474	6,718	5,634
Amortization	12,103	681	347
Other manufacturing overheads	16,000	11,894	18,029
Gross profit	104,494	82,088	182,962
Less:			
Acquisition related costs	10,722	7,728	—
Interest income	(22,883)	(26,958)	(7,291)
Other segment items <sup>(a)</sup>	210,256	181,853	166,999
Net income	\$ (93,601)	\$ (80,535)	\$ 23,254

<sup>(a)</sup>Other segment items include research and development expenses and selling, general and administrative expenses, primarily in the nature of nonmanufacturing employee expenses including salaries and stock-based compensation, consulting expenses, travel expenses, certain overhead expenses, and taxes.

Revenue by geographic area is presented based upon the ship-to location of the original equipment manufacturers, the contract manufacturers, or the distributors who purchased the Company's products. For sales to the distributors, their geographic location may be different from the geographic locations of the ultimate end customers. The following table sets forth revenue by country for countries with 10% or more of the Company's revenue during any of the periods presented:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Taiwan	\$ 64,836	\$ 43,954	\$ 101,849
Hong Kong	64,441	31,987	59,209
United States	15,853	19,976	33,470
Singapore	16,643	16,466	22,439
Other	40,924	31,610	66,638
Total	\$ 202,697	\$ 143,993	\$ 283,605

The following table sets forth the Company's total property and equipment attributable to operations by country for countries with 10% or more of the Company's net property and equipment as of the periods presented:

	As of	
	December 31, 2024	December 31, 2023
	(in thousands)	
United States	\$ 32,200	\$ 22,540
Taiwan	24,294	6,520
Malaysia	16,231	14,471
Other	9,750	11,154
Total	<u>\$ 82,475</u>	<u>\$ 54,685</u>

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

*Evaluation of Disclosure Controls and Procedures.*

We maintain “disclosure controls and procedures,” as such term is defined in Rules 13a-15 (e) and 15d – 15(e) under the Exchange Act, that are designed to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), as appropriate, to allow for timely decisions regarding required disclosure.

Based on their evaluation as of the end of the period covered by this Annual Report on Form 10-K, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2024 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report and is incorporated herein by reference.

*Remediation of Prior Material Weakness*

As initially disclosed in our Annual Report on Form 10-K filed with the SEC on February 26, 2024, management previously identified a material weakness in its internal control over financial reporting due to a deficiency in the review control over the classification of cash flows from investments within the statements of cash flows in accordance with applicable accounting guidance for the periods ended March 31, 2023, June 30, 2023, and September 30, 2023. Management has since completed implementation of all the remedial measures outlined in its remediation plan as well as testing of the applicable remediated controls.

*Management’s Annual Report on Internal Control over Financial Reporting; Attestation Report of the Registered Public Accounting Firm.*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2024 based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. Based on our evaluation under the criteria set forth in Internal Control - Integrated Framework (2013) issued by the COSO, our management concluded our internal control over financial reporting was effective as of December 31, 2024.

*Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of SiTime Corporation

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of SiTime Corporation and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 14, 2025, expressed an unqualified opinion on those financial statements.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP  
San Jose, California  
February 14, 2025

**Item 9B. Other Information.***Trading Arrangements*

During the Company's last fiscal quarter, the Company's following officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" (as defined in Item 408(a) of Regulation S-K of the Exchange Act) set forth in the table below, each of which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c):

<b>Name of the Director or Officer</b>	<b>Designation of Director or Officer</b>	<b>Action</b>	<b>Adoption/Termination Date</b>	<b>Rule 10b5-1</b>	<b>Expiration Date <sup>(1)</sup></b>	<b>Number of securities to be sold</b>
Rajesh Vashist	Chief Executive Officer	Adoption	November 19, 2024	X	January 30, 2026	54,000
Elizabeth Howe	Chief Financial Officer	Adoption	December 9, 2024	X	February 26, 2026	12,500
Samsheer Ahmad	Senior Vice President, Finance and Chief Accounting Officer	Adoption	December 11, 2024	X	December 31, 2025	16,000

<sup>(1)</sup> Each officer's trading arrangement terminates on the earliest of: (i) date stated above (ii) the first date on which all trades set forth in the trading arrangement have been executed, or (iii) such date the trading arrangement is otherwise terminated according to its terms.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not applicable.

### PART III

#### **Item 10. Directors, Executive Officers and Corporate Governance.**

The information required by this item will be set forth under the captions “Election of Directors – Directors and Nominees” and “Election of Directors – Executive Officers, Directors and Director Nominees” in our definitive proxy statement to be filed with the SEC, in connection with our 2025 annual meeting of stockholders (the “Proxy Statement”), which is expected to be filed not later than 120 days after the end of our fiscal year ended December 31, 2024, and is incorporated in this report by reference.

Information regarding Section 16(a) beneficial reporting compliance, if any, will be set forth under the section entitled “Delinquent Section 16(a) Reports” in the Proxy Statement and is incorporated herein by reference.

We have adopted a Code of Business Conduct and Ethics that applies to all of our officers and employees, including our chief executive officer, chief financial officer, corporate controller, and other employees who perform financial or accounting functions. The Code of Business Conduct and Ethics sets forth the basic principles that guide the business conduct of our employees and is available on our website at [www.sitime.com](http://www.sitime.com). We have also adopted a Code of Ethics for Senior Financial Officers that specifically applies to our chief executive officer (our principal executive officer), chief financial officer (our principal financial officer), and chief accounting officer (our principal accounting officer). Stockholders may request a free copy of our Code of Ethics for Senior Financial Officers by contacting us at SiTime Corporation, Attention: Investor Relations, 5451 Patrick Henry Drive, Santa Clara, California 95054.

To date, there have been no waivers under our Code of Business Conduct and Ethics or Code of Ethics for Senior Financial Officers. We will disclose on our website amendments to, or waivers from, our Code of Business Conduct and Ethics, in accordance with applicable laws and regulations.

The information concerning our Audit Committee and Audit Committee financial expert is incorporated by reference herein to the information set forth under the caption “Corporate Governance – Board Committee – Audit Committee” in our Proxy Statement.

Information regarding procedures by which stockholders may recommend nominees to our board of directors is set forth under the caption “Corporate Governance - Director Nominations” in the Proxy Statement.

#### **Item 11. Executive Compensation.**

The information required by this item will be set forth under the captions “Executive Compensation,” “Non-Employee Director Compensation,” “Corporate Governance,” “Compensation Committee Interlocks and Insider Participation,” and “Compensation Committee Report” in the Proxy Statement and is incorporated herein by reference.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information required by this item will be set forth under the caption “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information,” in the Proxy Statement and is incorporated herein by reference.

##### Equity Compensation Plan Information

The following table summarizes our equity compensation plan information as of December 31, 2024. Information is included for equity compensation plans approved by our stockholders as well as our 2022 Amended and Restated Inducement Award Plan (the “Inducement Plan”) adopted by our compensation committee without approval of our stockholders. The Inducement Plan provides for the grant of equity or equity-based awards in the form of non-qualified stock options, restricted stock units, and other stock-based awards. The Inducement Plan’s terms are substantially similar to the terms of SiTime’s 2019 Stock Incentive Plan, with the addition of certain terms and conditions intended to comply with the Nasdaq inducement award exception. Awards under the Inducement Plan may be granted only to employees who satisfy the standards for inducement grants under Rule 5635(c)(4) of the Nasdaq Listing Rules, and only when the award is

an inducement material to such individual’s entering into employment with us, our subsidiaries or our affiliates within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights <sup>(1)</sup>	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the first Column)
Equity compensation plans approved by stockholders <sup>(1)</sup>	1,143,262	\$ —	1,760,273
Equity compensation plans not approved by stockholders <sup>(2)</sup>	267,814	-	118,418
Total	1,411,076	\$ -	1,878,691

(1) Consists solely of our 2019 Stock Incentive Plan (the “2019 Stock Plan”). The 2019 Stock Plan contains an “evergreen” provision, pursuant to which the number of shares of common stock reserved for issuance pursuant to awards under such plan shall be increased on the first day of each year beginning in 2020, equal to the lesser of (i) 3% of the number of shares of common stock outstanding on the last day of the immediately preceding year, or (ii) if our Board acts prior to the first day of the year, such lesser amount that our Board determines for purposes of the annual increase of the year such number as determined by the plan administrator. As of January 1, 2025, the 2019 Stock Plan was increased by 707,933 shares pursuant to such evergreen provision. We have only granted RSUs from the 2019 Stock Plan, which have no exercise price.

(2) Consists solely of our Inducement Plan. We have only granted RSUs from the Inducement Plan, which have no exercise price.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information required by this item will be set forth under the captions “Certain Relationships and Related Person Transactions” and “Corporate Governance — Director Independence” in the Proxy Statement and is incorporated herein by reference.

**Item 14. Principal Accounting Fees and Services.**

The information required by this item will be set forth under the caption “Ratification of the Appointment of Independent Registered Public Accountants — Principal Accounting Fees and Services” in the Proxy and is incorporated herein by reference.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

(a) The following documents are filed as a part of this Annual Report on Form 10-K:

1. Financial Statements:

<a href="#">Consolidated Balance Sheets as of December 31, 2024 and 2023</a>	59
<a href="#">Consolidated Statements of Operations and Comprehensive Income (Loss) for the years ended December 31, 2024, 2023, and 2022</a>	60
<a href="#">Consolidated Statements of Stockholders' Equity for the years ended December 31, 2024, 2023, and 2022</a>	61
<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023, and 2022</a>	62
<a href="#">Notes to Consolidated Financial Statements</a>	64

2. Financial Statement Schedule (Valuation and Qualifying Accounts) for the years ended December 31, 2024, 2023, and 2022:

<a href="#">Schedule II—Valuation and Qualifying Accounts</a>	96
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3. Exhibits:

The documents listed below are filed (or furnished, as noted) as exhibits to this Annual Report on Form 10-K:

**Exhibit Index**

Exhibit Number	Exhibit Description	Incorporation by Reference				
		Form	File Number	Exhibit/Appendix Reference	Filing Date	Filed Herewith
3.1	<a href="#">Restated Certificate of Incorporation of SiTime Corporation</a>	8-K	001-39135	3.1	11/26/2019	
3.2	<a href="#">Amended and Restated Bylaws of the Company</a>	8-K	001-39135	3.2	6/29/2021	
4.1	<a href="#">Form of Common Stock Certificate of the Company</a>	S-1	333-234305	4.1	10/23/2019	
4.2	<a href="#">Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934</a>	10-K	001-39135	4.2	2/16/2021	
10.1+	<a href="#">Form of Indemnification Agreement between the Company and its directors and officers</a>	10-K	001-39135	10.1	2/16/2021	
10.2+	<a href="#">2019 Stock Incentive Plan and Forms of Stock Option Agreement, Notice of Exercise, Stock Option Grant Notice, Restricted Stock Unit Agreement, and Restricted Stock Agreement thereunder</a>	S-1	333-234305	10.2	10/23/2019	
10.3+	<a href="#">New Terms of Employment, dated October 21, 2014, between Rajesh Vashist and the Company</a>	S-1	333-234305	10.3	10/23/2019	
10.4+	<a href="#">Amendment to Terms of Employment Letter, dated June 14, 2016, between Rajesh Vashist and the Company</a>	S-1	333-234305	10.4	10/23/2019	
10.5+	<a href="#">Offer of Employment, dated September 24, 2019, between Arthur D. Chadwick and the Company</a>	S-1	333-234305	10.5	10/23/2019	
10.6+	<a href="#">Offer of Employment, dated January 27, 2018, between Lionel Bonnot and the Company</a>	S-1	333-234305	10.6	10/23/2019	
10.7+	<a href="#">New Terms of Employment, dated October 20, 2014, between Piyush B. Sevalia and the Company</a>	S-1	333-234305	10.7	10/23/2019	
10.8+	<a href="#">Change of Control and Severance Agreement, between the Company and Rajesh Vashist</a>	S-1	333-234305	10.8	10/23/2019	
10.9+	<a href="#">Form of Change of Control and Severance Agreement, between the Company and its Executives</a>	S-1	333-234305	10.9	10/23/2019	

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10.12	<a href="#">Integration and Purchase Agreement, dated March 15, 2019, between the Company and MegaChips Corporation</a>	S-1	333-234305	10.16	10/23/2019
10.13	<a href="#">Lease, dated April 15, 2016, between the Company and Batton Associates, LLC</a>	S-1	333-234305	10.17	10/23/2019
10.14*	<a href="#">License Agreement, dated August 1, 2018, between the Company and Robert Bosch LLC</a>	S-1	333-234305	10.18	10/23/2019
10.15*	<a href="#">Amended and Restated Manufacturing Agreement, dated February 23, 2017, between the Company and Robert Bosch LLC</a>	S-1	333-234305	10.19	10/23/2019
10.16*	<a href="#">Amendment No. 1 to Amended and Restated Manufacturing Agreement, dated August 1, 2018, between the Company and Robert Bosch LLC</a>	S-1	333-234305	10.20	10/23/2019
10.18*	<a href="#">Asset purchase agreement dated February 20, 2020, by and among MegaChips Taiwan Corporation and SiTime Corporation</a>	10-Q	001-39135	10.2	5/7/2020
10.19+	<a href="#">Offer of Employment, dated June 5, 2020, between Vincent P. Pangrazio and SiTime Corporation</a>	8-K	001-39135	10.1	6/9/2020
10.20+	<a href="#">Executive Bonus and Retention Plan</a>	10-Q	001-39135	10.2	8/6/2020
10.21*	<a href="#">Asset Purchase Agreement dated August 4, 2020, by and among MegaChips Corporation and SiTime Corporation</a>	10-Q	001-39135	10.3	8/6/2020
10.22+	<a href="#">Offer of Employment dated November 16, 2020, between Fari Assaderaghi and SiTime Corporation</a>	10-K	001-39135	10.22	2/16/2021
10.23+	<a href="#">Independent Director Compensation Policy</a>	10-Q	001-39135	10.2	5/4/2023
10.24+	<a href="#">Letter Agreement dated April 1, 2021 between Christine Heckart and SiTime Corporation</a>	8-K	001-39135	10.1	4/5/2021
10.25+	<a href="#">Offer of Employment dated October 31, 2023, between Elizabeth Howe and SiTime Corporation</a>	10-K	001-39135	10.25	2/26/2024
10.26+	<a href="#">Retirement Agreement dated October 30, 2023, between Arthur Chadwick and SiTime Corporation</a>	10-K	001-39135	10.26	2/26/2024
10.27	<a href="#">First Amendment to Lease, dated January 7, 2021, between Batton Associates, LLC and SiTime Corporation</a>	10-Q	001-39135	10.1	11/4/2021

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10.28+	<a href="#">Letter Agreement, dated October 18, 2021, between Rajesh Vashist and SiTime Corporation</a>	10-K	001-39135	10.28	2/25/2022	
10.29+	<a href="#">Amendment to Letter Agreement dated October 11, 2022, between Rajesh Vashist and SiTime Corporation</a>	10-K	001-39145	10.29	2/27/2023	
10.30+	<a href="#">Second Amendment to Letter Agreement dated October 11, 2022, between Rajesh Vashist and SiTime Corporation</a>	10-K	001-39135	10.30	2/26/2024	
10.31+	<a href="#">SiTime Corporation Amended and Restated 2022 Inducement Award Plan and Form of Restricted Stock Unit Agreement</a>					X
10.32	<a href="#">Sales Agreement dated February 27, 2024 between SiTime Corporation and Stifel, Nicolaus &amp; Company, Incorporated</a>	8-K	001-39135	1.1	2/27/2024	
10.33	<a href="#">Master Framework Agreement, dated as of October 30, 2023, by and between SiTime Corporation, Ningbo Aura Semiconductor Co., Ltd., Aura Semiconductor Pvt. Ltd., Shaoxing Yuanfang Semiconductor Co Ltd., Aura Semiconductor Limited, and Aim Core Holdings Limited.</a>	8-K	001-39135	10.1	11/1/2023	
10.34+	<a href="#">Offer of Employment dated April 21, 2015 between SiTime Corporation and Samsheer Ahmad</a>	10-K	001-39135	10.34	2/26/2024	
19.1	<a href="#">Insider Trading and Communications Policy</a>					X
21.1	<a href="#">Subsidiaries of the Company</a>					X
23.1	<a href="#">Consent of Deloitte &amp; Touche LLP., Independent Registered Public Accounting Firm</a>					X
23.2	<a href="#">Consent of BDO USA, P.C., Independent Registered Public Accounting Firm</a>					X
24.1	<a href="#">Power of Attorney (see signature page hereto)</a>					X
31.1	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					X
31.2	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					X

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32.1#	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>						X
32.2#	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>						X
97.1	<a href="#">Incentive Compensation Recoupment Policy</a>	10-K	001-39135	97.1	2/26/2024		
101.INS	XBRL Instance Document						X
101.SCH	XBRL Taxonomy Extension Schema Document						X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document						X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document						X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document						X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document						X

All references in the table above to previously filed documents or descriptions are incorporating those documents and descriptions by reference thereto. All references to documents filed as exhibits to periodic reports are to periodic reports of SiTime Corporation, SEC File No. 001-39135.

+ Indicates a management contract or compensatory plan.

\* Portions of this exhibit have been omitted in accordance with Item 601 of Regulation S-K.

# In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-K and will not be deemed “filed” for purposes of Section 18 of the Exchange Act or deemed to be incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933 except to the extent that the Company specifically incorporates it by reference.

**Item 16. Form 10-K Summary.**

None

**SCHEDULE II**  
**VALUATION AND QUALIFYING ACCOUNTS**

	Valuation and Qualifying Accounts			
	Balance at Beginning of Period	Additions Charged to Expenses or Other Accounts	Deductions Credited to Expenses or Other Accounts	Balance at End of Period
	(in thousands)			
<b>Allowance for credit losses</b>				
Year Ended December 31, 2024	\$ 50	\$ —	\$ —	\$ 50
Year Ended December 31, 2023	\$ 50	\$ —	\$ —	\$ 50
Year Ended December 31, 2022	\$ 50	\$ —	\$ —	\$ 50
<b>Deferred tax valuation allowance</b>				
Year Ended December 31, 2024	\$ 105,772	\$ 20,278	\$ —	\$ 126,050
Year Ended December 31, 2023	\$ 82,674	\$ 23,098	\$ —	\$ 105,772
Year Ended December 31, 2022	\$ 69,314	\$ 13,360	\$ —	\$ 82,674

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SiTime Corporation

Date: February 14, 2025

By: \_\_\_\_\_ /s/ Elizabeth A. Howe  
**Elizabeth A. Howe**

**Executive Vice President, Chief Financial Officer**

**POWER OF ATTORNEY**

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Rajesh Vashist and Elizabeth A. Howe, and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place, or stead, in any and all capacities, to sign any and all amendments to this Report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

<b>Name</b>	<b>Title</b>	<b>Date</b>
<u>/s/ Rajesh Vashist</u> <b>Rajesh Vashist</b>	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	February 14, 2025
<u>/s/ Elizabeth A. Howe</u> <b>Elizabeth A. Howe</b>	Executive Vice President, Chief Financial Officer <i>(Principal Financial Officer)</i>	February 14, 2025
<u>/s/ Samsheer Ahmad</u> <b>Samsheer Ahmad</b>	Senior Vice President, Finance and Chief Accounting Officer <i>(Principal Accounting Officer)</i>	February 14, 2025
<u>/s/ Raman K. Chitkara</u> <b>Raman K. Chitkara</b>	Director	February 14, 2025
<u>/s/ Edward H. Frank</u> <b>Edward H. Frank</b>	Director	February 14, 2025
<u>/s/ Torsten G. Kreindl</u> <b>Torsten G. Kreindl</b>	Director	February 14, 2025
<u>/s/ Katherine E. Schuelke</u> <b>Katherine E. Schuelke</b>	Director	February 14, 2025
<u>/s/ Akira Takata</u> <b>Akira Takata</b>	Director	February 14, 2025
<u>/s/ Christine Heckart</u> <b>Christine Heckart</b>	Director	February 14, 2025
<u>/s/ Tom D. Yiu</u> <b>Tom D. Yiu</b>	Director	February 14, 2025

**SITIME CORPORATION**  
**AMENDED AND RESTATED 2022 INDUCEMENT AWARD PLAN**  
(Adopted by the Compensation Committee on February 23, 2022)  
(Effective as of February 23, 2022)  
  
(Amended and Restated on February 10, 2025)

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## SITIME CORPORATION

## AMENDED AND RESTATED 2022 INDUCEMENT AWARD PLAN

**Section 1. ESTABLISHMENT AND PURPOSE.**

The Plan was adopted by the Committee on February 23, 2022 and became effective on such date (the “Effective Date”). The Plan was amended and restated on February 21, 2023 and February 10, 2025. The Plan’s purpose is to provide an inducement material for eligible award recipients to enter into employment with the Company, a Parent, a Subsidiary or an Affiliate within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules and to enhance the Company’s ability to attract, retain and motivate such persons by providing these individuals with equity ownership and other incentive opportunities.

**Section 2. DEFINITIONS.**

- (a) “Affiliate” means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.
- (b) “Award” means any award of an Option, a SAR, a Restricted Share, a Stock Unit or a Cash-Based Award under the Plan.
- (c) “Award Agreement” means the agreement between the Company and the recipient of an Award which contains the terms, conditions and restrictions pertaining to such Award.
- (d) “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.
- (e) “Cash-Based Award” means an Award that entitles the Participant to receive a cash-denominated payment.
- (f) “Change in Control” means the occurrence of any of the following events:
  - (i) A change in the composition of the Board of Directors occurs, as a result of which fewer than one-half of the incumbent directors are directors who either:
    - (A) Had been directors of the Company on the “look-back date” (as defined below) (the “original directors”); or
    - (B) Were elected, or nominated for election, to the Board of Directors with the affirmative votes of at least a majority of the aggregate of the original directors who were still in office at the time of the election or nomination and the directors whose election or

nomination was previously so approved (the “continuing directors”);

provided, however, that for this purpose, the “original directors” and “continuing directors” shall not include any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board;

- (ii) Any “person” (as defined below) who by the acquisition or aggregation of securities, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors (the “Base Capital Stock”); except that any change in the relative beneficial ownership of the Company’s securities by any person resulting solely from a reduction in the aggregate number of outstanding shares of Base Capital Stock, and any decrease thereafter in such person’s ownership of securities, shall be disregarded until such person increases in any manner, directly or indirectly, such person’s beneficial ownership of any securities of the Company;
- (iii) The consummation of a merger or consolidation of the Company or a Subsidiary of the Company with or into another entity or any other corporate reorganization, if persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization 50% or more of the voting power of the outstanding securities of each of (A) the Company (or its successor) and (B) any direct or indirect parent corporation of the Company (or its successor); or
- (iv) The sale, transfer or other disposition of all or substantially all of the Company’s assets.

For purposes of subsection (f)(i) above, the term “look-back date” means the later of (1) the Effective Date and (2) the date that is 24 months prior to the date of the event that may constitute a Change in Control.

For purposes of subsection (f)(ii) above, the term “person” shall have the same meaning as when used in Sections 13(d) and 14(d) of the Exchange Act, but shall exclude (1) a trustee or other fiduciary holding securities under an employee benefit plan maintained by the Company or

a Parent or Subsidiary and (2) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the Stock.

Any other provision of this Section 2(f) notwithstanding, a transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction, and a Change in Control shall not be deemed to occur if the Company files a registration statement with the United States Securities and Exchange Commission in connection with an initial or secondary public offering of securities or debt of the Company to the public.

(g) "Code" means the United States Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

(h) "Committee" means the Compensation Committee as designated by the Board of Directors, which is authorized to administer the Plan, as described in Section 3 hereof.

(i) "Company" means SiTime Corporation, a Delaware corporation.

(j) "Consultant" means an individual who is a consultant or advisor and who provides bona fide services to the Company, a Parent, a Subsidiary or an Affiliate as an independent contractor (not including service as a member of the Board of Directors) or a member of the board of directors of a Parent or a Subsidiary, in each case who is not an Employee. Consultants are not eligible to receive Awards with respect to their service in such capacity.

(k) "Disability" means any permanent and total disability as defined by Section 22(e)(3) of the Code.

(l) "Employee" means any individual who is a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.

(m) "Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(n) "Exercise Price" means, in the case of an Option, the amount for which one Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement. "Exercise Price" means, in the case of a SAR, an amount, as specified in the applicable SAR Award Agreement, which is subtracted from the Fair Market Value of one Share in determining the amount payable upon exercise of such SAR.

(o) "Fair Market Value" with respect to a Share, means the market price of one Share, determined by the Committee as follows:

- (i) If the Stock was traded over-the-counter on the date in question, then the Fair Market Value shall be equal to the last transaction price quoted for such date by the OTC Bulletin Board or, if not so quoted, shall be equal to the mean between the last reported representative bid and asked prices quoted for such date by the principal automated inter-dealer quotation system on which the Stock is quoted or, if the Stock is not quoted on any such system, by the Pink Quote system;
- (ii) If the Stock was traded on any established stock exchange (such as the New York Stock Exchange, The Nasdaq Global Market or The Nasdaq Global Select Market) or national market system on the date in question, then the Fair Market Value shall be equal to the closing price reported for such date by the applicable exchange or system;  
or
- (iii) If none of the foregoing provisions is applicable, then the Fair Market Value shall be determined by the Committee in good faith on such basis as it deems appropriate.

In all cases, the determination of Fair Market Value by the Committee shall be conclusive and binding on all persons.

- (p) “Nonstatutory Option” means a stock option that is not an incentive stock option described in Section 422 of the Code.
- (q) “Option” means a Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.
- (r) “Outside Director” means a member of the Board of Directors who is not a common-law employee of, or paid consultant to, the Company, a Parent or a Subsidiary. Outside Directors are not eligible to receive Awards with respect to their service in such capacity.
- (s) “Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be a Parent commencing as of such date.
- (t) “Participant” means a person who holds an Award.
- (u) “Plan” means this SiTime Corporation Amended and Restated 2022 Inducement Award Plan, as amended from time to time.
- (v) “Purchase Price” means the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Committee.

- (w) “Restricted Share” means a Share awarded under the Plan.
- (x) “SAR” means a stock appreciation right granted under the Plan.
- (y) “Section 409A” means Section 409A of the Code.
- (z) “Securities Act” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.
- (aa) “Service” means service as an Employee, Consultant or Outside Director, subject to such further limitations as may be set forth in the Plan or the applicable Award Agreement. Service does not terminate when an Employee goes on a bona fide leave of absence, that was approved by the Company in writing, if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by applicable law. Service terminates in any event when the approved leave ends, unless such Employee immediately returns to active work. The Company determines which leaves of absence count toward Service, and when Service terminates for all purposes under the Plan.
- (ab) “Share” means one share of Stock, as adjusted in accordance with Section 12 (if applicable).
- (ac) “Stock” means the Common Stock, par value \$0.0001 per share, of the Company.
- (ad) “Stock Unit” means a bookkeeping entry representing the Company’s obligation under the Plan to deliver one Share (or distribute cash) on a future date in accordance with the provisions of a Stock Unit Award Agreement.
- (ae) “Subsidiary” means any corporation, if the Company and/or one or more other Subsidiaries own not less than 50% of the total combined voting power of all classes of outstanding stock of such corporation. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

**Section 3. ADMINISTRATION.**

- (a) *Committee Composition.* The Plan shall be administered by a Committee appointed by the Board, or by the Board acting as the Committee. The Committee shall consist of two or more directors of the Company. In addition, to the extent required by the Board, the composition of the Committee shall satisfy such requirements as the Securities and Exchange Commission may establish for administrators acting under plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act.
- (b) *Committee Procedures.* The Board of Directors shall designate one of the members of the Committee as chairman. The Committee may hold meetings at such times and places as it shall determine. The acts of a majority of the Committee members present at

meetings at which a quorum exists, or acts reduced to or approved in writing (including via email) by all Committee members, shall be valid acts of the Committee.

(c) *Committee Responsibilities.* Subject to the provisions of the Plan, the Committee shall have full authority and discretion to take the following actions:

- (i) To interpret the Plan and to apply its provisions;
- (ii) To adopt, amend or rescind rules, procedures and forms relating to the Plan;
- (iii) To adopt, amend or terminate sub-plans established for the purpose of satisfying applicable foreign laws including qualifying for preferred tax treatment under applicable foreign tax laws;
- (iv) To authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;
- (v) To determine when Awards are to be granted under the Plan;
- (vi) To select the Participants to whom Awards are to be granted;
- (vii) To determine the type of Award and number of Shares or amount of cash to be made subject to each Award;
- (viii) To prescribe the terms and conditions of each Award, including (without limitation) the Exercise Price and Purchase Price, and the vesting or duration of the Award (including accelerating the vesting of Awards, either at the time of the Award or thereafter, without the consent of the Participant), and to specify the provisions of the agreement relating to such Award;
- (ix) To amend any outstanding Award Agreement, subject to applicable legal restrictions and listing requirements and to the consent of the Participant if the Participant's rights or obligations would be materially impaired;
- (x) To prescribe the consideration for the grant of each Award or other right under the Plan and to determine the sufficiency of such consideration;
- (xi) To determine the disposition of each Award or other right under the Plan in the event of a Participant's divorce or dissolution of marriage;
- (xii) To determine whether Awards under the Plan will be granted in replacement of other grants under an incentive or other compensation plan of an acquired business;

- (xiii) To correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award Agreement;
- (xiv) To establish or verify the extent of satisfaction of any performance goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award; and
- (xv) To take any other actions deemed necessary or advisable for the administration of the Plan.

Notwithstanding anything in the Plan to the contrary, the grant of Awards must be approved by the Company's independent compensation committee or a majority of the Company's independent directors (as defined in Rule 5605(a)(2) of the Nasdaq Listing Rules) in order to comply with the exemption from the stockholder approval requirement for "inducement grants" provided under Rule 5635(c)(4) of the Nasdaq Listing Rules.

All decisions, interpretations and other actions of the Committee shall be final and binding on all Participants and all persons deriving their rights from a Participant. No member of the Committee shall be liable for any action that he has taken or has failed to take in good faith with respect to the Plan or any Award under the Plan.

#### **Section 4. ELIGIBILITY.**

Awards may only be granted to Employees who satisfy the standards for inducement grants under Rule 5635(c)(4) of the Nasdaq Listing Rules, where the Award is an inducement material to the individual's entering into employment with the Company, a Parent, a Subsidiary or an Affiliate within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules. For clarity, Awards may not be granted to (i) Consultants or Outside Directors, for service in such capacities, or (ii) any individual who was previously an Employee or Outside Director, other than following a bona fide period of non-employment.

#### **Section 5. STOCK SUBJECT TO PLAN.**

(a) *Basic Limitation.* Shares offered under the Plan shall be authorized but unissued Shares or treasury Shares. The aggregate number of Shares authorized for issuance as Awards under the Plan shall not exceed 625,000 Shares, subject to adjustment pursuant to Section 12. The number of Shares that are subject to Awards outstanding at any time under the Plan shall not exceed the number of Shares which then remain available for issuance under the Plan. The Company shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan.

(b) *Additional Shares.* If Restricted Shares or Shares issued upon the exercise of Options are forfeited, then such Shares shall again become available for Awards under the Plan. If Stock Units, Options or SARs are forfeited or terminate for any reason before being exercised

or settled, or an Award is settled in cash without the delivery of Shares to the holder, then any Shares subject to the Award shall again become available for Awards under the Plan. Only the number of Shares (if any) actually issued in settlement of Awards (and not forfeited) shall reduce the number available in Section 5(a) and the balance shall again become available for Awards under the Plan. Any Shares withheld to satisfy the grant price or Exercise Price or tax withholding obligation pursuant to any Award shall again become available for Awards under the Plan. Notwithstanding the foregoing provisions of this Section 5(b), Shares that have actually been issued shall not again become available for Awards under the Plan, except for Shares that are forfeited and do not become vested.

(c) *Substitution and Assumption of Awards.* The Committee may make Awards under the Plan by assumption, substitution or replacement of stock options, stock appreciation rights, stock units or similar awards granted by another entity (including a Parent or Subsidiary), if such assumption, substitution or replacement is in connection with an asset acquisition, stock acquisition, merger, consolidation or similar transaction involving the Company (and/or its Parent or Subsidiary) and such other entity (and/or its affiliate). The terms of such assumed, substituted or replaced Awards shall be as the Committee, in its discretion, determines is appropriate, notwithstanding limitations on Awards in the Plan. Any such substitute or assumed Awards shall not count against the Share limitation set forth in Section 5(a) (nor shall Shares subject to such Awards be added to the Shares available for Awards under the Plan as provided in Section 5(b) above).

## **Section 6. RESTRICTED SHARES.**

(a) *Restricted Share Award Agreement.* Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Share Award Agreement between the Participant and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Share Award Agreements entered into under the Plan need not be identical.

(b) *Payment for Awards.* Restricted Shares may be sold or awarded under the Plan for such consideration as the Committee may determine, including (without limitation) cash, cash equivalents, full-recourse promissory notes and future services.

(c) *Vesting.* Each Award of Restricted Shares may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Share Award Agreement. A Restricted Share Award Agreement may provide for accelerated vesting in the event of the Participant's death, Disability or retirement or other events. The Committee may determine, at the time of granting Restricted Shares or thereafter, that all or part of such Restricted Shares shall become vested in the event that a Change in Control occurs with respect to the Company.

(d) *Voting and Dividend Rights.* The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders.

A Restricted Share Award Agreement, however, may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid.

(e) *Restrictions on Transfer of Shares.* Restricted Shares shall be subject to such rights of repurchase, rights of first refusal or other restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Restricted Share Award Agreement and shall apply in addition to any general restrictions that may apply to all holders of Shares.

#### **Section 7. TERMS AND CONDITIONS OF OPTIONS.**

(a) *Stock Option Award Agreement.* Each grant of an Option under the Plan shall be evidenced by a Stock Option Award Agreement between the Participant and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Option Award Agreement. The provisions of the various Stock Option Award Agreements entered into under the Plan need not be identical.

(b) *Number of Shares.* Each Stock Option Award Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 12.

(c) *Exercise Price.* Each Stock Option Award Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant. Notwithstanding the foregoing, Options may be granted with an Exercise Price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 409A. Subject to the foregoing in this Section 7(c), the Exercise Price under any Option shall be determined by the Committee in its sole discretion. The Exercise Price shall be payable in one of the forms described in Section 8.

(d) *Withholding Taxes.* As a condition to the exercise of an Option, the Participant shall make such arrangements as the Committee may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such exercise. The Participant shall also make such arrangements as the Committee may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option.

(e) *Exercisability and Term.* Each Stock Option Award Agreement shall specify the date when all or any installment of the Option is to become exercisable. The Stock Option Award Agreement shall also specify the term of the Option, which shall in no event exceed 10 years from the date of grant. A Stock Option Award Agreement may provide for accelerated

exercisability in the event of the Participant's death, Disability, or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Participant's Service. Options may be awarded in combination with SARs, and such an Award may provide that the Options will not be exercisable unless the related SARs are forfeited. Subject to the foregoing in this Section 7(e), the Committee in its sole discretion shall determine when all or any installment of an Option is to become exercisable and when an Option is to expire.

(f) *Exercise of Options.* Each Stock Option Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's Service with the Company and its Subsidiaries, and the right to exercise the Option of any executors or administrators of the Participant's estate or any person who has acquired such Option(s) directly from the Participant by bequest or inheritance. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

(g) *Effect of Change in Control.* The Committee may determine, at the time of granting an Option or thereafter, that such Option shall become exercisable as to all or part of the Shares subject to such Option in the event that a Change in Control occurs with respect to the Company.

(h) *No Rights as a Stockholder.* A Participant shall have no rights as a stockholder with respect to any Shares covered by his Option until the date of the issuance of a stock certificate for such Shares. No adjustments shall be made, except as provided in Section 12.

(i) *Modification, Extension and Renewal of Options.* Within the limitations of the Plan, applicable law and listing requirements, the Committee may modify, extend or renew outstanding Options without stockholder approval. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Participant, materially impair his or her rights or obligations under such Option.

(j) *Repricing of Options.* Within the limitations of the Plan, applicable law and listing requirements, the Committee may effect, at any time and from time to time, with the consent of any adversely affected Participant, (i) the reduction of the Exercise Price of any outstanding Option under the Plan or (ii) any other action that is treated as a repricing under generally accepted accounting principles, in each case without stockholder approval; *provided, however,* that no such reduction or action may be effected if it is determined, in the Company's sole discretion, that such reduction or action would result in any such outstanding Option becoming subject to the requirements of Section 409A.

(k) *Restrictions on Transfer of Shares.* Any Shares issued upon exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions shall be set

forth in the applicable Stock Option Award Agreement and shall apply in addition to any general restrictions that may apply to all holders of Shares.

(l) *Buyout Provisions.* The Committee may at any time (i) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (ii) authorize a Participant to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

**Section 8. PAYMENT FOR SHARES.**

(a) *General Rule.* The entire Exercise Price or Purchase Price of Shares issued under the Plan shall be payable in lawful money of the United States of America at the time when such Shares are purchased, except as provided in Section 8(b) through Section 8(h) below.

(b) *Surrender of Stock.* To the extent that a Stock Option Award Agreement so provides, payment may be made all or in part by surrendering, or attesting to the ownership of, Shares which have already been owned by the Participant or his or her representative. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan. The Participant shall not surrender, or attest to the ownership of, Shares in payment of the Exercise Price if such action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to the Option for financial reporting purposes.

(c) *Services To Be Rendered.* At the discretion of the Committee, Shares may be awarded under the Plan in consideration of services to be rendered to the Company or a Subsidiary. If Shares are awarded without the payment of a Purchase Price in cash, the Committee shall make a determination (at the time of the Award) of the value of the services to be rendered by the Participant and the sufficiency of the consideration to meet the requirements of Section 6(b).

(d) *Cashless Exercise.* To the extent that a Stock Option Award Agreement so provides, payment may be made all or in part by delivery (on a form prescribed by the Committee) of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate Exercise Price.

(e) *Exercise/Pledge.* To the extent that a Stock Option Award Agreement so provides, payment may be made all or in part by delivery (on a form prescribed by the Committee) of an irrevocable direction to a securities broker or lender to pledge Shares, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of the aggregate Exercise Price.

(f) *Net Exercise.* To the extent that a Stock Option Award Agreement so provides, payment may be made all or in part by a “net exercise” arrangement pursuant to which the number of Shares issuable upon exercise of the Option shall be reduced by the largest whole

number of Shares having an aggregate Fair Market Value that does not exceed the aggregate Exercise Price (plus tax withholdings, if applicable) and any remaining balance of the aggregate Exercise Price (and/or applicable tax withholdings) not satisfied by such reduction in the number of whole Shares to be issued shall be paid by the Participant in cash or any other form of payment permitted under the Stock Option Agreement.

(g) *Promissory Note.* To the extent that a Stock Option Award Agreement or Restricted Share Award Agreement so provides, payment may be made all or in part by delivering (on a form prescribed by the Company) a full-recourse promissory note.

(h) *Other Forms of Payment.* To the extent that a Stock Option Award Agreement or Restricted Share Award Agreement so provides, payment may be made in any other form that is consistent with applicable laws, regulations and rules.

(i) *Limitations under Applicable Law.* Notwithstanding anything herein or in a Stock Option Award Agreement or Restricted Share Award Agreement to the contrary, payment may not be made in any form that is unlawful, as determined by the Committee in its sole discretion.

## **Section 9. STOCK APPRECIATION RIGHTS.**

(a) *SAR Award Agreement.* Each grant of a SAR under the Plan shall be evidenced by a SAR Award Agreement between the Participant and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Award Agreements entered into under the Plan need not be identical.

(b) *Number of Shares.* Each SAR Award Agreement shall specify the number of Shares to which the SAR pertains and shall provide for the adjustment of such number in accordance with Section 12.

(c) *Exercise Price.* Each SAR Award Agreement shall specify the Exercise Price. The Exercise Price of a SAR shall not be less than 100% of the Fair Market Value of a Share on the date of grant. Notwithstanding the foregoing, SARs may be granted with an Exercise Price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 409A. Subject to the foregoing in this Section 9(c), the Exercise Price under any SAR shall be determined by the Committee in its sole discretion.

(d) *Exercisability and Term.* Each SAR Award Agreement shall specify the date when all or any installment of the SAR is to become exercisable. The SAR Award Agreement shall also specify the term of the SAR, which shall in no event exceed 10 years from the date of grant. A SAR Award Agreement may provide for accelerated exercisability in the event of the Participant's death, Disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Participant's Service. SARs may be

awarded in combination with Options, and such an Award may provide that the SARs will not be exercisable unless the related Options are forfeited. A SAR may be included in an Option at the time of grant or thereafter. A SAR granted under the Plan may provide that it will be exercisable only in the event of a Change in Control.

(e) *Effect of Change in Control.* The Committee may determine, at the time of granting a SAR or thereafter, that such SAR shall become fully exercisable as to all Shares subject to such SAR in the event that a Change in Control occurs with respect to the Company.

(f) *Exercise of SARs.* Upon exercise of a SAR, the Participant (or any person having the right to exercise the SAR after his or her death) shall receive from the Company (i) Shares, (ii) cash or (iii) a combination of Shares and cash, as the Committee shall determine. The amount of cash and/or the Fair Market Value of Shares received upon exercise of SARs shall, in the aggregate, be equal to the amount by which the Fair Market Value (on the date of surrender) of the Shares subject to the SARs exceeds the Exercise Price.

(g) *Modification, Extension or Assumption of SARs.* Within the limitations of the Plan, applicable law and listing requirements, the Committee may modify, extend or assume outstanding SARs without stockholder approval. The foregoing notwithstanding, no modification of a SAR shall, without the consent of the holder, materially impair his or her rights or obligations under such SAR.

(h) *Repricing of SARs.* Within the limitations of the Plan, applicable law and listing requirements, the Committee may effect, at any time and from time to time, with the consent of any adversely affected Participant, (i) the reduction of the Exercise Price of any outstanding SAR under the Plan or (ii) any other action that is treated as a repricing under generally accepted accounting principles, in each case without stockholder approval; *provided, however*, that no such reduction or action may be effected if it is determined, in the Company's sole discretion, that such reduction or action would result in any such outstanding SAR becoming subject to the requirements of Section 409A.

(i) *Buyout Provisions.* The Committee may at any time (i) offer to buy out for a payment in cash or cash equivalents a SAR previously granted, or (ii) authorize a Participant to elect to cash out a SAR previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

## **Section 10. STOCK UNITS.**

(a) *Stock Unit Award Agreement.* Each grant of Stock Units under the Plan shall be evidenced by a Stock Unit Award Agreement between the Participant and the Company. Such Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Stock Unit Award Agreements entered into under the Plan need not be identical.

(b) *Payment for Awards.* To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

(c) *Vesting Conditions.* Each Award of Stock Units may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Unit Award Agreement. A Stock Unit Award Agreement may provide for accelerated vesting in the event of the Participant's death, Disability or retirement or other events. The Committee may determine, at the time of granting Stock Units or thereafter, that all or part of such Stock Units shall become vested in the event that a Change in Control occurs with respect to the Company.

(d) *Voting and Dividend Rights.* The holders of Stock Units shall have no voting rights. Prior to settlement or forfeiture, any Stock Unit awarded under the Plan may, at the Committee's discretion, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Stock Unit is outstanding. Dividend equivalents may be converted into additional Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both. Prior to distribution, any dividend equivalents which are not paid shall be subject to the same conditions and restrictions (including without limitation, any forfeiture conditions) as the Stock Units to which they attach.

(e) *Form and Time of Settlement of Stock Units.* Settlement of vested Stock Units may be made in the form of (i) cash, (ii) Shares or (iii) any combination of both, as determined by the Committee. The actual number of Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Shares over a series of trading days. A Stock Unit Award Agreement may provide that vested Stock Units may be settled in a lump sum or in installments. A Stock Unit Award Agreement may provide that the distribution may occur or commence when all vesting conditions applicable to the Stock Units have been satisfied or have lapsed, or it may be deferred to any later date, subject to compliance with Section 409A. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Section 12.

(f) *Death of Participant.* Any Stock Unit Award that becomes payable after the Participant's death shall be distributed to the Participant's beneficiary or beneficiaries. Each recipient of a Stock Unit Award under the Plan shall designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant's death. If no beneficiary was designated or if no designated beneficiary survives the Participant, then any Stock Units Award that becomes payable after the Participant's death shall be distributed to the Participant's estate.

(g) *Creditors' Rights.* A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Stock Unit Award Agreement.

#### **Section 11. CASH-BASED AWARDS**

The Committee may, in its sole discretion, grant Cash-Based Awards to any Participant in such number or amount and upon such terms, and subject to such conditions, as the Committee shall determine at the time of grant and specify in an applicable Award Agreement. The Committee shall determine the maximum duration of the Cash-Based Award, the amount of cash which may be payable pursuant to the Cash-Based Award, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Committee shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Committee. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash or in Shares, as the Committee determines.

#### **Section 12. ADJUSTMENT OF SHARES.**

(a) *Adjustments.* In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the price of Shares, a combination or consolidation of the outstanding Stock (by reclassification or otherwise) into a lesser number of Shares, a recapitalization, a spin-off or a similar occurrence, the Committee shall make appropriate and equitable adjustments in:

- (i) The number of Shares available for future Awards and the limitations set forth under Section 5;
- (ii) The number of Shares covered by each outstanding Award; and
- (iii) The Exercise Price under each outstanding Option and SAR.

(b) *Dissolution or Liquidation.* To the extent not previously exercised or settled, Options, SARs and Stock Units shall terminate immediately prior to the dissolution or liquidation of the Company.

(c) *Reorganizations.* In the event that the Company is a party to a merger or other reorganization, outstanding Awards shall be subject to the agreement of merger or reorganization. Subject to compliance with Section 409A, such agreement shall provide for:

- (i) The continuation of the outstanding Awards by the Company, if the Company is a surviving corporation;

- (ii) The assumption of the outstanding Awards by the surviving corporation or its parent or subsidiary;
- (iii) The substitution by the surviving corporation or its parent or subsidiary of its own awards for the outstanding Awards;
- (iv) Immediate vesting, exercisability or settlement of outstanding Awards followed by the cancellation of such Awards upon or immediately prior to the effectiveness of such transaction; or
- (v) Settlement of the intrinsic value of the outstanding Awards (whether or not then vested or exercisable) in cash or cash equivalents or equity (including cash or equity subject to deferred vesting and delivery consistent with the vesting restrictions applicable to such Awards or the underlying Shares) followed by the cancellation of such Awards (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Committee determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment); in each case without the Participant's consent. Any acceleration of payment of an amount that is subject to Section 409A will be delayed, if necessary, until the earliest time that such payment would be permissible under Section 409A without triggering any additional taxes applicable under Section 409A.

The Company will have no obligation to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly.

(d) *Reservation of Rights.* Except as provided in this Section 12, a Participant shall have no rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend or any other increase or decrease in the number of shares of stock of any class. Any issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Award. The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets. In the event of any change affecting the Shares or the Exercise Price of Shares subject to an Award, including a merger or other reorganization, for reasons of administrative convenience, the Company in its sole discretion may refuse to permit the exercise of any Award during a period of up to 30 days prior to the occurrence of such event.

**Section 13. DEFERRAL OF AWARDS.**

(a) *Committee Powers.* Subject to compliance with Section 409A, the Committee (in its sole discretion) may permit or require a Participant to:

- (i) Have cash that otherwise would be paid to such Participant as a result of the exercise of a SAR or the settlement of Stock Units credited to a deferred compensation account established for such Participant by the Committee as an entry on the Company's books;
- (ii) Have Shares that otherwise would be delivered to such Participant as a result of the exercise of an Option or SAR converted into an equal number of Stock Units; or
- (iii) Have Shares that otherwise would be delivered to such Participant as a result of the exercise of an Option or SAR or the settlement of Stock Units converted into amounts credited to a deferred compensation account established for such Participant by the Committee as an entry on the Company's books. Such amounts shall be determined by reference to the Fair Market Value of such Shares as of the date when they otherwise would have been delivered to such Participant.

(b) *General Rules.* A deferred compensation account established under this Section 13 may be credited with interest or other forms of investment return, as determined by the Committee. A Participant for whom such an account is established shall have no rights other than those of a general creditor of the Company. Such an account shall represent an unfunded and unsecured obligation of the Company and shall be subject to the terms and conditions of the applicable agreement between such Participant and the Company. If the deferral or conversion of Awards is permitted or required, the Committee (in its sole discretion) may establish rules, procedures and forms pertaining to such Awards, including (without limitation) the settlement of deferred compensation accounts established under this Section 13.

#### **Section 14. LEGAL AND REGULATORY REQUIREMENTS.**

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the United States Securities Act, state securities laws and regulations and the regulations of any stock exchange on which the Company's securities may then be listed, and the Company has obtained the approval or favorable ruling from any governmental agency which the Company determines is necessary or advisable. The Company shall not be liable to a Participant or other persons as to: (a) the non-issuance or sale of Shares as to which the Company has not obtained from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares under the Plan; and (b) any tax consequences expected, but not realized, by any Participant or other person due to the receipt, exercise or settlement of any Award granted under the Plan.

**Section 15. TAXES.**

(a) *Withholding Taxes.* To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any Shares or make any cash payment under the Plan until such obligations are satisfied.

(b) *Share Withholding.* The Committee may permit a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Shares that he or she previously acquired. Such Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. In no event may a Participant have Shares withheld that would otherwise be issued to him or her in excess of the number necessary to satisfy the maximum legally required tax withholding.

(c) *Section 409A.* Each Award that provides for “nonqualified deferred compensation” within the meaning of Section 409A shall be subject to such additional rules and requirements as specified by the Committee from time to time in order to comply with Section 409A. If any amount under such an Award is payable upon a “separation from service” (within the meaning of Section 409A) to a Participant who is then considered a “specified employee” (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant’s separation from service, or (ii) the Participant’s death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. In addition, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A.

**Section 16. TRANSFERABILITY.**

Unless the agreement evidencing an Award (or an amendment thereto authorized by the Committee) expressly provides otherwise, no Award granted under the Plan, nor any interest in such Award, may be sold, assigned, conveyed, gifted, pledged, hypothecated or otherwise transferred in any manner (prior to the vesting and lapse of any and all restrictions applicable to Shares issued under such Award), other than by will or the laws of descent and distribution. Any purported assignment, transfer or encumbrance in violation of this Section 16 shall be void and unenforceable against the Company.

**Section 17. PERFORMANCE BASED AWARDS.**

The number of Shares or other benefits granted, issued, retainable and/or vested under an Award may be made subject to the attainment of performance goals. The Committee may utilize any performance criteria selected by it in its sole discretion to establish performance goals.

**Section 18. NO EMPLOYMENT RIGHTS.**

No provision of the Plan, nor any Award granted under the Plan, shall be construed to give any person any right to become, to be treated as, or to remain an Employee or Consultant. The Company and its Subsidiaries reserve the right to terminate any person's Service at any time and for any reason, with or without notice.

**Section 19. DURATION AND AMENDMENTS.**

(a) *Term of the Plan.* The Plan, as set forth herein, shall come into existence on the date of its adoption by the Committee; provided, however, that no Award may be granted hereunder prior to the Effective Date. The Board of Directors may suspend or terminate the Plan at any time.

(b) *Right to Amend the Plan.* The Board of Directors or the Committee may amend the Plan at any time and from time to time. Rights and obligations under any Award granted before amendment of the Plan shall not be materially impaired by such amendment, except with consent of the Participant. An amendment of the Plan or any Award shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations, rules or listing requirements.

(c) *Effect of Termination.* No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan shall not affect Awards previously granted under the Plan.

**Section 20. AWARDS TO NON-U.S. PARTICIPANTS.**

Awards may be granted to Participants who are non-United States nationals or employed or providing services outside the United States, or both, on such terms and conditions different from those applicable to Awards to Participants who are employed or providing services in the United States as may, in the judgment of the Committee, be necessary or desirable to recognize differences in local law, tax policy or custom. The Committee also may impose conditions on the exercise, vesting or settlement of Awards in order to minimize the Company's obligation with respect to tax equalization for Participants on assignments outside their home country.

**Section 21. GOVERNING LAW.**

The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof.

**Section 22. SUCCESSORS AND ASSIGNS.**

The terms of the Plan shall be binding upon and inure to the benefit of the Company and any successor entity, including any successor entity contemplated by Section 12(c).

**SITIME CORPORATION  
AMENDED AND RESTATED 2022 INDUCEMENT AWARD PLAN  
NOTICE OF RESTRICTED STOCK UNIT AWARD**

You have been granted an Award of Stock Units (the “RSUs”) representing shares of common stock (“Shares”) of SiTime Corporation (the “Company”) under the SiTime Corporation Amended and Restated 2022 Inducement Award Plan, as may be amended from time to time (the “Plan”), as detailed in this Notice of Restricted Stock Unit Award (“Notice”):

*Name of Recipient:*

*Grant Date:*

*Total Number of Shares Subject to  
RSUs:*

*Vesting Commencement Date:*

*Vesting Schedule:*

**By your written signature below (or your electronic acceptance) and the signature of the Company’s representative below, you and the Company agree that the RSUs are granted under and governed by the term and conditions of the Plan, this Notice, and the attached Restricted Stock Unit Agreement, including any Appendices thereto (collectively, the “Agreement”).**

**By your written signature below (or your electronic acceptance), you further agree that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the U.S. Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify you by e-mail. Should you electronically accept this Agreement, you agree to the following: “This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement.”**

**RECIPIENT SITIME CORPORATION**

By:

Participant’s Signature Name:

\_\_\_ Title: \_\_\_ Participant’s Printed Name

Date Signed

**SITIME CORPORATION  
AMENDED AND RESTATED  
2022 INDUCEMENT AWARD PLAN  
RESTRICTED STOCK UNIT AGREEMENT**

**The Plan and Other**

**Agreements** The RSUs are granted pursuant and subject in all respects to the applicable provisions of the Notice of Restricted Stock Unit Award (the “Notice”), this Restricted Stock Unit Agreement, including the Appendices attached hereto, (collectively, the “Agreement”), and the Plan, which is incorporated herein by reference. Capitalized terms not defined in this Agreement will have the meanings ascribed to them in the Plan. The attached Notice, this Agreement, and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded.

**Payment for RSUs** No cash payment is required for the RSUs you receive.

**Vesting** The RSUs will vest as shown in the Notice. No additional RSUs vest after your Service has terminated for any reason.

**Forfeiture** If your Service terminates for any reason, then any unvested RSUs will be forfeited as of the termination date. You receive no payment for RSUs that are forfeited. For purposes of this Award, the termination date will be the date on which you cease to provide active Service to Company or any Subsidiary or Affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are providing Service or the terms of your service agreement, if any). Any right to vest in the RSUs will terminate as of such date and will not be extended by any notice period or any period of “garden leave” or similar period mandated under the laws in the jurisdiction where you are providing Service or the terms of your service agreement, if any; the Committee shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your RSUs (including whether you may still be considered to be providing services while on a leave of absence).

**Leaves of Absence** For purposes of this Award, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave of absence was approved by the Company or your Employer (as defined below), if different, in writing and if continued crediting of Service is required by the terms of the leave or by applicable law. However, your Service will terminate when

the approved leave ends, unless you immediately return to active work.

If you go on a leave of absence, then the vesting schedule specified in the Notice may be adjusted in accordance with the Company's

leave of absence policy or the terms of your leave. If you commence working on a part-time basis, then the vesting schedule specified in the Notice may be adjusted in accordance with the Company's part-time work policy or the terms of an agreement between you and the Company pertaining to your part-time schedule.

**Nature of RSUs** Your RSUs are mere bookkeeping entries. They represent only the Company's unfunded and unsecured promise to issue Shares on a future date. As a holder of RSUs, you have no rights other than the rights of a general creditor of the Company.

#### **No Voting Rights**

**or Dividends** Your RSUs carry neither voting rights nor rights to dividends. You, or your estate or heirs, have no rights as a stockholder of the Company unless and until your RSUs vest and are settled by issuing Shares. No adjustments will be made for dividends or other rights if the applicable record date occurs before your Shares are issued, except as described in the Plan.

#### **RSUs**

**Nontransferable** You may not sell, transfer, assign, pledge or otherwise dispose of any RSUs. For instance, you may not use your RSUs as security for a loan. If you attempt to do any of these things, your RSUs will immediately be forfeited.

**Settlement of RSUs** Each of your RSUs will be settled when it vests; provided, however, that if the Committee requires you to pay withholding taxes through a sale of Shares, settlement of each RSU may be deferred to the first permissible trading day for the Shares, if later than the applicable vesting date.

Under no circumstances may your RSUs be settled later than two and one-half (2-1/2) months following the calendar year in which the applicable vesting date occurs.

For purposes of this Agreement, "permissible trading day" means a day that satisfies all of the following requirements: (1) the exchange on which the Shares are traded is open for trading on that day; (2) you are permitted to sell Shares on that day without incurring liability under Section 16(b) of the Exchange Act; (3) either (a) you are not in possession of material non-public information that would make it illegal for you to sell Shares on that day under Rule 10b-5 under the Exchange Act or (b) Rule 10b5-1 under the Exchange Act

would apply to the sale; (4) you are permitted to sell Shares on that day under such written insider trading policy as may have been adopted by the Company; and (5) you are not prohibited from selling Shares on that day by a written agreement between you and the Company or a third party.

At the time of settlement, you will receive one Share for each vested RSU; provided, however, that no fractional Shares will be issued or delivered pursuant to the Plan or this Agreement, and the Committee will determine whether cash will be paid in lieu of any fractional Share or whether such fractional Share and any rights thereto will be canceled, terminated or otherwise eliminated. In addition, the Shares are issued to you subject to the condition that the issuance of the Shares not violate any law or regulation.

#### **Withholding Taxes and Stock**

**Withholding** Regardless of any action the Company and/or the Subsidiary or Affiliate employing you (“*Employer*”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“*Tax-Related Items*”), you acknowledge that the ultimate liability for all *Tax-Related Items* legally due by you is and remains your responsibility and that the Company and/or your Employer (1) make no representations or undertakings regarding the treatment of any *Tax-Related Items* in connection with any aspect of this Award, including the award, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to settlement and the receipt of any dividends; and (2) do not commit to structure the terms of the award or any aspect of the RSUs to reduce or eliminate your liability for *Tax-Related Items*.

Prior to the settlement of the RSUs, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or your Employer. In this regard, you authorize the Company and/or your Employer to withhold all applicable *Tax-Related Items* legally payable by you from your wages or other cash compensation paid to you by the Company and/or your Employer.

Unless an alternative arrangement satisfactory to the Committee has been provided prior to the vesting date, the default method for paying withholding taxes is withholding Shares that otherwise would be issued to you when the RSUs are settled, provided that the Company only withholds Shares having a Fair Market Value equal to the amount necessary to satisfy the maximum legally required tax withholding.

The Committee may also require the withholding of taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization), or any other arrangement approved by the Committee.

The Fair Market Value of the Shares, determined as of the effective date when taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes. Finally, you will pay to the Company or your Employer any amount of Tax-Related Items that the Company or your Employer may be required to withhold as a result of your participation in the Plan or your acquisition of Shares that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this section, and your rights to the Shares will be forfeited if you do not comply with such obligations on or before the date that is two and one-half (2-1/2) months following the calendar year in which the applicable vesting date for the RSUs occurs.

**Restrictions on**

**Resale** You agree not to sell any Shares at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

**No Retention**

**Rights** Neither this Award nor this Agreement gives you the right to be employed or retained by the Company or any Subsidiary or Affiliate of the Company in any capacity. The Company and its Subsidiaries and Affiliates reserve the right to terminate your Service at any time, with or without cause.

**Adjustments** The number of RSUs covered by this Award will be subject to adjustment in the event of a stock split, a stock dividend or a similar change in Shares, and in other circumstances, as set forth in the Plan. The forfeiture provisions and restrictions described above will apply to all new, substitute or additional restricted stock units or securities to which you are entitled by reason of this Award.

**Successors and**

**Assigns** Except as otherwise provided in the Plan or this Agreement, every term of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees and assigns.

**Notice** Any notice required or permitted under this Agreement will be given in writing and will be deemed effectively given upon the earliest of personal delivery, receipt or the third (3rd) full day following mailing with postage and fees prepaid, addressed to the other party hereto at the address last known in the Company's records or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.

**Section 409A of the**

**Code** To the extent this Agreement is subject to, and not exempt from, Section 409A of the Code, this Agreement is intended to comply with Section 409A, and its provisions will be interpreted in a manner consistent with such intent. You acknowledge and agree that changes may be made to this Agreement to avoid adverse tax consequences to you under Section 409A.

**Applicable Law**

**and Choice of Venue**

This Agreement will be interpreted and enforced under the laws of the State of Delaware as to matters within the scope thereof, and as to all other matters, the internal laws of the State of California, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of any state. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation will be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

**Severability** The provisions of this Agreement are severable and if any one or more provisions is determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**Appendices** Notwithstanding any provisions in this Agreement, the Award shall be subject to the data privacy information and consent in Appendix A if you reside outside the United States. In addition, the Award shall be subject to any special terms and conditions for your country set forth in Appendix B. Moreover, if you relocate to one of the countries included in Appendix B, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.  
Appendices A and B constitute part of this Agreement.

**Waiver** You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a

waiver of any other provision of this Agreement, or of any subsequent breach by you or any other participant.

**No Advice**

**Regarding Grant** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the Shares underlying the RSUs. You should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

**Imposition of Other**

**Requirements** The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any Shares acquired upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**Electronic Delivery**

**and Acceptance** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**BY SIGNING THE ATTACHED NOTICE YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED IN THIS AGREEMENT, INCLUDING THE APPENDICES, AND IN THE PLAN**

**SITIME CORPORATION**  
**INSIDER TRADING AND COMMUNICATIONS POLICY**  
**(updated October 20, 2023)**

**Policy as to Trades in the Company's Securities By Company Personnel and Treatment of Confidential Information**

**1. Purpose.**

Both the Securities and Exchange Commission (the "**SEC**") and Congress are very concerned about maintaining the fairness and integrity of the U.S. capital markets. The securities laws are continually reviewed and amended to prevent people from taking advantage of "inside information" and to increase the punishment for those who do. These laws require publicly-traded companies to have clear policies on insider trading. If companies like ours do not take active steps to adopt preventive policies and procedures covering securities trades by company personnel, the consequences could be severe.

We are adopting this Insider Trading and Communications Policy to avoid even the appearance of improper conduct on the part of anyone employed by or associated with SiTime Corporation (the "Company"), not just so-called insiders. We have all worked hard to establish our reputation for integrity and ethical conduct. We cannot afford to damage this reputation.

**2. Applicability.**

This policy applies to all employees, officers, members of the Board of Directors, consultants and contractors of the Company or any subsidiary of the Company (the "**Individuals**"). This policy also applies to Family Members (as defined below), other members of a person's household, and entities influenced or controlled by a person covered by this policy as described below (each a "**Related Party**"). This policy applies to all trading or other transactions in the Company's securities, including common stock, options to purchase common stock and restricted stock units, and any other securities that the Company may issue, such as preferred stock, notes, bonds, and convertible securities, as well as to derivative securities relating to any of the Company's securities, whether or not issued by the Company, and the securities of other applicable companies.

**3. The Consequences.**

The consequences of insider trading violations can be substantial. Anyone who engages in insider trading or otherwise violates this policy may be subject to both civil liability and criminal penalties.

Further, if the Company has a reasonable basis to conclude that an employee has violated the Company's Insider Trading and Communications Policy, whether or not knowingly, the Company may impose sanctions, including dismissal for cause. Needless to say, any of the above consequences, even an SEC investigation that does not result in prosecution, can tarnish one's reputation (as well as the Company's) and irreparably damage a career. Finally, the size of a transaction has no impact on potential insider trading liability. In the past, even relatively small trades (e.g., trades as small as \$400) have resulted in SEC investigations and lawsuits.

#### 4. Our Policy.

**No Trading When in Possession of Material Non-Public Information.** If an Individual has possession of material non-public information (often referred to as “inside information”) relating to our Company or any other company, including the Company’s customers or partners, not available to investors generally and obtained in the course of rendering services to the Company or any subsidiary of the Company, it is our policy that neither that person nor any Related Party may engage in any transaction in securities of the Company, recommend purchase or sale of securities of the Company, or engage in any other action to take advantage of, or pass on to others, that information.

This policy applies even if the decision to trade is not based on such material non-public information. Further, transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

**What is Material Information?** “Material information” is any information that a reasonable investor would consider important in deciding whether to buy, hold, or sell securities of the Company or any securities of any other company as to which the person receives information in the course of rendering services to the Company or any subsidiary of the Company not available to investors generally. In short, “material information” includes any information that reasonably could affect the price of our securities or any other securities. Either positive or negative information may be material. It can be information about the Company or about a company with which we do business.

*Examples:* Common examples of information that will frequently be regarded as material are:

- financial results or forecasts;
- news of a possible merger, acquisition or tender offer;
- news of a possible agreement, collaboration, or partnership, or cancellation thereof;
- new products or delays in new product introduction or development;
- plans to raise additional capital through stock sales or otherwise;
- gain or loss of a significant partner or customer;
- a disruption in the Company’s operations;
- discoveries, or grants or allowances or disallowances of patents;
- litigation or settlements;
- changes in management;
- news of a significant sale of assets;
- impending bankruptcy or financial liquidity problems; and
- changes in dividend policies or the declaration of a stock split.

**20/20 Hindsight.** Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

**Transactions by Family Members.** The same restrictions apply to your immediate family members and others living in your household (collectively, “*Family Members*”). You are responsible for the compliance of your Family Members.

**Transactions by Entities that You Influence or Control.** This policy also applies to any entities that you influence or control, including any corporations, partnerships or trusts (collectively referred to as “*Controlled Entities*”), and transactions by these Controlled Entities should be treated for the purposes of this policy and applicable securities laws as if they were for your own account.

**Transactions of Non-Residents.** The same restrictions apply regardless of whether a person is resident within the United States.

**Do Not Pass Information to Others.** Whether the information is proprietary information about our Company or information that could have an impact on our stock price, Individuals must not pass the information on to others. It is illegal and prohibited by this policy to advise others to trade on the basis of material non-public information. Liability in these cases can extend to both the “tippee” — the person to whom the insider disclosed material non-public information — and you, as the “tipper,” and will apply whether or not you derive any benefit from another’s actions. You should not make recommendations to others concerning the purchase or sale of securities of the Company. You should never trade, tip, or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of material non-public information about any other company that was obtained in the course of your involvement with the Company or a subsidiary of the Company, including communicating material non-public information to any other person or otherwise disclosing such information without the Company’s authorization.

**When Information is Public.** As you can appreciate, it is also improper for any Individual to enter a trade immediately after the Company has made a public announcement of material information, including earnings releases. The prohibition on trading when you have material non-public information lifts once that information becomes publicly disseminated. We impose certain “trading blackouts” to ensure that the Company’s stockholders and the investing public will be afforded the time to receive the information and act upon it. These are discussed below under the heading “Trading Blackouts.” To avoid the appearance of impropriety, as a general rule, you should not engage in any transaction until at least one full trading day has passed following the release of the information. Thus, if an announcement were made after the market close on a Monday, Wednesday generally would be the first day on which you would be able to trade and if an announcement were made after the market close on a Friday, Tuesday generally would be the first eligible trading day.

**Pre-Clearance of Trades of Company Stock.** To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an Individual engages in a trade while unaware of a pending major development), all members of the Board of Directors, all individuals designated as “officers” for the purposes of Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (“*Section 16 Officers*”), and certain employees of the Company and its subsidiaries in a position to have access to material non-public information and designated on a pre-clearance list by our Chief Executive Officer or Chief Financial Officer from time to time, which may include legal and finance personnel, certain pre-determined insiders (“*Pre-Determined Insiders*”) and the Family Members and Controlled Entities of such persons must obtain pre-clearance in writing from our Chief Legal Officer (in the absence of our Chief Legal Officer, our Chief Financial Officer) of all transactions in Company securities (acquisitions, dispositions, transfers, gifts, etc.). You must submit a written request for pre-clearance of a transaction no later than three business days before the proposed date of execution of the transaction unless you obtain a waiver from the Audit Committee of the Board of Directors. You will be notified if you are one of the specified persons subject to this pre-

clearance policy and the Company will maintain a list of all Pre-Determined Insiders. Pre-clearance is subject to a five business day expiration and must be renewed by the applicant after five business days to be valid.

Pre-clearance does not relieve anyone of their responsibility under SEC rules. All Individuals, whether subject to pre-clearance or not, are responsible for adherence to this Insider Trading and Communications Policy, including, but not limited to: not trading on material non-public information; not trading during trading blackout periods; not trading for one full trading day after earnings announcements; and not trading in securities on a short-term basis. If any Individual is in doubt of whether or not pre-clearance is required, the Individual should inquire with our Chief Legal Officer (in the absence of our Chief Legal Officer, our Chief Financial Officer) or obtain pre-clearance as a cautionary measure. Individuals not subject to pre-clearance remain responsible for compliance with insider trading prohibitions and this policy and should be mindful of any trading activities which could lead to even the appearance of impropriety.

**Trading Blackouts.** From time to time, the Company may require that Individuals and others, including Family Members and Controlled Entities, suspend trading because of developments known to the Company and not yet disclosed to the public. In that event, these persons are advised not to engage in any transaction involving the purchase or sale of the Company's securities during that period, and should not disclose to others the fact that they have been suspended from trading. All Individuals and the Family Members and Controlled Entities of such persons will be subject to a stock trading blackout period beginning two weeks prior to the end of each fiscal quarter and ending one full trading day following the public release of earnings for that quarter. All such persons whose employment or affiliation with the Company ceases during a blackout period shall remain subject to the blackout period for the duration of the blackout period.

Of course, no trading should be done at any time that an Individual is actually aware of material non-public information.

**Options/RSUs.** Cash exercise of options currently may be done at any time. This policy also does not apply to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares subject to an option or restricted stock unit to satisfy tax withholding requirements which occur as a result of certain option exercises or the vesting or settlement of any restricted stock units. Same-day-sales to exercise stock options are subject to trading windows, as are any other market sale of shares subject to an option or restricted stock unit for the purpose of generating the cash needed to pay the exercise price and/or taxes (a "sell to cover").

**Exception for Approved 10b5-1 Plans.** Trades by Individuals in the Company's securities that are executed pursuant to an approved 10b5-1 trading plan (a "**Trading Plan**") consistent with the Company's Rule 10b5-1 Trading Plan Guidelines are not subject to the prohibition on trading on the basis of material non-public information contained in this Insider Trading and Communications Policy or to the restrictions set forth above relating to pre-clearance procedures and blackout periods.

SEC Rule 10b5-1 provides an affirmative defense from insider trading liability under the federal securities laws for trading plans that meet certain requirements. It does not prevent someone from bringing a lawsuit. This Insider Trading and Communications Policy permits Individuals to adopt Trading Plans with brokers that outline a pre-set plan for trading of the Company's securities, including those received upon the exercise of options and settlement of restricted stock units. Trading Plans are to be implemented only during open windows and when the individual is not aware of any material non-public information.

Any Trading Plan must comply with SEC Rule 10b5-1, the Company's Rule 10b5-1 Trading Plan Guidelines, and be approved in writing in advance by our Chief Legal Officer, and the establishment of such a Trading Plan with respect to an Individual may be publicly announced by the Company.

Establishing a Trading Plan does not exempt Individuals from complying with the Section 16 six-month short swing profit rules or liability.

**Revocation/Amendments to Trading Plans.** An Individual may amend or revoke his or her Trading Plan at any time, subject to the terms of the Individual's Trading Plan and the Company's Rule 10b5-1 Trading Plan Guidelines.

Under certain circumstances, a Trading Plan must be revoked. This includes circumstances such as the announcement of a merger or the occurrence of an event that would cause the transaction to violate the law or a contractual restriction, or to have an adverse effect on the Company. The Chief Legal Officer, or his or her designee, or any stock administrator of the Company is authorized to notify the broker in such circumstances, thereby insulating the insider in the event of revocation.

**Post-Termination Transactions.** This Insider Trading and Communications Policy continues to apply to your transactions in Company securities even after your employment, board service or consulting services terminate. If you are in possession of material non-public information when your service to the Company or a subsidiary of the Company terminates, you may not trade in Company securities until that information has become public or is no longer material.

## 5. Additional Prohibited Transactions.

We believe it is improper and inappropriate for any of the Individuals to engage in short-term or speculative transactions involving Company securities. We believe that this trading can reflect badly on the Company and that Individuals should not engage in any types of transactions that are commonly viewed as a form of "betting" for or against the Company. Accordingly, it is the Company's policy that members of the Individuals may not engage in any of the following activities with respect to securities of the Company:

- **Director and officer cashless exercise** – In response to the restrictions set forth in the Sarbanes-Oxley Act of 2002, the Company will not arrange with brokers to administer cashless exercises on behalf of directors and officers of the Company. Directors and officers of the Company may only utilize the cashless exercise feature of their options if (i) the director or officer retains a broker independently of the Company, (ii) the Company's involvement is limited to confirming that it will deliver the stock promptly upon payment of the exercise price and (iii) the director or officer uses a "T+3" cashless exercise arrangement, in which the Company agrees to deliver stock against the payment of the purchase price on the same day the sale of the stock underlying the option settles. Under a T+3 cashless exercise, a stock broker, the issuer, and the transfer agent of the issuer work together to make all transactions settle simultaneously. This approach is to avoid any inference that the Company has "extended credit" in the form of a personal loan to the director or executive officer. Any employee who has any questions about cashless exercises may obtain additional guidance from our Chief Financial Officer or Chief Legal Officer.
- **Director and officer trading during pension and 401(k) plan blackout periods** – If Company securities are available as an investment option or used as a Company match in the Company's 401(k) plan, directors, officers, and employees of the Company are prohibited

from trading Company securities during pension and 401(k) plan blackouts, if any, in response to the restrictions set forth in the Sarbanes-Oxley Act of 2002.

- **Trading in securities on a short-term basis** — As a general rule, any Company securities purchased in the open market (i.e., not including stock purchased upon exercise of an employee stock option or restricted stock unit or under an employee stock purchase plan) should be held for a minimum of six months and ideally longer. Section 16 Officers and members of the Board of Directors of the Company are already subject to the SEC’s “short-swing” profit rule, which penalizes purchases and sales within any six-month period.
- **Short sales of Company securities** — This involves selling Company securities that you do not own in the expectation that the price of the securities will fall, or as part of an arbitrage transaction.
- **Buying or selling puts or calls, or their equivalent positions, on Company securities** — This includes options and derivatives trading on any of the stock exchanges or futures exchanges, including cashless collars.
- **Margin accounts or pledging securities.** This means securities held in a margin account as collateral for a margin loan, and securities pledged (or hypothecated) as collateral for a loan. This also includes borrowing from a brokerage firm, bank or other entity in order to buy Company securities (other than in connection with a so-called “cashless” exercise of options under the Company’s stock plans).
- **Hedging.** Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit an Individual to continue to own Company securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the Individual may no longer have the same objectives as the Company’s other stockholders. Therefore, Individuals are prohibited from engaging in such transactions.

## 6. Confidential Information and Communications with the Media.

Unauthorized disclosure of internal information relating to the Company (including information regarding facilities, products or services or the Company’s partners, suppliers or customers) could cause competitive harm to the Company and in some cases could result in liability for the Company.

**Unauthorized Disclosure.** Individuals should not disclose internal information about the Company to *anyone* outside the Company, except as required in the performance of regular duties for the Company. In this regard, Individuals are prohibited from posting internal information about the Company on a “bulletin board” or “blog” on the Internet, communicating about the Company and its business in Internet-based “chat” rooms or blogs or having a blog that discusses the Company and its business.

**Communications with the Media, Securities Analysts and Investors.** Communications on behalf of the Company with the media, securities analysts and investors must be made only by specifically designated representatives of the Company, as communications may be regulated by federal securities laws including but not limited to Regulation FD. Unless you have been expressly authorized to make such communications, if you receive any inquiry relating to the Company from the media, a securities analyst or an investor, you should refer the inquiry to our Chief Financial Officer or Chief Legal Officer.

**Safeguarding Confidential Information.** Care must be taken to safeguard the confidentiality of internal information. For example, sensitive documents should not be left lying on desks, and visitors should not be left unattended in offices containing internal company documents.

**Rumors.** Rumors concerning the business and affairs of the Company may circulate from time to time. Our general policy is not to comment upon those rumors. Individuals should also refrain from commenting upon or responding to rumors and should refer any requests for comments or responses to our Chief Financial Officer or Chief Legal Officer.

**Analyst Reports.** The Company views analyst reports as the proprietary information of the analyst's firm. The Company will not provide such reports on our corporate or other websites or through any other means to persons outside of the Company. The Company should avoid directing anyone outside the Company to an analyst report, in part to avoid the appearance of endorsing such a report.

## **7. Company Assistance.**

Any person who has any questions about specific transactions may obtain additional guidance from our Chief Financial Officer or our Chief Legal Officer.

Remember, however, you are ultimately responsible for adhering to this Insider Trading and Communications Policy and avoiding improper transactions. In this regard, it is imperative that you use your best judgment.

**Section 16 Filings.** While the Company expects to assist each director and Section 16 Officer (including Family Members and Controlled Entities of such persons) (collectively, "**Section 16 Reporting Persons**") with such Section 16 filings, and expects such assistance to include form preparation for all Section 16 Reporting Persons other than those who do not require such assistance, the obligation to file Section 16 reports (Forms 3, 4 and 5) is a personal obligation of each such person, and the Company is not responsible for any failure to file accurate and timely Section 16 reports. Each Section 16 Reporting Person must ensure that his or her broker provides the Company with detailed information (trade date, number of shares, exact price) regarding every transaction involving the securities of the Company, including gifts, transfers, pledges and all Rule 10b5-1 transactions, both in connection with mandatory pre-clearance requirements for such Section 16 Reporting Persons and immediately following execution.

## **8. Modifications.**

This Insider Trading and Communications Policy has been approved by the Company's Board of Directors. Officers of the Company may, from time to time, make non-substantive modifications to this Insider Trading and Communications Policy (including, without limitation, substitution of the names of the appropriate contact persons within the Company) with subsequent notice to the Company's Board of Directors or the Nominating and Corporate Governance Committee of the Board of Directors.

## **9. Acknowledgements.**

All directors, officers, employees, consultants and contractors of the Company and its subsidiaries will be required to acknowledge, electronically or in writing, their understanding of, and intent to comply with, this Insider Trading and Communications Policy. This agreement will constitute each such person's consent for the Company to issue any necessary stop-transfer orders to the Company's

transfer agent to enforce compliance with this policy. As a condition of continued employment or engagement, all employees, contractors and consultants must periodically acknowledge, electronically or in writing, that they have read and agree to abide by this policy.

ACKNOWLEDGMENT

I have received and read a copy of the SiTime Corporation Insider Trading and Communications Policy and I understand and agree to comply with the specific requirements of the policy. I agree that I will be subject to sanctions imposed by the Company, in its discretion, for violation of the Company's policy, including dismissal for cause, and that the Company may give stop-transfer and other instructions to the Company's transfer agent against transfer of Company securities by me in a transaction that the Company considers to be in contravention of this policy.

Signed: \_\_

Printed Name: \_\_

Date: \_\_

**Subsidiaries of SiTime Corporation**

<b>Subsidiary</b>	<b>Jurisdiction</b>
SiTime Ukraine, LLC	Ukraine
SiTime Netherlands, B.V.	Netherlands
SiTime Japan GK	Japan
SiTime France	France
SiTime Malaysia SDN. BHD.	Malaysia
SiTime Finland Oy	Finland
SiTime Korea Ltd.	Korea
SiTime Taiwan Ltd.	Taiwan
SiTime Germany GmbH	Germany
SiTime India Semiconductor Private Limited	India

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-277373 on Form S-3ASR and Registration Statement Nos. 333-277354, 333-270048, 333-263039, 333-262490, 333-253140 and 333-235225 on Form S-8 of our reports, relating to the consolidated financial statements of SiTime Corporation and the effectiveness of SiTime Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

San Jose, California  
February 14, 2025

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-253139 and 333-277373) and Form S-8 (Nos. 333-235255, 333-236847, 333-253140, 333-262490, 333-263039, 333-270048 and 333-277354) of SiTime Corporation (the Company) of our report dated February 26, 2024, except for Note 11, as to which date is February 14, 2025, relating to the consolidated financial statements and financial statement schedule which appears in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.  
San Jose, California

February 14, 2025



**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Elizabeth A. Howe, certify that:

1. I have reviewed this Annual Report on Form 10-K of SiTime Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2025

By: \_\_\_\_\_ /s/ Elizabeth A. Howe

**Elizabeth A. Howe**  
**Executive Vice President, Chief Financial Officer**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of SiTime Corporation (the "Company") on Form 10-K for the period ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 14, 2025

By: \_\_\_\_\_  
/s/ Rajesh Vashist  
**Rajesh Vashist**  
**Chief Executive Officer**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of SiTime Corporation (the "Company") on Form 10-K for the period ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 14, 2025

By: \_\_\_\_\_ /s/ Elizabeth A. Howe  
**Elizabeth A. Howe**  
**Executive Vice President, Chief Financial Officer**