UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

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	**02-0713868**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
5451 Patrick Henry Drive Santa Clara, CA	**95054**
(Address of principal executive offices)	**(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

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 1, 2025, the registrant had 26,100,630 shares of common stock, $0.0001 par value per share, outstanding.

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RISK FACTORS SUMMARY

Our business is subject to numerous risks, as more fully described in Part II, 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—FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	As of	
	September 30, 2025	December 31, 2024
Assets:		
Current assets:		
Cash and cash equivalents	$ 27,110	$ 6,106
Short-term investments in held-to-maturity securities	782,465	412,728
Accounts receivable, net	22,504	38,209
Inventories	86,743	76,741
Prepaid expenses and other current assets	13,178	10,276
Total current assets	932,000	544,060
Property and equipment, net	99,227	82,475
Intangible assets, net	152,137	163,558
Right-of-use assets, net	4,871	6,569
Goodwill	87,098	87,098
Other assets	1,667	1,199
Total assets	$ 1,277,000	$ 884,959
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts payable	$ 18,872	$ 22,894
Accrued expenses and other current liabilities	91,807	85,555
Total current liabilities	110,679	108,449
Other non-current liabilities	62,918	76,791
Total liabilities	173,597	185,240
Commitments and contingencies (Note 9)		
Stockholders’ equity:		
Common stock, $0.0001 par value - 200,000 shares authorized; 26,101 and 23,598 shares issued and outstanding at September 30, 2025 and December 31, 2024	3	2
Additional paid-in capital	1,337,471	881,718
Accumulated deficit	(234,071)	(182,001)
Total stockholders’ equity	1,103,403	699,719
Total liabilities and stockholders’ equity	$ 1,277,000	$ 884,959

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

SiTime Corporation
Condensed Consolidated Statements Of Operations And Comprehensive Loss
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	$ 83,567	$ 57,698	$ 213,375	$ 134,586
Cost of revenue	38,850	28,231	102,270	65,936
Gross profit	44,717	29,467	111,105	68,650
Operating expenses:				
Research and development	30,009	26,489	90,598	77,523
Selling, general and administrative	30,603	25,359	85,689	74,462
Acquisition related costs	126	2,482	3,560	8,886
Total operating expenses	60,738	54,330	179,847	160,871
Loss from operations	(16,021)	(24,863)	(68,742)	(92,221)
Interest income	8,275	5,499	16,832	17,795
Other income (expense), net	(157)	168	53	(248)
Loss before income taxes	(7,903)	(19,196)	(51,857)	(74,674)
Income tax expense	(111)	(119)	(213)	(114)
Net loss	$ (8,014)	$ (19,315)	$ (52,070)	$ (74,788)
Net loss attributable to common stockholders and comprehensive loss	$ (8,014)	$ (19,315)	$ (52,070)	$ (74,788)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.31)	$ (0.83)	$ (2.12)	$ (3.25)
Weighted-average shares used to compute basic and diluted net loss per share	26,048	23,237	24,551	23,001

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

SiTime Corporation
Condensed Consolidated Statements Of Stockholders' Equity
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balances at June 30, 2025	26,004	$ 3	$ 1,326,735	$ (226,057)	$ 1,100,681
Stock-based compensation expense	—	—	24,711	—	24,711
Net loss	—	—	—	(8,014)	(8,014)
Issuance of common stock upon follow-on public offering net of underwriting discounts and commissions and other offering costs	—	—	9	—	9
Issuance of shares upon vesting of restricted stock units, net of tax withholdings	97	—	(13,984)	—	(13,984)
Balances at September 30, 2025	26,101	$ 3	$ 1,337,471	$ (234,071)	$ 1,103,403
Balances at June 30, 2024	23,132	$ 2	$ 836,383	$ (143,873)	$ 692,512
Stock-based compensation expense	—	—	21,915	—	21,915
Net loss	—	—	—	(19,315)	(19,315)
Issuance of common stock in connection with At-The-Market offering net of underwriting discounts and commissions and other offering costs	100	—	13,321	—	13,321
Issuance of shares upon vesting of restricted stock units, net of tax withholdings	130	—	(12,198)	—	(12,198)
Balances at September 30, 2024	23,362	$ 2	$ 859,421	$ (163,188)	$ 696,235
Balances at December 31, 2024	23,598	$ 2	$ 881,718	$ (182,001)	$ 699,719
Stock-based compensation expense	—	—	79,990	—	79,990
Net loss	—	—	—	(52,070)	(52,070)
Issuance of common stock upon follow-on public offering net of underwriting discounts and commissions and other offering costs	2,012	1	387,337	—	387,338
Issuance of common stock in connection with At-The-Market offering net of underwriting discounts and commissions and other offering costs	150	—	29,695	—	29,695
Issuance of shares upon vesting of restricted stock units, net of tax withholdings	341	—	(41,269)	—	(41,269)
Balances at September 30, 2025	26,101	$ 3	$ 1,337,471	$ (234,071)	$ 1,103,403
Balances at December 31, 2023	22,692	$ 2	$ 796,450	$ (88,400)	$ 708,052
Stock-based compensation expense	—	—	67,162	—	67,162
Net loss	—	—	—	(74,788)	(74,788)
Issuance of common stock in connection with At-The-Market offering net of underwriting discounts and commissions and other offering costs	233	—	28,375	—	28,375
Issuance of shares upon vesting of restricted stock units, net of tax withholdings	437	—	(32,566)	—	(32,566)
Balances at September 30, 2024	23,362	$ 2	$ 859,421	$ (163,188)	$ 696,235

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

SiTime Corporation
Condensed Consolidated Statements Of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from operating activities:		
Net loss	$ (52,070)	$ (74,788)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization expense	28,758	21,432
Stock-based compensation expense	79,128	67,431
Net change in unrealized interest on held to maturity securities	(3,191)	(2,007)
Change in fair value of sales-based earnout liability	2,492	4,947
Accretion of acquisition consideration payable	1,068	3,323
Inventory write-down	3,882	3,481
Changes in assets and liabilities:		
Accounts receivable, net	15,705	(8,314)
Inventories	(14,305)	(8,751)
Prepaid expenses and other assets	(3,371)	(983)
Accounts payable	1,850	2,996
Accrued expenses and other liabilities	1,832	931
Net cash provided by operating activities	61,778	9,698
Cash flows from investing activities		
Purchase of held to maturity securities	(929,421)	(516,505)
Proceeds from maturity of held to maturity securities	562,874	610,938
Purchase of property and equipment	(39,639)	(20,327)
Cash paid for intangibles	(208)	(353)
Net cash provided by (used in) investing activities	(406,394)	73,753
Cash flows from financing activities		
Tax withholding paid on behalf of employees for net share settlement	(41,269)	(32,566)
Proceeds from issuance of common stock	433,091	29,512
Payments for offering costs	(16,059)	(1,137)
Payment of contingent consideration towards earnouts	(9,143)	(8,551)
Payment of deferred acquisition consideration payable	(1,000)	(71,688)
Net cash provided by (used in) financing activities	365,620	(84,430)
Net increase (decrease) in cash and cash equivalents	21,004	(979)
Cash and cash equivalents		
Beginning of period	6,106	9,468
End of period	$ 27,110	$ 8,489
Supplemental disclosure of cash flow information		
Income taxes paid	177	65
Supplemental disclosure of noncash investing and financing activities		
Unpaid property and equipment	3,076	7,124
Right-of-use assets acquired under operating leases	405	698

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

SiTime Corporation
Notes To Unaudited Condensed Consolidated Financial Statements

Note 1. The Company and Basis of Presentation

SiTime Corporation (the “Company” or "SiTime") was incorporated in the State of Delaware in December 2003. The Company is a leading provider of Precision timing ("Precision Timing") solutions, a category that SiTime created. Precision Timing provides the timing functionality that is needed for electronics to operate reliably and accurately. 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 fabless business model and leverages its global network of distributors to address the broad set of end markets that it serves.

The accompanying interim condensed consolidated financial statements have been prepared in conformity with United States ("U.S.") generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X, and should be read in conjunction with the Company's audited consolidated financial statements and related notes thereto filed with the U.S. Securities and Exchange Commission ("SEC") on Form 10-K for the fiscal year ended December 31, 2024. The interim financial statements are unaudited, but reflect all adjustments which are, in the opinion of management, of a normal, recurring nature necessary to provide a fair statement of results for the interim periods presented. The results of operations for the interim periods shown in this report are not necessarily indicative of the results that may be expected for the fiscal year ended December 31, 2025, for any future year, or for any other future interim period.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The significant areas requiring the use of management estimates and assumptions include revenue recognition, fair value of earnout liabilities, estimate of reserve for excess and obsolete inventories, and sales reserves. Actual results could differ from those estimates.

Principles of Consolidation

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

Significant Accounting Policies

The Company’s significant accounting policies are disclosed in the Company’s audited consolidated financial statements and related notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2024. There have been no changes to these accounting policies through September 30, 2025.

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. We are currently evaluating the provisions of this ASU.

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.

Note 2. Net Loss Per Share

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands, except per share data)			
Net loss attributable to common stockholders	$ (8,014)	$ (19,315)	$ (52,070)	$ (74,788)
Weighted average shares used to compute basic and diluted net loss per share	26,048	23,237	24,551	23,001
Net loss attributable to common stockholders per share, basic and diluted	$ (0.31)	$ (0.83)	$ (2.12)	$ (3.25)

Potential dilutive securities include dilutive common shares from share-based awards attributable to the restricted stock unit awards calculated 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 three months ended September 30, 2025 and 2024, the Company had 439,954 and 537,475 potential shares from restricted stock units that are anti-dilutive, respectively. During the nine months ended September 30, 2025 and 2024, the Company had 474,878 and 582,264 potential shares from restricted stock units that are anti-dilutive, respectively.

Note 3. Fair Value Measurements

Cash equivalents

At September 30, 2025 and December 31, 2024, highly liquid money market funds of $0.2 million and $0.3 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 September 30, 2025 and December 31, 2024, the Company had purchased Treasury Bills with maturities ranging from 3 to 12 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 $782.5 million including gross accrued interest of $7.5 million as of September 30, 2025. As of September 30, 2025, the fair value on the held-to-maturity securities was $782.7 million and the gross unrealized gain was $0.2 million.

As of December 31, 2024, the amortized cost of the held-to-maturity securities totaled $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.

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. The carrying value of our investments is reviewed quarterly for changes in circumstances or the occurrence of events that suggests an investment may not be fully recoverable.

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 will result in significant adjustments to the fair value. As of September 30, 2025, the Company used a volatility rate of 20%, risk free rate ranging from 3.6% to 4.1%, and an expected term ranging from 0.13 years to 3.13 years.

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

	Amount
Fair value as of January 1, 2025	$ 97,256
Change in the fair value during the year recorded to acquisition related costs	2,492
Payments made during the period	(9,143)
Fair value as of September 30, 2025	$ 90,605

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

Note 4. Balance Sheet Components

Accounts Receivable, net

Accounts receivable, net consisted of the following:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
Accounts receivable, gross	$ 22,554	$ 38,259
Allowance for credit losses	(50)	(50)
Accounts receivable, net	$ 22,504	$ 38,209

Inventories

Inventories consisted of the following:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
Raw materials	$ 21,856	$ 14,995
Work in progress	39,149	47,300
Finished goods	25,738	14,446
Total inventories	$ 86,743	$ 76,741

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
Prepaid expenses	$ 4,762	$ 4,305
Other current assets	8,416	5,971
Total prepaid expenses and other current assets	$ 13,178	$ 10,276

Property and Equipment, net

Property and equipment, net consisted of the following:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
Lab and manufacturing equipment	$ 152,446	$ 119,964
Computer equipment	4,018	3,833
Furniture and fixtures	1,177	1,167
Construction in progress	10,425	9,538
Leasehold improvements	8,286	7,818
	176,352	142,320
Accumulated depreciation	(77,125)	(59,845)
Total property and equipment, net	$ 99,227	$ 82,475

Depreciation expense related to property and equipment was $6.1 million and $4.0 million for the three months ended September 30, 2025 and 2024, respectively, and $17.1 million and $11.4 million for the nine months ended September 30, 2025 and 2024, respectively.

Intangible Assets, net

Intangible assets, net consisted of the following:

	As of					
	September 30, 2025			December 31, 2024		
	(in thousands)					
	Gross Assets	Accumulated Amortization	Net Assets	Gross Assets	Accumulated Amortization	Net Assets
Developed technology	$ 96,700	$ (20,186)	$ 76,514	$ 96,700	$ (10,575)	$ 86,125
Contract based royalty asset	5,900	(2,704)	3,196	5,900	(1,598)	4,302
Internal use software	—	—	—	9,434	(9,434)	—
Purchased software	15,783	(12,856)	2,927	15,551	(11,920)	3,631
Total amortizable intangible assets	$ 118,383	$ (35,746)	$ 82,637	$ 127,585	$ (33,527)	$ 94,058
In-process research and development	69,500	—	69,500	69,500	—	69,500
Total intangible assets	$ 187,883	$ (35,746)	$ 152,137	$ 197,085	$ (33,527)	$ 163,558

Amortization expense for intangible assets was $3.8 million and $3.9 million for the three months ended September 30, 2025 and 2024, respectively, and $11.6 million and $10.0 million for the nine months ended September 30, 2025 and 2024, respectively.

The estimated aggregate future amortization expense for intangible assets subject to amortization as of September 30, 2025 is summarized as below:

	(in thousands)
2025 (remainder)	$ 3,842
2026	15,122
2027	14,750
2028	12,985
2029	11,127
2030 and beyond	24,811
	$ 82,637

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
Accrued payroll and related benefits	$ 11,289	$ 12,381
Revenue reserves	4,020	3,673
Sales-based earnout liability, current	29,480	23,953
Acquisition consideration payable, current	38,400	37,760
Short term lease liability	2,660	2,744
Other accrued expenses	5,958	5,044
Total accrued expenses and other current liabilities	$ 91,807	$ 85,555

Other Non-current Liabilities

Other non-current liabilities consisted of the following:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
Sales-based earnout liability, non-current	$ 61,125	$ 73,303
Long term lease liability	1,775	3,488
Other non-current liabilities	18	—
Total other non-current liabilities	$ 62,918	$ 76,791

Note 5. Leases

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

The remaining lease terms vary from a few months to four years. For certain of its leases the Company has options to extend the lease term for periods varying from one to five 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 comprised of common area maintenance and utility charges.

The table below presents the operating lease-related assets and liabilities recorded on the condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
Right-of-use assets	$ 4,871	$ 6,569
Lease liabilities included in accrued expenses and other current liabilities	2,660	2,744
Lease liabilities included in other non-current liabilities	1,775	3,488
Total operating lease liabilities	$ 4,435	$ 6,232
Weighted-average remaining lease term (years)	1.8	2.4
Weighted-average discount rate	5.3%	5.1%

The table below presents certain information related to the lease costs for operating leases for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Operating lease cost	$ 824	$ 794	$ 2,451	$ 2,295
Short-term lease cost	280	236	1,252	650
Variable lease cost	974	582	2,742	1,231
Total lease cost	$ 2,078	$ 1,612	$ 6,445	$ 4,176

Cash paid for operating lease liabilities was $0.9 million and $0.8 million for the three months ended September 30, 2025 and 2024, respectively, and $2.6 million and $2.4 million for the nine months ended September 30, 2025 and 2024, 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 condensed consolidated balance sheet as of September 30, 2025:

	(in thousands)
Remainder of 2025	$ 858
2026	2,779
2027	725
2028	226
2029	84
Total minimum lease payments	4,672
Less: amount of lease payments representing interest	(237)
Present value of future minimum lease payments	4,435
Less: current obligations under leases	(2,660)
Long-term lease liabilities	$ 1,775

Note 6. Stockholders' Equity

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 acting as its sales agent.

During the three months ended September 30, 2025, the Company did not sell any shares of its common stock through Stifel under the Sales Agreement. During the three months ended September 30, 2024, the Company sold 100,000 shares of its common stock through Stifel under the Sales Agreement at a weighted average price of $137.85 per share resulting in net proceeds to the Company of $13.3 million, after deducting underwriting discounts and commissions of $0.3 million and offering costs of $0.2 million.

During the nine months ended September 30, 2025, the Company sold 150,000 shares of its common stock through Stifel under the Sales Agreement at a weighted average price of $203.94 per share resulting in net proceeds to the Company of $29.7 million, after deducting underwriting discounts and commissions of $0.6 million and deferred offering costs of $0.3 million. During the nine months ended September 30, 2024, the Company sold 232,500 shares of its common stock through Stifel under the Sales Agreement at a weighted average price of $126.93 per share resulting in net proceeds to the Company of $28.4 million, after deducting underwriting discounts and commissions of $0.6 million and deferred offering costs of $0.5 million.

Follow-on public offering

On June 27, 2025, the Company completed a follow-on public offering, in which it issued and sold 2,012,500 shares of its common stock, resulting in net proceeds to the Company of $387.3 million after deducting underwriting discounts and commissions of $14.1 million and deferred offering costs of $1.1 million.

Equity Incentive Plans

The following table summarizes the RSU, performance based restricted stock units ("PRSU"), and multi-year performance restricted stock units ("MYPSU") activity for the three and nine months ended September 30, 2025:

	RSU Number of Shares	Grant Date Fair Value per share	PRSU Number of Shares	Grant Date Fair Value per share	MYPSU Number of Shares	Grant Date Fair Value per share
Unvested at December 31, 2024	915,152	$ 128.7	210,044	$ 104.3	285,880	$ 88.6
Granted	255,368	173.9	155,565	187.8	—	—
Vested	(145,509)	137.5	(53,090)	167.8	—	—
Forfeited	(16,236)	113.3	—	—	—	—
Unvested at March 31, 2025	1,008,775	$ 139.1	312,519	$ 135.1	285,880	$ 88.6
Granted	80,208	167.9	—	—	—	—
Vested	(187,281)	140.1	—	—	—	—
Forfeited	(13,782)	165.8	—	—	—	—
Unvested at June 30, 2025	887,920	$ 141.1	312,519	$ 135.1	285,880	$ 88.6
Granted	63,122	197.0	—	—	—	—
Vested	(159,573)	148.2	—	—	—	—
Forfeited	(4,127)	166.2	—	—	—	—
Unvested at September 30, 2025	787,342	$ 143.9	312,519	$ 135.1	285,880	$ 88.6

The following summarizes the number and value of the shares withheld for employee taxes:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands, except share data)			
Shares withheld for taxes	62,573	86,593	204,952	257,599
Amount withheld for taxes	$ 13,984	$ 12,198	$ 41,269	$ 32,566

In February 2025, the Compensation Committee approved target bonus amounts based on the achievement of revenue and individual performance goals for the fiscal year 2025 (the "2025 Goals"). The awards for the actual payouts are granted in the quarter following the end of the performance period. 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 condensed consolidated cash flow statements. The liability of $4.2 million for 2025 Goals was recorded as accrued expenses and other current liabilities in the condensed consolidated balance sheet as of September 30, 2025.

In February 2025, the Compensation Committee of the Company approved PRSUs for the fiscal year 2025 with performance goals based on the achievement of relative total stockholder return with a three year performance period (the "2025 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 awards included expected volatility ranging from 72.6% to 72.9%, risk free rate of 4.3%, no expected dividend yield and expected term of 2.9 years. The Company recognizes the expense related to the 2025 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 above.

The Company also operates a bonus plan for certain employees which are based on a fixed dollar amount to be settled in RSUs. These awards are categorized as liability-based awards until settled. Once settled, these awards are reflected as RSU granted in the above table. Such expense is included in the non-cash adjustment within stock-based compensation expense on the condensed consolidated cash flow statements. The liability of $1.0 million was recorded as accrued expenses and other current liabilities in the condensed consolidated balance sheet as of September 30, 2025.

Stock-Based Compensation

The following table presents the detail of stock-based compensation expense amounts included in the condensed consolidated statement of operations for each of the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Equity based awards				
Cost of revenue	$ 740	$ 470	$ 2,134	$ 961
Research and development	10,070	8,526	30,272	25,762
Selling, general and administrative	13,084	11,710	39,508	35,801
	$ 23,894	$ 20,706	$ 71,914	$ 62,524
Liability based awards - to be settled in equity				
Cost of revenue	$ 91	$ 25	$ 223	$ 41
Research and development	1,415	866	2,938	2,220
Selling, general and administrative	2,357	1,215	4,053	2,646
	$ 3,863	$ 2,106	$ 7,214	$ 4,907
Total stock-based compensation expense - equity and liability based	$ 27,757	$ 22,812	$ 79,128	$ 67,431
Stock-based compensation expense recorded to additional paid-in capital				
Equity based awards	$ 23,894	$ 20,706	$ 71,914	$ 62,524
Liability based awards - settled in equity	976	1,009	8,414	3,633
Stock-based compensation expense capitalized to inventory	(159)	200	(338)	1,005
Total stock-based compensation expense recorded to additional paid-in capital	$ 24,711	$ 21,915	$ 79,990	$ 67,162

The following table presents the unrecognized compensation costs and related weighted average period of recognition as of September 30, 2025:

	Unrecognized Compensation Costs (in millions)	Weighted Average Period of Recognition (in years)
RSUs	$ 94.8	2.1
PRSUs	$ 22.9	1.2
MYPSUs	$ 0.5	0.3
Liability-based awards	$ 6.1	0.5

Note 7. Income Taxes

The quarterly provision for income taxes is based on applying the estimated annual effective tax rate to the year to date pre-tax income, plus any discrete items. The Company updates its estimate of its annual effective tax rate at the end of each quarterly period. The estimate takes into account annual forecasted income before income taxes, the geographic mix of income before income taxes and any significant permanent tax items.

The following table presents the provision for income taxes and the effective tax rates for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Loss before income taxes	$ (7,903)	$ (19,196)	$ (51,857)	$ (74,674)
Income tax expense	(111)	(119)	(213)	(114)
Effective tax rate	1%	1%	0%	0%

The Company's effective tax rate may vary from the U.S. federal statutory tax rate due to the change in the mix of earnings in tax jurisdictions with different statutory rates, benefits related to tax credits and the tax impact of non-deductible expenses, existence of full valuation allowance on its deferred tax assets, and other permanent differences between income before income taxes and taxable income.

A valuation allowance is established or maintained when, based on currently available information and other factors, it is more likely than not that all or a portion of the deferred tax assets will not be realized. The Company regularly assesses its valuation allowance against deferred tax assets on a jurisdiction by jurisdiction basis. The Company considers all available positive and negative evidence, including future reversals of temporary differences, projected future taxable income, tax planning strategies and recent financial results. Based on management's assessment of the realizability of deferred tax assets, the Company continues to maintain a full valuation allowance on its deferred tax assets as of September 30, 2025.

The income tax provision was immaterial for both the three and nine months ended September 30, 2025 and 2024. The provision for income taxes is primarily related to the foreign subsidiaries' local country obligations. The U.S. effective tax rate is less than 1% and is due to minimum state tax. There is no federal provision for income taxes as the Company has sufficient carryforward of net operating losses to offset any operating income earned since inception and has projected an operating loss in the current year.

On July 4, 2025, the One Big Beautiful Bill Act (the "Act") was enacted into law. The Company has evaluated the impact of the Act and determined that, due to its full valuation allowance, year-to-date and forecasted full-year taxable loss position, absence of Foreign-Derived Intangible Income and Global Intangible Low-Taxed Income, limitations under IRC Section 163(j), and the availability of pre-2017 net operating loss carryforwards, the Act does not have a material impact on the Company's effective tax rate for both the three and nine months ended September 30, 2025. Accordingly, no discrete tax expense has been recorded for the period.

As of September 30, 2025 and December 31, 2024, the Company had $2.5 million and $2.5 million, respectively, of total unrecognized tax benefits. If the Company is able to eventually recognize these uncertain tax positions, none of the unrecognized benefits would reduce the Company's effective tax rate due to the full valuation allowance on 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. For the three and nine months ended September 30, 2025 and 2024, the Company recorded immaterial amounts related to the accrual of interest and penalties.

Note 8. Segment, Geographic and Customer Information

The Company operates in one reportable segment related to the design, development, and sale of Precision Timing solutions to the global electronics industry.

The accounting policies of the Company's single segment and key performance measures used by the Chief Executive Officer, who is the Chief Operating Decision Maker, to assess the performance of the Company are the same as those described within Note 1 and Note 11 of the Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 14, 2025.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Revenue	$ 83,567	$ 57,698	$ 213,375	$ 134,586
Less:				
Product costs	25,672	18,092	64,011	41,476
Depreciation	4,071	2,034	11,109	5,743
Amortization	3,579	3,577	10,736	8,524
Other manufacturing overheads	5,528	4,528	16,414	10,193
Gross profit	44,717	29,467	111,105	68,650
Less:				
Acquisition related costs	126	2,482	3,560	8,886
Interest income	(8,275)	(5,499)	(16,832)	(17,795)
Other segment items [a]	60,880	51,799	176,447	152,347
Net loss	$ (8,014)	$ (19,315)	$ (52,070)	$ (74,788)

[a]Other segment items include research and development expenses and selling, general and administrative expenses, primarily in the nature of nonmanufacturing expenses including salaries and stock-based compensation for employees, consulting expenses, certain other expenses, and taxes.

Revenue by geographic area is presented based upon the ship-to location of the customers who purchased the Company’s products, which 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Hong Kong	$ 28,458	$ 17,010	$ 75,854	$ 42,546
Taiwan	20,541	20,854	53,796	42,465
Belgium	9,965	*	12,736	*
United States	5,869	3,795	14,820	11,428
Other	18,734	16,039	56,169	38,147
Total	$ 83,567	$ 57,698	$ 213,375	$ 134,586

* Revenue from this geographical area was below 10%.

The following table sets forth the Company's total property and equipment attributable to operations by country as of the periods presented:

	As of	
	September 30, 2025	December 31, 2024
	(in thousands)	
United States	$ 31,455	$ 32,200
Taiwan	27,186	24,294
Malaysia	21,140	16,231
Singapore	12,517	2,419
Other	6,929	7,331
	$ 99,227	$ 82,475

Note 9. Commitments and Contingencies

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. We did not have any amounts accrued towards these matters as of September 30, 2025.

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, and specified environmental matters. 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.

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. In addition, the Company has a multi-year agreement to purchase minimum quantities of micro-electro-mechanical systems ("MEMS") wafers and is responsible for research and development, tooling, and samples cost under the agreement. 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 September 30, 2025 were as follows:

	(in thousands)
Remainder of 2025	$ 4,653
2026	6,929
2027	4,993
2028	12,625
Total	$ 29,200

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and the related notes that appear elsewhere in this document.

The information in this Quarterly Report on Form 10-Q 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; and
- 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 Part II, Item 1A "Risk Factors" of this report. 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 report, 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.

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. 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 products 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.

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 phase-locked loops, 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.

Today’s newer applications are driving the need for faster connectivity and lower latency, even when the electronics is subject to non-ideal conditions. Our Precision Timing solutions are designed to be resilient to such harsh environmental stressors which provides a benefit to our customers. For example, AI Infrastructure equipment is becoming more dense, and is subject to rapid temperature changes within the system, but still needs to deliver maximum performance and reliability. In 2025, we have benefitted from the strong growth in AI datacenter deployments. In the Communications market, a 5G small cell radio mounted on a pole next to a road or rail line is going to be subject to vibration as heavy trucks or trains go by. These conditions make our Precision Timing solutions a natural choice in such applications. Our solutions are also utilized in automotive electronics, including advanced driver assistance systems 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 to environmental stressors ever more important. These industry trends place higher demands on timing components, increasing 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 the requirement for compelling solutions to solve difficult timing problems. Historically, our revenue has been substantially derived 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. Total consideration paid in the acquisition included approximately $148 million in fixed payments and up to $120 million in earnouts. 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, more resilience to environmental stressors and higher 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.

Results of Operations

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.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	$	%	2025	2024	$	%
	(in thousands except percentage)				(in thousands except percentage)			
Revenue	$ 83,567	$ 57,698	$ 25,869	45 %	$ 213,375	$ 134,586	$ 78,789	59 %

Revenue increased by $25.9 million, or 45%, for the three months ended September 30, 2025 compared to the same period in the prior year. Revenue increased by $78.8 million, or 59%, for the nine months ended September 30, 2025 compared to the same period in the prior year. The increase in both periods was primarily related to an increase in sales volume as well as increase in average selling prices of our products due to change in mix of the products we shipped.

Sales attributable to our largest end customer through multiple distributors accounted for 18% and 23% of our revenue for the three months ended September 30, 2025 and 2024, respectively, and 18% and 20% of our revenue for the nine months ended September 30, 2025 and 2024, respectively. Our end customers predominantly purchase our products from distributors. Our top three customers by revenue, which are distributors, together accounted for approximately 58% and 55% of our revenue for the three months ended September 30, 2025 and 2024, respectively, and 59% and 55% of our revenues for the nine months ended September 30, 2025 and 2024, respectively. Revenue attributable to our largest ten end customers accounted for 65% and 63% for the three months ended September 30, 2025 and 2024, respectively, and 64% and 59% of our revenues for the nine months ended September 30, 2025 and 2024, 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, amortization of acquired intangibles 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.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	$	%	2025	2024	$	%
	(in thousands except percentage)				(in thousands except percentage)			
Cost of Revenue	$ 38,850	$ 28,231	$ 10,619	38%	$ 102,270	$ 65,936	$ 36,334	55%
Gross Profit	$ 44,717	$ 29,467	$ 15,250	52%	$ 111,105	$ 68,650	$ 42,455	62%
Gross Margin	53.5%	51.1%			52.1%	51.0%		

Gross profit increased by $15.3 million in the three months ended September 30, 2025 compared to the same period in the prior year. Gross profit increased $19.0 million mainly from higher revenue which was partially offset by higher other manufacturing and overhead costs of $3.3 million, consisting of depreciation and amortization, freight outwards and inventory reserves, and higher stock-based compensation expense of $0.3 million.

Gross profit increased by $42.5 million in the nine months ended September 30, 2025 compared to the same period in the prior year. Gross profit increased $57.5 million mainly from higher revenue which was partially offset by higher other manufacturing and overhead costs of $11.3 million, higher amortization from acquired intangibles of $2.4 million, and higher stock-based compensation expense of $1.4 million.

Gross margin was higher by 2.4% in the three months ended September 30, 2025 compared to the same period in the prior year. The gross margins increased by 1.3% primarily due to a change in the mix of products shipped, and due to improvement of overhead costs as a percentage of revenue by 1.1%.

Gross margin was higher by 1.1% in the nine months ended September 30, 2025 compared to the same period in the prior year primarily due to a change in the mix of products shipped.

Gross margin may fluctuate from time to time due to a variety of factors. For additional discussion please see Part II, 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, selling, 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.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	$	%	2025	2024	$	%
	(in thousands except percentage)				(in thousands except percentage)			
Operating Expenses:								
Research and development	$ 30,009	$ 26,489	$ 3,520	13%	$ 90,598	$ 77,523	$ 13,075	17%
Selling, general and administrative	30,603	25,359	5,244	21%	85,689	74,462	11,227	15%
Acquisition related costs	126	2,482	(2,356)	(95%)	3,560	8,886	(5,327)	(60%)
Total operating expenses	$ 60,738	$ 54,330	$ 6,408	12%	$ 179,847	$ 160,871	$ 18,975	12%

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, pre-production engineering mask costs, software license 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 and services 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 expenses to fluctuate as a percentage of revenue from period to period depending on the timing of these expenses.

Research and development expense increased by $3.5 million, or 13%, for the three months ended September 30, 2025, compared to the same period in the prior year, primarily due to an increase in headcount resulting in higher stock-based compensation expense of $2.1 million and higher other personnel costs of $1.2 million, and higher engineering spend towards ongoing new product development of $0.7 million, partially offset by an increase in non-recurring engineering contra-expense recognized of $0.5 million.

Research and development expense increased by $13.1 million, or 17% for the nine months ended September 30, 2025, compared to the same period in the prior year, primarily due to an increase in headcount resulting in higher stock-based compensation expense of $5.2 million and higher other personnel costs of $3.4 million, and higher engineering spend towards ongoing new product development of $4.6 million.

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 expenses 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 $5.2 million, or 21%, for the three months ended September 30, 2025, compared to the same period in the prior year, primarily due to an increase in headcount resulting in higher stock-based compensation expense of $2.5 million and higher other personnel costs of $0.7 million, higher sales commissions payouts from higher sales of $1.4 million, and higher consulting fees of $0.7 million.

Selling, general and administrative expense increased by $11.2 million, or 15%, for the nine months ended September 30, 2025 compared to the same period in the prior year, primarily due to an increase in headcount resulting in higher stock-based compensation expense of $5.1 million and higher other personnel costs of $2.4 million, higher consulting fees of $2.1 million, and higher sales commissions payouts from higher sales of $1.4 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 also include changes in the fair value of the sales-based earnout liability and interest accretion related to the acquisition consideration payable.

Acquisition related costs decreased by $2.4 million, or 95%, for the three months ended September 30, 2025, primarily due to lower accretion of acquisition consideration payable and earnouts by $0.8 million and $1.5 million respectively due to lower remaining amount payable.

Acquisition related costs decreased by $5.3 million, or 60%, for the nine months ended September 30, 2025 compared to the same period in the prior year, primarily due to lower accretion of acquisition consideration payable and earnouts by $2.3 million and $2.5 million respectively due to lower remaining amount payable, and a reduction in one-time acquisition costs related to the 2023 Aura transaction of $0.6 million.

We will incur incremental costs in 2025 and beyond 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

Interest income consists primarily of interest income on short term investments.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	$	%	2025	2024	$	%
	(in thousands except percentage)				(in thousands except percentage)			
Interest Income	$ 8,275	$ 5,499	$ 2,776	50%	$ 16,832	$ 17,795	$ (963)	(5%)

Interest income increased by $2.8 million or 50% for the three months ended September 30, 2025, compared to the same period in the prior year due to an increase in average investment balance during the period, primarily due to funds raised through the follow-on public offering in June 2025, partially offset due to lower interest rates.

Interest income decreased by $1.0 million or 5% for the nine months ended September 30, 2025, compared to the same period in the prior year due to lower interest rates, partially offset by an increase in the average investment balance due to funds raised through the follow-on public offering in June 2025.

Other Income (Expense), net

Other income (expense), net consists primarily of foreign exchange gains and losses.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	$	%	2025	2024	$	%
	(in thousands except percentage)				(in thousands except percentage)			
Other income (expense), net	$ (157)	$ 168	$ (325)	(193%)	$ 53	$ (248)	$ 301	(121%)

Other income (expense), net, decreased by $0.3 million for the three months ended September 30, 2025, compared to the same period in the prior year primarily due to net unrealized losses on foreign exchange rates from activities in our foreign subsidiaries resulting from exchange rate fluctuations.

Other income (expense), net, increased by $0.3 million for the nine months ended September 30, 2025, compared to the same periods in the prior year primarily due to net unrealized gains on foreign exchange rates from activities in our foreign subsidiaries resulting from exchange rate fluctuations.

Income Tax Expense

Income tax expense consists primarily of state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. 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 operating loss ("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.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2025	2024	$	%	2025	2024	$	%
	(in thousands except percentage)				(in thousands except percentage)			
Income tax expense	$ (111)	$ (119)	$ 8	(7%)	$ (213)	$ (114)	$ (99)	87%

Liquidity and Capital Resources

As of September 30, 2025 and December 31, 2024, we had cash and cash equivalents of $27.1 million and $6.1 million, respectively. As of September 30, 2025 and December 31, 2024, we also held $782.5 million and $412.7 million of short-term investments, respectively, in held-to-maturity securities that consisted of treasury bills. 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 with 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. During the nine months ended September 30, 2025, we sold 150,000 shares of our common stock under the Sales Agreement at a weighted average price of $203.94 per share resulting in net proceeds to us of $29.7 million, after deducting underwriting discounts and commissions and offering costs. We 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.

On June 27, 2025, we completed a follow-on public offering, in which we issued and sold 2,012,500 shares of our common stock, resulting in net proceeds to us of $387.3 million after deducting underwriting discounts and commissions of $14.1 million and deferred offering costs of $1.1 million.

Our purchase obligations primarily include non-cancelable purchase commitments from agreements with our contract manufacturers as well as a multi-year purchase agreement with commitment to purchase minimum quantities of MEMS wafers and research and development, tooling and sample cost under the agreement, and design and simulation licenses. For information about our contractual obligations refer to "Note 5 - Leases" and "Note 9 - Commitments and Contingencies" of the Notes to Condensed Consolidated Financial Statements for the period ended September 30, 2025.

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 operating 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, costs to acquire or invest in complementary businesses and technologies, payment obligations associated with our completed acquisitions based on achievement of certain milestones, 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 table below summarizes our cash flows for the periods indicated:

	Nine Months Ended September 30,	
	2025	2024
	(in thousands)	
Net cash provided by operating activities	$ 61,778	$ 9,698
Net cash provided by (used in) investing activities	(406,394)	73,753
Net cash provided by (used in) financing activities	365,620	(84,430)
Net increase (decrease) in cash and cash equivalents	$ 21,004	$ (979)

Operating Activities

In the nine months ended September 30, 2025, net cash provided by operating activities of $61.8 million was primarily due to a net loss of $52.1 million, offset by non-cash expenses of $112.1 million and change in operating assets and liabilities of $1.7 million. Non-cash expenses were mainly related to stock-based compensation expense, depreciation and amortization, change in fair value of sales based earnout liability, accretion of acquisition consideration payable, inventory write-down and net change in unrealized interest on held to maturity investments. The changes in operating assets and liabilities resulted in cash generated primarily due to a decrease in our accounts receivables due to timing of shipments, and increase in accounts payable and accrued expenses primarily due to timing of accrued payroll and related benefit payments, partially offset by an increase in inventories as we built our wafer inventory levels, and an increase in prepaid expenses and other assets due to timing of payment to vendors.

Investing Activities

Our investing activities consist primarily of purchase and maturities of short-term investments as well as capital expenditures for property and equipment purchases. Our short-term investments were primarily in treasury bills to earn interest. 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 the nine months ended September 30, 2025, net cash used in investing activities was $406.4 million. We paid $929.4 million to purchase short-term investments in held-to-maturity securities. We paid $39.8 million largely to purchase manufacturing equipment and intangibles to support the general business operations. These payments were offset by proceeds of $562.9 million generated from maturities of the short-term investments in held-to-maturity securities.

Financing Activities

Our financing activities have primarily consisted of proceeds from issuance of shares, payments of withholding taxes on RSUs, and payment of acquisition related consideration and earnouts. During the nine months ended September 30, 2025, we sold 150,000 shares of our common stock through Stifel under the Sales Agreement resulting in net proceeds to us of $29.7 million, after deducting underwriting discounts and commissions of $0.6 million and deferred offering costs of $0.3 million. Further, we completed a follow-on public offering on June 27, 2025, in which we issued and sold 2,012,500 shares of our common stock, resulting in net proceeds to us of $387.3 million after deducting underwriting discounts and commissions of $14.1 million and deferred offering costs of $1.1 million. We also paid tax withholdings on behalf of employees for net share settlement of $41.3 million, and paid earnouts of $9.1 million related to the Aura transaction.

Critical Accounting Estimates

Our condensed consolidated financial statements have been prepared in accordance with GAAP. The preparation of these financial statements and accompanying disclosures requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements and the accompanying notes. The Securities and Exchange Commission (the "SEC"), has defined a company’s critical accounting estimates as estimates that are most important to the portrayal of a company’s financial condition and results of operations, and which require a company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on this definition, we have identified our most critical accounting estimates to be as follows: (1) revenue recognition (2) business combinations, and (3) inventory. Although we believe that our estimates, assumptions, and judgments are reasonable, they are based upon information not presently available. Actual results may differ significantly from these estimates if the assumptions, judgments, and conditions upon which they are based turn out to be inaccurate. Management believes that there have been no significant changes to the items that we disclosed as our critical accounting estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 14, 2025.

Item 3. 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 Finland, France, Germany, India, Japan, Korea, Malaysia, the Netherlands, and Taiwan. 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. The effect of a hypothetical 10% change in foreign currency exchanges rates applicable to our business would not have a material impact on our historical consolidated financial statements. We do not currently have a hedging program with respect to foreign currency exchange risk.

Interest Rate Risk

We had cash and cash equivalents of $27.1 million and $6.1 million as of September 30, 2025 and December 31, 2024, respectively, consisting of bank deposits, money market funds and treasury bills. We also had short-term investments in held-to-maturity securities of $782.5 million and $412.7 million consisting of treasury bills as of September 30, 2025 and December 31, 2024. Such interest-earning instruments carry a degree of interest rate risk. During the nine months ended September 30, 2025, we have generated $16.8 million in interest income through our investment balance.

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 September 30, 2025, 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 $782.5 million, by an increase or decrease of approximately $2.3 million for the nine months ended September 30, 2025.

Item 4. 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.

Our management, including our principal executive and chief executive officer, does not expect that our disclosure controls and procedures or our internal controls, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within SiTime have been detected.

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

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the three months ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information required by this item is included in Note 9 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q and is incorporated herein by reference.

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, changes to U.S. trade policies, which may result in 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. Tariffs and escalations of trade tensions between the U.S. and its trading partners may result in long-term changes to global trade. 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 may lead to a buildup of inventory at many of our customers, including distributors, and their affiliates, partners, and contract manufacturers, which may 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 58% and 55% of our revenue for the three months ended September 30, 2025 and 2024, respectively, and 59% and 55% of our revenue nine months ended September 30, 2025 and 2024, respectively. Based on our shipment information, we believe that revenue attributable to our ten largest end customers accounted for 65% and 63% of our revenue for the three months ended September 30, 2025 and 2024, respectively, and 64% and 59% of our revenue nine months ended September 30, 2025 and 2024, respectively. Sales attributable to Apple Inc., our largest end customer accounted for approximately 18% and 23% of our revenue for the three months ended September 30, 2025 and 2024, respectively, and 18% and 20% of our revenue nine months ended September 30, 2025 and 2024, 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, but not limited to, Pernas Electronics Co., Ltd., Arrow Electronics, Inc., and Quantek Technology Corporation, 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 do not 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 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 cyclicality, 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;
- production disruptions or delays due to failure of information technology infrastructure or enterprise resource planning systems;
- 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, primarily located outside the U.S., for all of our manufacturing operations, including wafer fabrication, assembly, packaging, and testing. Adverse relations between the U.S. and any country supplying our materials could impact timely availability of our inventory. 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, which 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 renews automatically. We currently rely primarily on Bosch and Teledyne Digital Imaging Inc. ("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 technology. 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 longer to accomplish. 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.

International trade policies, including tariffs, sanctions and trade barriers may adversely affect our business, financial condition, results of operations and prospects.

Substantial new tariffs and other restrictive trade policies have created a dynamic and unpredictable trade landscape, which may adversely impact our business.

Current or future tariffs or other restrictive trade measures may significantly raise the costs of raw materials, components or finished goods, which may adversely impact both our product offerings and our operational expenses. Such cost increases may reduce our margins and require us to increase prices, which could harm our competitive position, reduce customer demand and damage customer relationships. Our manufacturers, suppliers and distribution channels are also affected by the current trade environment, and we may experience supply chain disruptions as a result of increased costs and uncertainty, as well as risks to the long-term viability of key vendors, which may impact our ability to meet customer demand or manage inventory efficiently. Tariff and other trade-related cost pressures and supply chain disruptions may lead to reputational harm if we are unable to deliver products or services on expected timelines or if any price increases are poorly received by customers or business partners. In addition, many of our customers operate businesses that may be impacted by trade policies, which may result in decreased demand for our products or extended sales cycles as customers assess the impact of evolving trade policies on their operations and face increased costs or decreased revenue due to tariffs and trade restrictions.

Trade disputes, trade restrictions, tariffs and other geopolitical tensions between the U.S. and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns, which may also negatively impact customer demand for our products, delay purchases, limit expansion opportunities with customers, limit our access to capital, or otherwise negatively impact our business and operations. Ongoing tariff, trade restrictions and macroeconomic uncertainty has and may continue to contribute to volatility in the price of our common stock.

The complexity of announced or future tariffs may also increase the risk that we or our customers or suppliers may be subject to civil or criminal enforcement actions in the U.S. or foreign jurisdictions related to compliance with trade regulations. In addition, retaliatory trade policies or anti-U.S. sentiment in certain regions whether driven by trade tensions, political disagreements, or regulatory concerns may make customers, governments, and investors more hesitant to engage with, purchase from or invest in U.S. firms. This may lead to increased preference for local competitors, changes to government procurement policies, heightened regulatory scrutiny, decreased intellectual property protections, delays in regulatory approvals or other retaliatory regulatory non-tariff policies, which may result in heightened international legal and operational risks and difficulties in attracting and retaining non-U.S. customers, suppliers, employees, partners and investors.

Ongoing uncertainty regarding trade policies may also further complicate our short- and long-term strategic planning, and that of our partners and customers, including decisions regarding hiring, product strategy, capital investment, supply chain design and geographic expansion.

While we continue to monitor trade developments, the ultimate impact of these risks remains uncertain and any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of U.S.-based companies could materially and adversely affect our business, results of operations, financial condition and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described elsewhere in this report and in our Annual Report for the fiscal year ended December 31, 2024.

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 93% and 93% of our revenue for the three months ended September 30, 2025 and 2024, respectively, and 93% and 92% of our revenue nine months ended September 30, 2025 and 2024, 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 $83.6 million and $57.7 million for the three months ended September 30, 2025 and 2024, respectively, and $213.4 million and $134.6 million for the nine months ended September 30, 2025 and 2024, 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 original equipment manufacturers ("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 September 30, 2025, 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 September 30, 2025 and December 31, 2024, respectively. However, if our credit losses 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

September 30, 2025, 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. 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. 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.

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 sustainability 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.

Many customers, regulators, investors, employees, and other stakeholders are focusing on sustainability matters. While we have certain sustainability 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 sustainability 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 sustainability information and metrics can be costly, difficult and time consuming, is subject to evolving reporting standards, and can present numerous operational, reputational, financial, legal, and other risks, any of which could 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 ("BEPSP"), 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 BEPSP, 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 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, and 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 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. We 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 September 30, 2025, we had 144 issued U.S. patents, expiring generally between 2026 and 2040, and 50 pending U.S. patent applications (including 14 provisional applications). We also had 5 foreign issued patents expiring in 2036 and 12 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 may 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 49.0% of the outstanding shares of our common stock, based on the number of shares outstanding as of September 30, 2025. 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 a large number of stockholders 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 5. Other Information.

None

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Item 6. Exhibits.

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

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of SiTime Corporation (the "Company") (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed November 26, 2019).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed June 29, 2021).
4.1	Form of Common Stock Certificate of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 (File No. 333-234305)).
4.2	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to the Company's Annual Report on Form 10-K filed February 16, 2021).
10.1	Letter Agreement dated October 16, 2025 between the Company and Ganesh Moorthy (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 17, 2025).
31.1*	Certification of Principal Executive Officer 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.
31.2*	Certification of Principal Financial Officer 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.
32.1*#	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.
32.2*#	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.
101.INS*	Inline XBRL Instance - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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* Filed herewith.

\# 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-Q 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	SiTime Corporation	
Date: November 5, 2025	By:	/s/ Elizabeth A. Howe
		Elizabeth A. Howe **Executive Vice President, Chief Financial Officer** (Duly Authorized Officer and Principal Financial Officer)

Exhibit 31.1

Certification Pursuant to Rule 13a-14(a) and Rule 15d-14(a)
of the Securities Exchange Act of 1934

I, Rajesh Vashist, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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 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 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: November 5, 2025

/s/ Rajesh Vashist

Rajesh Vashist
Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Rule 13a-14(a) and Rule 15d-14(a)
of the Securities Exchange Act of 1934

I, Elizabeth A. Howe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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 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 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: November 5, 2025

/s/ Elizabeth A. Howe

Elizabeth A. Howe
Executive Vice President, Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 USC SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of SiTime Corporation. (the “Company”) on Form 10-Q for the period ended September 30, 2025 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 to the best of my knowledge:

(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 results of operations of the Company.

Date: November 5, 2025

/s/ Rajesh Vashist

Rajesh Vashist
Chief Executive Officer

Exhibit 32.2

**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 Quarterly Report of SiTime Corporation. (the “Company”) on Form 10-Q for the period ended September 30, 2025 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 to the best of my knowledge:

(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 results of operations of the Company.

Date: November 5, 2025

/s/ Elizabeth A. Howe

Elizabeth A. Howe
Executive Vice President, Chief Financial Officer