2026 ANNUAL REPORT

May 2026

Dear Shareholders:

Continuing the momentum seen in fiscal 2025, we established a new revenue record of $390.7 million in fiscal year 2026. This represents a 37% increase over the prior year and outpaced the growth of the overall semiconductor industry for the second consecutive year. Edge AI remained our key revenue driver, with approximately 80% of our fiscal 2026 revenue attributed to edge AI applications. We have shipped a cumulative total of approximately 45 million edge AI SoCs into a range of end markets, and we believe we are well positioned as the edge AI market continues to accelerate.

The trend of AI processing at the edge continues to evolve and expand

While AI processing in data centers has received much attention, we see a growing shift toward performing AI inference processing at the edge - closer to the sensor and the point of action. The edge AI market is still in the early stages, but there is meaningful progress in models, tools and applications that can run efficiently on-device. Techniques such as distillation and mixture-of-experts (MoE) are helping enable models that are "smaller yet smarter," which we believe can broaden adoption from early use cases to more mainstream deployments. Over time, we expect more edge and physical AI systems to operate in real time, act proactively and support closed-loop decisions for end users.

Our highly efficient processor, when implemented within the edge of a computing network, reduces latency, improves power consumption, reduces data communication expense, and improves privacy and security. We believe this gives us significant advantages in the edge AI market.

We are establishing Ambarella as an edge AI platform leader

To efficiently address the expansion in the number of edge AI use cases, and to help our customers reuse software and scale their business, a broad edge AI platform is required. We have an installed base of approximately 45 million edge AI SoCs with more than 370 unique customer AI products having reached production and approximately $1 billion in cumulative edge AI revenue. The breadth of our platform is also expanding, with 12 edge AI SoCs already available, delivering performance levels supporting AI models with 10's of thousand to 34 billion parameters. Our edge AI software development platform, used by our customers to create software applications that run on our AI SoCs, is a critical development tool and has reached production supporting more than 200 different AI model architectures.

We expect growth to be driven by expanding use-cases for edge AI and higher ASP products

AI inference SoCs now represent a majority of both our automotive and IoT revenues and have contributed to a higher blended average selling price ("ASP"). We expect continued revenue growth in our edge AI inference SoC business driven by (1) expansion of edge applications that are implementing AI functionality and (2) an improving product and customer mix as demand increases for higher-performance AI processing.

The edge AI inference market commenced in the enterprise market (e.g. physical security) and is now extending into both new enterprise and consumer markets. We intend to expand our edge AI business from the endpoint (the terminal device in a network which represents a vast majority of our revenue today) into the edge infrastructure market, which will allow us to address incremental and higher value market opportunities.

Our corporate SoC ASP was approximately $15 in fiscal 2026, and we expect ASP to continue to trend upward over time, driven primarily by increased AI inference content in our SoCs and growing demand for higher-performance solutions. This demand is being supported by several factors, including: workloads shifting from the

cloud/data center to the edge; larger and more capable models (including transformer-based networks); the move from serial to parallel (AI) processing; incremental processing to support both CNN and transformer networks; and an increase in both the number of sensors per system and the increasing resolution of those sensors, which requires more data to be processed at the edge.

Introducing new products continues to be critical

Our 5nm products represented our key growth driver in fiscal 2026. Sales of our CV5 SoC family grew well in fiscal 2026. A new wave of revenue, from our CV75 and CV72 AI SoCs, reached production status for the first time in the fourth quarter of fiscal 2025, posted strong growth in fiscal 2026, and is expected to deliver strong growth in fiscal 2027. Our recently introduced 4nm CV7 edge AI SoC provides superior perception (data collection) capabilities with a corresponding increase in AI inference horsepower, while supporting both advanced CNN and the more advanced transformer AI networks, which enable GenAI. CV7 commands an average selling price well above our current ASP, and we expect first revenue from this new product toward the end of fiscal 2027.

Two important new go-to-market strategies

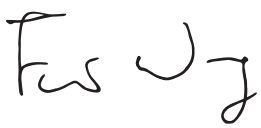
Today, our revenue is primarily driven by direct sales to customers. In fiscal 2026, we formalized two incremental go-to-market strategies: a semi-custom ASIC strategy and an indirect channel strategy. Semi-custom ASICs offer customers the ability to help define SoCs that utilize our IP (including our AI accelerators and perception capabilities) in combination with customer-defined IP. We believe this approach can help us capture additional share in markets we already serve and, over time, expand our addressable opportunities. Our first engagement with this semi-custom offering taped out in fiscal year 2026 using an advanced 2nm semiconductor manufacturing process node and is expected to go into production toward the end of fiscal 2027. We plan to expand our custom and semi-custom ASIC efforts in fiscal year 2027 and beyond. Our indirect channel strategy will enable third-party partners to resell our products together with a network of independent software vendors, which we believe can help us efficiently reach more customers, particularly in fragmented and high-growth markets such as edge infrastructure and robotics.

Our strategy is aligned with the megatrends of safety, security, and automation

This is an exciting period of rapid evolution in the AI industry and, in particular, at the network edge, which is our primary focus. Our edge AI business targets industries where the megatrends of safety, security, and automation intersect, including enterprise security, portable video, robotics, autonomous vehicles, and industrial automation. We believe we have distinct advantages in these markets, and we intend to build on the momentum we have established as we expand our strategy, technology and product portfolio.

Thank you for your support.

Sincerely,



President & CEO

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

FORM 10-K

(Mark One)

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

For the fiscal year ended January 31, 2026

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: 001-35667

AMBARELLA, INC.

(Exact name of registrant as specified in its charter)

Cayman Islands	**98-0459628**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
3001 Tasman Drive Santa Clara, California	**95054**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (408) 734-8888

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Ordinary Shares, $0.00045 Par Value Per Share	AMBA	The Nasdaq Global Select Market

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (Exchange Act) during the preceding 12 months 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, a 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

The aggregate market value of the voting and non-voting ordinary shares held by non-affiliates of the Registrant as of July 31, 2025, was approximately $2.2 billion based upon the closing price reported for such date on the Nasdaq Global Select Market. For purposes of this disclosure, ordinary shares held by persons known to the Registrant (based on information provided by such persons and/or the most recent schedule 13Gs filed by such persons) to beneficially own more than 5% of the Registrant's ordinary shares and ordinary shares held by officers and directors of the Registrant have been excluded because such persons may be deemed to be affiliates. This determination is not necessarily a conclusive determination for other purposes.

Number of ordinary shares, $0.00045 par value, outstanding as of March 16, 2026: 43,788,879 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information is incorporated into Part III of this report by reference to the Proxy Statement for the Registrant's 2026 annual meeting of shareholders to be filed with the Securities and Exchange Commission not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. The forward-looking statements are contained principally in, but not limited to, the sections titled "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as elsewhere in this Annual Report on Form 10-K. Forward-looking statements are identified by the use of the words "would," "could," "will," "may," "expect," "believe," "should," "anticipate," "outlook," "if," "future," "intend," "plan," "estimate," "predict," "potential," "target," "seek," "continue," "foreseeable" or "forecast" and similar words and phrases, including the negatives of these terms, or other variations of these terms, that denote future events. Forward-looking statements include, but are not limited to, information concerning our possible or assumed future results of operations, competitive position, industry environment, potential growth opportunities and the effects of competition, our product development strategy and areas of focus, our market opportunity, our ability to develop new solutions, including our ability to integrate and apply acquired technologies to our solutions, our future financial and operating performance, sales and marketing strategy, investment strategy and the results of our investments, research and development, customer and supplier relationships, inventory levels, customer demand and our ability to secure design wins, industry trends, our cash needs and capital requirements, and expectations about seasonality, taxes, and operating expenses. These statements reflect our current views with respect to future events and our potential financial performance and are subject to risks and uncertainties that could cause our actual results and financial position to differ materially and adversely from what is projected or implied in any forward-looking statements included in this Annual Report on Form 10-K.

Factors that could affect such forward-looking statements include, but are not limited to, risks associated with revenue being generated from new customers or design wins, neither of which is assured; our ability to retain and expand customer relationships and to achieve design wins; economic factors beyond our control, including risks associated with high inflation and recessionary concerns; geopolitical factors beyond our control, including tensions between the United States and China, the ongoing hostility between Russia and Ukraine, and hostilities in the Middle East; the potential impact of pandemics and endemics on our operations or the operations of our supply chain or our customers; our ability to timely produce sufficient quantities of our products on a cost-effective basis through our third-party vendors; the commercial success of our customers' products; our growth strategy; our ability to anticipate future market demands and future needs and preferences of our customers; our ability to introduce new and enhanced solutions, including our ability to license software modules; the expansion of our current markets and our ability to successfully enter new markets; anticipated trends and challenges, including competition, in the markets in which we operate; our expectations regarding the adoption of computer vision technology; our ability to effectively generate and manage growth; our ability to retain key employees; the potential for intellectual property disputes or other litigation; the risks described under Item 1A of Part I—"Risk Factors," Item 7 of Part II—"Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Annual Report on Form 10-K; and those discussed in other documents we file with the Securities and Exchange Commission. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. We have no obligation (and expressly disclaim any such obligation) to update or alter any forward-looking statements, whether as a result of new information or otherwise except as otherwise required by securities regulations.

For purposes of this Annual Report, the terms "Ambarella", "the Company", "we", "us" and "our" refer to Ambarella, Inc. and its consolidated subsidiaries.

PART I

ITEM 1. BUSINESS

Overview

Incorporated in 2004, Ambarella is a leading developer of low-power system-on-a-chip, or SoC, semiconductors and software for edge and physical artificial intelligence (AI) applications and intelligent automation. Our technologies make electronic systems smarter, enabling them to become partially or fully autonomous with features such as intelligent automation, complex scene understanding, and autonomous decision-making. These systems perform multi-modal data fusion and complex data analysis in real time, delivering high quality imagery, and preserving vital system resources such as power and network bandwidth. We specialize in the development of deployable, scalable designs for intelligent electronic systems that utilize high-bandwidth sensors offering a proven path to mass production. Our products are used in a wide variety of human viewing, computer vision for edge and physical AI applications, including a variety of video security cameras, automotive camera systems, fixed robots, autonomous mobile robots (AMRs), industrial applications, intelligent transportation systems, and consumer devices, such as action, drone and 360° cameras.

Until 2023, a majority of our revenue originated from human-viewing only applications with video and image processors for enterprise, public infrastructure and home applications, such as internet protocol, or IP, security cameras, sports cameras, wearables, aerial drones, and aftermarket automotive video recorders. We have leveraged our human-viewing heritage to build our AI driven perception and autonomous business. Our recent development efforts have focused on creating advanced AI inference technology that enables edge devices to perceive, reason about, and interact with the physical world based on the data collected from cameras and other types of sensors, such as 4D radar. This is known as physical AI, a subset of the edge AI market where devices must make autonomous decisions, effectively acting as intelligent agents at the edge. Our AI inference SoCs integrate our state-of-the-art video processor technology together with our proprietary AI accelerator, also known as a deep learning neural network processor, which we refer to as CVflow®.

The CVflow-architecture was designed for a variety of AI inference algorithms, including object detection, classification and tracking, semantic and instance segmentation, image processing, stereo object detection, and terrain mapping. Our latest third generation CVflow technology enables our new SoCs to efficiently process transformer AI networks. These networks facilitate computationally intense advanced AI applications and are foundational for more sophisticated reasoning and planning capabilities, including deep fusion, deep behavioral planning, large language models (LLMs), vision-language models (VLMs), vision-action models (VLAs) and reasoning models. To achieve holistic environmental perception, CVflow can process and fuse data from multiple sensing modalities, including cameras, 4D imaging radar, lidar, thermal, and near-infrared (NIR) sensors. This multi-modal capability is crucial for building robust AI agents. Furthermore, our CVflow architecture allows customers to differentiate their products by porting their own or third-party neural networks and AI algorithms, creating a flexible platform for innovation. Our AI technology is creating opportunities for us to address a broader range of markets and applications while also allowing us to capture more content per electronic system.

Our newest product families, CV7, CV3 and N1 integrate our 3rdgeneration CVflow AI accelerator and are all built on advanced 4 and 5 nanometer (nm) process technology. These advanced SoCs are engineered to efficiently run some of the latest transformer neural networks enabling new levels of performance and agentic capabilities at the edge. The CV7 family, which includes our CV7, CV72, and CV75 SoCs, is engineered for a broad range of high-performance, power-sensitive edge AI applications. It delivers exceptional AI performance for sophisticated computer vision and multi-modal processing in next-generation automotive, security, and robotics systems.

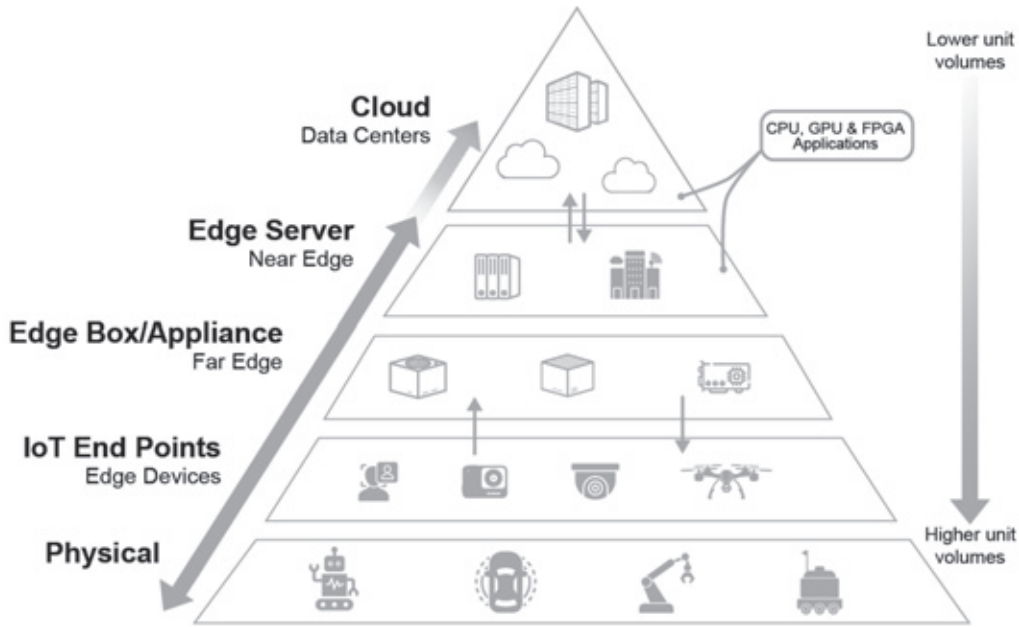
Our CV3 AI central domain controller family of SoCs is specifically architected for partially to fully automated driving applications. In addition to offering our existing advanced camera perception processing, CV3 family integrates critical sensor fusion and path planning software layers. This enables a crucial shift from simple perception to a complete "perceive-plan-act" loop, which is the foundation of autonomous physical AI agentic behavior in vehicles and robots.

Our N1 SoC is capable of running LLM inferencing with models up to 34 billion parameters, enabling a new class of generative AI applications directly on IoT devices. The N1 SoC supports a range of advanced applications, including industrial robotics, intelligent healthcare imaging and diagnostics, autonomous fleet telematics and next generation edge AI boxes and servers capable of aggregating multiple video, audio and other modality streams of data and providing local generative AI inferencing through multi-modal VLMs, conversational LLMs and actionable VLAs.

Our adaptive AI radar software algorithms are designed to enable radar perception using current production radar radio frequency chips to achieve significantly higher resolution, longer range and greater accuracy. We have introduced a centralized 4D imaging radar architecture that synergistically leverages these adaptive AI software algorithms. When combined with our CV3 AI domain controller family, this architecture provides a rich, high-resolution data stream that is critical for robust perception in challenging conditions. This fusion of advanced radar and vision processing enhances situational awareness and safety for autonomous systems, while also reducing overall system power consumption and bill-of-materials compared to traditional distributed radar systems.

Industry Background and Target Markets

AI functionality has historically been executed with graphics processing units (GPU), field programmable gate-arrays (FPGA) or general purpose microprocessors (CPU) in servers or data centers. This approach requires large amounts of data to be transported from an end-point electronic system or device into the network infrastructure, where the data may be stored, processed, and then sent back to the end point, creating added delay, power consumption and incremental expense from data communications, server processing and storage. In some applications, unacceptable levels of latency are introduced by the transportation of this data, minimizing or, in some cases, eliminating the utility of the product. In addition, this approach often requires personal information to be transmitted from the end-point device to the network infrastructure, potentially raising privacy and security concerns.



We believe the edge AI inference market, sometimes referred to as the system's edge, requires a fundamentally different SoC architecture versus the GPU, FPGA and CPU approach commonly used in the data center, particularly for physical AI applications that must perceive and react to their environment in real time. Our AI SoCs are optimized for the requirements of the edge inference market to provide highly accurate results, significant processing power, small form factor and minimal latency while consuming very low amounts of power. They are engineered to deliver not only human viewing capabilities but also sophisticated agentic functionality, often by processing data from multiple sensor modalities and running multiple, concurrent AI models on a single SoC incorporated in an end-point device or box. In addition, privacy and security can be enhanced, as critical personal information may not need to enter the network infrastructure.

Our first AI SoC was introduced in 2018 and our third generation CVflow AI accelerator is integrated into our CV7, CV3 and N1 families of AI processors. Our development efforts are now focused on SoCs that provide advanced edge and physicalAI inference functionality further enabled by AI agents that provide advanced automation capabilities, with continued support for human viewing. We complement our advanced camera perception capabilities with advanced radar perception technology. This fusion of multiple sensor modalities is foundational to creating a comprehensive environmental model, enabling higher levels of autonomy and more robust automation.

We are focusing on the IoT and automotive end markets that require increasingly sophisticated AI inference workloads and processing performance:

IoT Applications:

- ***Security Cameras***. We are a leader in enterprise and home security camera markets, with solutions that deliver exceptional AI inference performance, industry-leading compression efficiency, low power consumption, and outstanding image quality, including high dynamic range (HDR), low-light processing and fisheye lens de-warping. Our AI products enable higher levels of automation than our vision processors through advanced algorithms, such as object detection, classification and tracking, license plate recognition and facial recognition. We address the following security camera applications:
    - ***Enterprise and Public Class Security***. These cameras are used for video monitoring and security surveillance in enterprise and public infrastructure applications. Embedded advanced AI technology supports advanced analytics at the system's edge, including people counting and tracking, facial recognition and retail behavior analysis. In addition, our N1-655 SoC, can run the latest AI models, without the need for an internet connection, on a variety of on-premise devices, including smart-city security video recorders.
    - ***Home Security***. Home security cameras are designed for home or small business use and may be connected to cloud services and applications via home networks using WiFi. Form factors include smart video door-bells and video-enabled lights. Embedded AI technology supports advanced functions, including intruder and pet detection, face recognition and package monitoring.
- ***Portable Video Applications.*** Our SoCs are utilized in a wide range of portable video applications where low-power operation, compact size, and high-performance video processing and on-device AI processing are critical design requirements. In the professional and public safety sectors, our SoCs are integrated into body-worn cameras used by law enforcement and security personnel who leverage AI based translation services running locally on the device. For these mission-critical applications, our solutions provide excellent low-light performance, efficient video compression with on device AI to maximize recording time, and the extended battery life necessary for a full operational shift. In the consumer market, our technology is foundational to products such as sports and action cameras, enabling features such as high-resolution 4K and 8K video capture, high-frame-rate recording for slow-motion effects, advanced electronic image stabilization (EIS) to produce smooth 360º footage in dynamic environments, and on device AI based object detection, classification and noise reduction.

Automotive Applications:

Cameras and other sensors, as well as high performance computing processors, are utilized for a variety of applications in the automotive market and our products are designed into both original equipment manufacturer (OEM) and aftermarket applications. We address both the safety (e.g., advanced driver assistance systems (ADAS) and autonomy automotive market applications:

ADAS, Safety and Telematics:

- ***Front Advanced Driver Assistance System (ADAS) Cameras.*** These front-facing cameras are often positioned behind the rearview mirror, enabling functions such as automatic emergency braking, lane departure warning, forward collision warning, intelligent headlight control, and speed assistance functions, many of which are required by an increasing number of regional New Car Assessment Programs, or NCAP.
- ***Cabin Monitoring System (CMS) and Driver Monitoring System (DMS) Cameras.*** These interior mounted cameras track drivers and passengers to help prevent accidents by alerting a drowsy or distracted driver and assisting with the deployment of safety features, such as airbags. These interior cameras may also be utilized by telematic service providers to provide feedback on driver performance and behavior.
- ***AI Telematics Systems.*** The telematics market has historically addressed commercial vehicle applications that tracked location to calculate delivery information. Telematics systems are increasingly incorporating cameras and AI capabilities, which provide incremental safety and operational efficiencies for commercial fleet operators, and incremental average revenue per user, or ARPU, for telematics network operators.
- ***Electronic Mirrors.*** One or more cameras, in conjunction with an electronic display, are used to augment, or in some cases replace, reflective glass rear view and/or side view mirrors to provide a wider and unobstructed field of view. Smart electronic mirrors that incorporate our AI SoCs may also help with detecting objects in blind spots, overtaking vehicles and alerting for vulnerable road users, such as pedestrians and bicycles.

- ***Automotive Video Recorders (also known as data loggers).*** These video cameras are pre-installed in vehicles or mounted (aftermarket) to record events for reconciliation, such as for insurance and liability, driver scoring or training, and security purposes. We offer solutions for both OEM and aftermarket drive recording devices, some of which include ADAS features.

Autonomy:

- ***Central domain controllers for L2+ to L4 Autonomous Vehicles.*** We continue to advance our research in critical areas of autonomous vehicle development, such as vehicle detection, obstacle detection, pedestrian detection, lane detection, traffic sign recognition, stereovision processing, and sensor fusion and planning, enabling us to design strong platforms for applications ranging from Level2+ autopilot to full autonomy. The CV3 family enables centralized, single-chip processing for multi-sensor perception, including high-resolution vision, radar, ultrasonic and lidar, as well as deep fusion for multiple sensor modalities and autonomous vehicle path planning. In addition, the domain controller can simultaneously process in-cabin sensing applications, including driver and occupant monitoring.

- ***Emerging Robotic Applications.*** Our solutions can add intelligence to a range of partially or fully robotic applications, across a variety of enterprise and home applications. Our advanced AI SoCs handle an array of complex algorithms, from low-level perception functions and neural networks to higher-level autonomous software stacks, while our neural network-based image signal processing (NN-ISP) provides advanced noise reduction to enable better performance in challenging lighting conditions such as high-contrast scenes and extremely low-light environments, all with low power consumption. We address the following robotic market applications:
  - ***Fixed robotics applications.*** Our SoCs are being adopted in fixed robotics applications where high-performance AI perception is essential for automating industrial and logistics processes. In environments such as factories and warehouses, our solutions provide the critical, low-latency processing required for systems to operate with speed and precision. Our newer SoCs are enabling a paradigm shift towards more interactive and intelligent automation. For example, our N1-655 and CV7 SoCs can run sophisticated vision language models (VLMs) and vision language agents (VLAs), allowing an automated inspection system to not only detect a defect but also respond to a natural language query from an operator, such as, "describe the type of scratch on the last part." This transforms these systems into physical AI agents that can perceive and react to their environment in real time, providing advanced automation capabilities that go beyond pre-programmed tasks to offer greater operational flexibility and higher overall system intelligence in applications like pick-and-place machines, automated inspection, and advanced barcode readers.
  - ***Mobile robotics applications.*** In the rapidly expanding market for mobile robotics, our technology is a key enabler for intelligent and autonomous operation. Our SoCs are engineered to meet the stringent power, performance, and size constraints of battery-powered devices such as aerial drones and terrestrial robots. While our CV5 and CV7 SoCs provide the foundational AI processing for real-time perception, sensor fusion, and navigation, our N1-655 SoC adds a powerful new layer of intelligence. By enabling these robots to run VLMs and VLAs at the edge, our platforms can support advanced agentic behaviors. For example, a warehouse robot can be instructed with a complex command like, "find the pallet in aisle 7 with the damaged box and bring it to the inspection area." The robot can then use its perception system to navigate, identify the correct pallet based on a visual understanding of "damaged," and complete the task.
- ***Other IoT Applications.*** Cameras for the enterprise, home, public spaces and consumer applications that provide powerful edge AI inference processing capabilities together with high-definition (HD) video quality increasingly include embedded connectivity to share and display video. Our low power, high-resolution and connected solutions can be found in a variety of cameras, including video conferencing, access control, healthcare, medical and virtual reality applications. Our N1-655 SoCs can power edge AI boxes that aggregate multiple video, audio and other modality streams of data and providing local generative AI inferencing through VLM and LLM models.

Our Competitive Strengths

Our platform technology solutions provide performance attributes that satisfy the stringent demands of the camera market, enable integration of HD video and image capture capabilities in portable devices, and provide computer vision and generative AI inference capabilities that address the evolving needs of the automotive and IoT markets. We believe that our leadership is the result of our competitive strengths, including:

- ***Proprietary AI, Radar and Computer Vision Architecture.*** Our proprietary CVflow AI processing architecture uses a flexible hardware engine programmed with a high level algorithm description to achieve increased performance while minimizing die size and power consumption. The CVflow architecture was initially designed for a variety of AI, radar and computer vision algorithms, including object detection, classification and tracking, semantic and instance segmentation, image processing, and stereo object detection. Our latest third generation CVflow technology enables us to efficiently process transformer AI networks for model sizes up to 34 billion parameters that address an estimated 90% of the broad edge AI requirements today. These networks facilitate computationally intense advanced AI applications and are foundational for more sophisticated reasoning and planning capabilities, including deep fusion, deep behavioral planning, LLMs, VLMs, VLAs, and reasoning models. To achieve holistic environmental perception, CVflow can process and fuse data from multiple sensing modalities, including cameras, 4D imaging radar, lidar, thermal, and near-infrared (NIR) sensors. This multi-modal capability is crucial for building robust AI agents. Furthermore, our CVflow architecture allows customers to differentiate their products by porting their own or third-party neural networks and AI algorithms, creating a flexible platform for innovation.
- ***High-Performance, Low Power, AI, Video and Image Algorithm Expertise.*** Our extensive algorithm expertise, which facilitates efficient AI, video and image compression, enables our solutions to achieve low power consumption without compromising performance. Our solutions support high resolution, high frame-rate and multi-stream video capabilities. Our solutions achieve high storage and transmission efficiencies through innovative and complex video and image compression algorithms that significantly reduce the output bitrate, directly benefiting the performance of our solutions in several ways, including lower memory storage requirements, reduced bandwidth needs for transmission and lower cloud storage costs. Our solutions can deliver clear images in low light conditions because of our advanced noise reduction, including 3D motion compensated temporal filtering (MCTF) and multiple exposure processing. Additionally, our HDR processing capabilities handle scenes with large dynamic range between the lightest and darkest areas to reveal details that would otherwise be lost in shadow or highlight areas. Our neural network-based image signal processing (NN-ISP) provides advanced noise reduction in extremely low lighting conditions. Our advanced de-warping capability enables cameras to use wide angle lenses, making it ideal for security camera, 3D electronic image stabilization and automotive surround view applications.
- ***Deep Sensor Fusion***. Our SoCs provide AI perception processing for cameras and software that enables efficient HD 4D radar perception. Our CV3 SoC family implements centralized camera and radar perception processing on the same SoC, allowing data from all camera and radar sensors in the sensor suite to be fused at a deeper data level, which we believe will facilitate improved levels of perception accuracy.
- ***Highly Integrated SoC Solutions Based on a Scalable Platform***. Our product families leverage a flexible and highly-scalable SoC platform including our core high-performance AI and video processing architecture combined with an extensive set of integrated peripherals. Our flexible and highly-scalable SoC platform enables our customers to address multiple applications and markets with reduced design cycles and costs. Our software compatible portfolio of products, with a broad range of performance and price points, allows our customers to develop a wide range of differentiated end products from a common software base. The scalability of our platform also enables us to respond quickly to address emerging markets and applications.
- ***Comprehensive and Flexible Software***. Our years of investment in developing and optimizing our comprehensive and flexible software serve as the foundation of our high-performance video application solutions. We provide our customers full-function software development kits with a suite of application programming interfaces or APIs, which allow customers to rapidly integrate our solution, adjust product specifications and provide additional functionality to their systems, thereby enabling them to differentiate their product offerings and reduce time to market. We also provide a toolkit to accelerate the development of computer vision algorithms onto our hardware. Additionally, our Cooper™ developer platform offers seamless integration of software, hardware, state-of-the-art (SOTA) AI models, and services that provide universal support for our entire portfolio of AI SoCs that we enabled with AI agents to drive faster time to market for our customers and partners.
- ***Developer Zone***. The developer zone is designed to help our growing ecosystem of partners learn, build and deploy edge AI applications on a variety of edge systems with greater speed and clarity. The developer zone provides a collection of optimized AI models, along with low-code and no-code agentic blueprints, to enable the rapid development of edge AI applications on our portfolio of purpose-built edge AI SoCs with Cooper development software. The developer zone consolidates essential tools, documentation, models and community resources into a single destination, enabling system integrators, distributors, module builders, independent software vendor (ISV) and other global ecosystem partners to engage, prototype and accelerate edge AI solutions for a wide range of vertical industry segments.

- ***Advanced VLSI capabilities.*** A core component of our product differentiation is our highly specialized VLSI (Very Large Scale Integration) design expertise, which is fundamental to our ability to translate advanced architectural concepts into market-leading silicon. Our most recent SoC designs are built on 4 nm and 5 nm process technology, and we recently taped out our first SoC design on 2 nm process node. The design and implementation of SoCs at these advanced geometries present substantial engineering challenges and require deep, specialized expertise in areas such as physical design, power integrity, and signal timing. This leadership in VLSI design allows us to build a product roadmap that consistently leverages the benefits of the latest process technology, enabling us to deliver the AI performance, power efficiency, and functional integration levels required for next-generation edge and physical AI applications, a capability that is difficult for competitors on less advanced nodes to achieve.

Products

We have a wide range of products in our portfolio, including products that have commercially shipped, products for which we have shipped engineering samples and products that are under development. We typically introduce two to three new silicon products per year which, when combined with our flexible software development kits, allow us to offer product families addressing the specific needs of a wide range of end markets. In addition to enabling small device size and low power consumption, our SoC solutions make possible differentiated functionalities, such as advanced AI functionality, simultaneous video and image capture, multiple-stream video capture, image stabilization and wireless connectivity.

Central Domain Controller. Our CV3-AD family of automotive AI domain controllers, targets L2+ to L4 autonomous vehicles and advanced robots. The third generation CVflow® AI accelerator includes neural network processing that is 20x faster than the previous generation of CV2 SoCs, along with additional general vector processing capabilities to provide the overall performance required for full autonomous driving (AD) stack processing, including computer vision, HD 4D radar, deep fusion and planning. It also integrates advanced image processing, a dense stereo and optical flow engine, Arm® Cortex® A78AE and R52 CPUs, an automotive GPU for visualizations, and a hardware security module (HSM). The CV3-AD685 is an "algorithm first" architecture that provides support for the entire AD software stack.

CVflow SoCs. Multiple generations of our AI accelerator architecture have been developed, and all our new product families incorporate the ability to extract and process data from video streams, enabling our customers to develop intelligent camera systems. These SoCs combine advanced image processing, high-resolution video encoding and CVflow AI processing in a single, low-power design to enable a new class of smart edge devices for applications including smart home security, retail monitoring, consumer robotics, and occupancy monitoring. Some of our CVflow SoCs are manufactured to satisfy the functional safety requirements of the automotive market. Our third generation CVflow-based SoCs enable efficient processing of transformer AI networks, which are an enabling technology for next generation automotive and generative AI markets.

AI Neural Processor. Based on our proprietary architecture, our N1 SoC provides highly-efficient AI performance for neural network computation in combination with a general vector processor (GVP), an advanced image processor, a dense stereo and optical flow engine, and a GPU, in a single SoC. The N1 is designed for implementing industrial robotics, smart cities, intelligent healthcare imaging and diagnostics, multi-camera AI processing hubs, edge AI servers running multi-modal LLMs, VLMs, VLAs and autonomous fleet telematics.

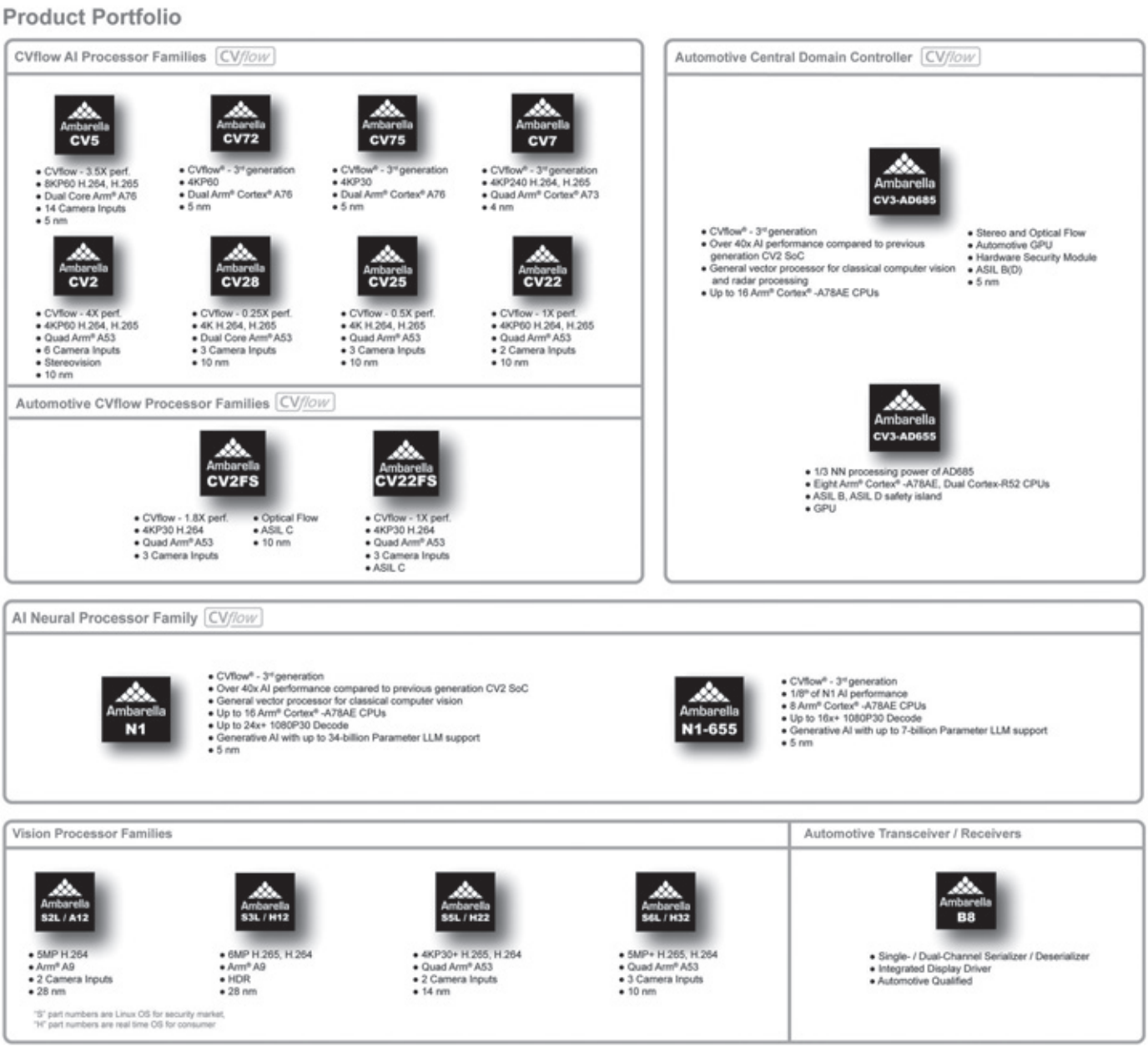
Vision Processor SoCs. Our video and image processing SoCs integrate an advanced image sensor pipeline (ISP), H.264 and/or H.265 encoders, and a powerful ARM CPU for advanced analytics, flight control, WiFi streaming, and other user applications. Our unique architecture and advanced process node technology lower power consumption while maintaining high performance for security camera and consumer applications such as drones, sports cameras, and 360º (VR) cameras.

High Definition Radar. We offer adaptive AI software algorithms designed to enable radar perception using current production radar chips to achieve significantly higher resolution, longer range and greater accuracy. These improvements eliminate the need for specialized high-resolution radar chips, which have significantly higher power consumption and cost than conventional radar solutions. We recently introduced a centralized radar architecture that leverages adaptive AI software algorithms together with our CV3 processor family to enable both central processing of raw radar data and deep, low-level fusion with other sensor inputs, including cameras, lidar and ultrasonics.

Serializer/Deserializers. Our B8 SerDes (Serializer/Deserializer) product is a mixed-signal (analog and digital) semiconductor used to transport data short distances (up to 10 meters) from a CMOS image sensor, often in a remote camera location, to our video and AI SoCs. The SerDes chips are used to add additional camera(s) to an automotive application, as well as used as a bridge chip for other automotive applications, such as a MIPI combiner, splitter or display driver. Our SerDes chips are also used in security applications such as ATMs that can use a single B8 chip for connecting multiple remote cameras to a single video processor SoC.

***Software Modules*.** We separately license proprietary software modules that can be used in conjunction with a customer's internal software and/or with third-party software. Features that may be licensed include functionality for a variety of automotive applications, including dataloggers, ADAS and autonomous driving systems, eMirrors and in-cabin applications. Additionally, our neural-network image signal processing (NN-ISP) software module improves low light imaging in security camera applications.

The chart below describes our current product lines:



Technology

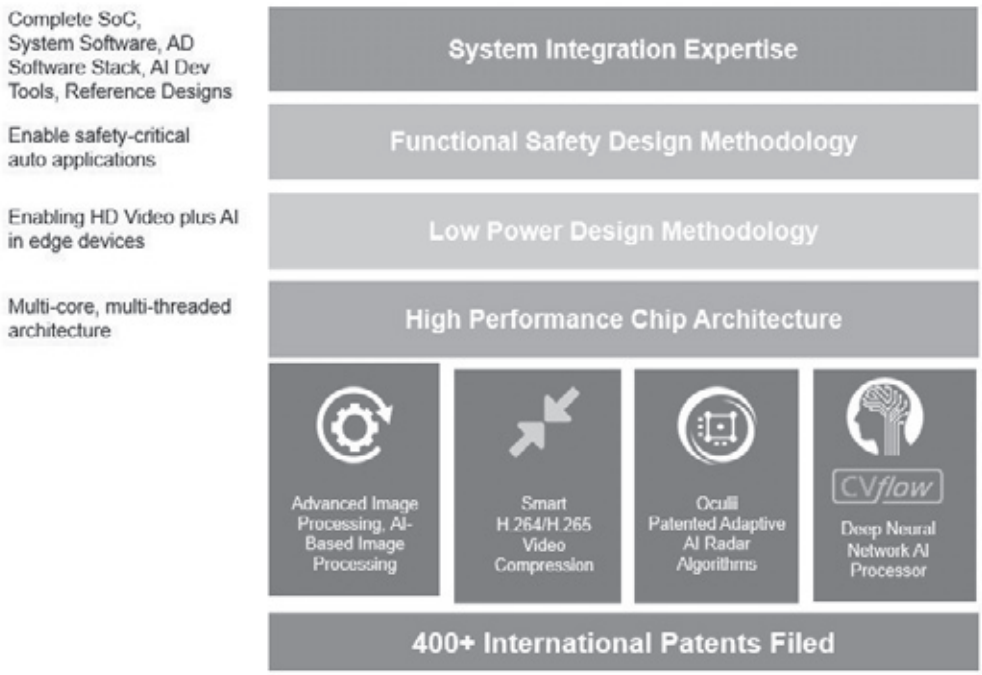
Our semiconductor solutions are engineered to enable intelligent automation and physical AI at the edge, capable of processing data from a variety of sensor modalities and digital data feeds. These solutions facilitate HD, Ultra HD (UHD) and 8K UHD (up to 7680 x 4320p60) video and image processing, video compression, and advanced AI processing of CNN, LLM, VLM and VLA generative models while offering exceptional power, size, and performance characteristics.

Key differentiators of our technology include:

- flexible and scalable CVflow processors for deep learning, 4D imaging radar processing and other AI algorithms. They are designed to run multiple, concurrent AI models, including modern transformer networks, to enable complex agentic behaviors across a broad range of consumer, professional and automotive requirements with industry-leading power and die size efficiency;

- stereo/optical flow processing engines that enable robust depth perception and motion analysis, which are critical for AI processing by agents to navigate and interact in physical environments with high performance and power efficiency;
- scalable image processing and video compression engines that cover consumer, professional and automotive requirements from Full HD to 8K video performance levels as well as multiple image sensors simultaneously to support multiple viewpoints, including surround view and virtual reality applications;
- algorithms for image processing including deep learning augmented processing for challenging low light and high dynamic range conditions for robust perception for both AI agents and human viewing with high power efficiency;
- algorithms and software for scalable and robust HD 4D radar processing using sparse antenna arrays, machine learning and adaptive transmit waveforms for lower cost and better power efficiency;
- deep learning algorithms and software for multi class 2D/3D object detection and segmentation, including vehicles, pedestrians, cycles, road markings, traffic signs and traffic lights optimized for our CV2 and CV3 SoC families;
- algorithms and software for stereo obstacle detection to provide robust safety in the event of obstacles that are not in the training data;
- a comprehensive "perceive-plan-act" software stack optimized for our CV3 SoC family, including multi-modal sensor fusion, mapping and localization algorithms, and behavioral and path planning, which together form the core of an autonomous physical AI agent;
- software development kits comprised of application programming interfaces, or APIs, to facilitate integration into customers' products; and tools for porting and optimizing customer deep neural networks, or DNNs, developed in industry standard training frameworks;
- low-power architecture with minimal system memory footprint; and
- programmable architecture that balances flexibility, quality, power and die size with powerful CPUs and optimized hardware acceleration to support a wide range of intelligent automation and advanced processing for edge and physical AI applications.

Our technology platform is based on a high-performance, low-power architecture supported by a high level of system integration. The building blocks of our platform are illustrated below:



CVflow

Our proprietary CVflow® AI processing architecture, uses a flexible hardware accelerator programmed with a data flow graph algorithm description to achieve increased performance while minimizing die size and power consumption. This description allows the hardware to maximize use of its resources by exploiting all available parallelism without software intervention. The CVflow architecture specifies data flow connections between a set of optimized AI and computer vision operators, such as the convolution and matrix multiply functions that are used for deep learning algorithms. Our CVflow engine is also capable of running large language model inferencing, with models up to 34 billion parameters run on a single N-1 SoC. The CVflow architecture was traditionally designed for a variety of AI, radar and computer vision algorithms, including object detection, classification and tracking, semantic and instance segmentation, image processing, and stereo object detection. Our latest third generation CVflow technology enables us to efficiently process transformer AI networks. These networks facilitate computationally intense advanced AI applications and are foundational for more sophisticated reasoning and planning capabilities, including deep fusion, deep behavioral planning, LLMs, VLMs, VLAs and reasoning models. To achieve holistic environmental perception, CVflow can process and fuse data from multiple sensing modalities, including cameras, 4D imaging radar, lidar, thermal, and near-infrared (NIR) sensors. This multi-modal capability is crucial for building robust AI agents. Furthermore, our CVflow architecture allows customers to differentiate their products by porting their own or third-party neural networks and AI algorithms using industry standard tools.

Computer Vision and Radar Technology

Computer vision is a core technology that complements our proprietary image processing and video compression technology. We have developed efficient deep learning algorithms for object detection and segmentation leveraging our deep understanding of the CVflow processor. A significant feature of our third generation CVflow SoCs is support for HD stereo and HD radar-based depth and velocity sensing. We believe HD stereo and HD radar are complementary sensor modalities that provide robust depth information after fusion. This depth information provides an important augmentation to monocular computer vision processing, resulting in an extra margin of safety for autonomous driving and other applications. Monocular processing depends on training to detect obstacles, and may not detect obstacles that are not represented in the training set. Stereo cameras and radar detect obstacles without relying on training for specific obstacle categories because the depth information is used to directly construct a three-dimensional model of the camera's surroundings, including any obstacles. This allows more robust decisions to be made in applications such as autonomous driving.

Auto Software Modules

Our optimized software modules give customers the option to leverage our expertise and reduce development time and expense. These modules include HD radar processing for standalone and central radar processing, deep learning based low light and HDR image processing, monocular and stereo camera perception, and autonomous driving stack modules optimized for the CV3 family, including fusion for multiple cameras and sensor modalities, mapping and localization algorithms and planning.

Cooper Development Platform

Our Cooper Development Platform offers seamless integration of software, hardware, state-of-the-art fine-tuned AI models, and services that support our entire portfolio of AI SoCs. This platform simplifies use of our AI SoCs by providing a flexible, modular and prepackaged suite of hardware and software development tools, comprising Cooper Metal, a collection of AI SoCs and board-level hardware solutions; and Cooper Foundry, a multi-layer software stack.

Customers

We sell our solutions to leading original design manufacturers, or ODMs, and original equipment manufacturers, or OEMs, globally. In the automotive OEM market, we may sell our solutions to Tier-1 suppliers that develop and sell devices incorporating our solutions to automotive OEMs. We refer to ODMs and Tier-1 suppliers as our customers and OEMs as our end customers, except as otherwise indicated or as the context otherwise requires.

Sales to customers in Asia accounted for approximately 88%, 85%, and 79% of our total revenue in the fiscal years ended January 31, 2026, 2025, and 2024, respectively. As many of our OEM end customers or their ODM manufacturers are located in Asia, we anticipate that a majority of our revenue will continue to come from sales to customers in that region. Although a large percentage of our sales are made to customers in Asia, we believe that a significant number of the products designed by these customers and incorporating our SoCs are then sold to consumers globally. To date, substantially all our sales have been denominated in U.S. dollars.

We work closely with our end customer OEMs and ODMs throughout their product design cycles that often last twelve to eighteen months for many of our target markets, although new products may have longer design cycles, particularly those implementing advanced AI features. Product design cycles for certain portions of the automotive market generally last longer than eighteen months, particularly for products containing user safety features. As a result, we can develop long-term relationships with our customers as our technology becomes embedded in their products. Consequently, we believe we are well positioned to not only be designed into our customers' current products, but also to continue to develop next-generation AI solutions for their future products.

The product life cycles in many of our target markets typically range from twelve to 24 months. We expect that product lifecycles in the automotive OEM and robotics markets will typically be longer than 24 months, as new product introductions occur less frequently. For many of our solutions, early engagement with our customers' technical staff is necessary for success.

In fiscal year 2026, the customer representing 10% or more of revenue was WT Microelectronics Co., Ltd., formerly Wintech Microelectronics Co., Ltd., or WT, our non-exclusive sales representative and fulfillment partner in Asia other than Japan, which accounted for approximately 70% of total revenue. We currently rely, and expect to continue to rely, on a limited number of customers for a significant portion of our revenue.

Sales and Marketing

We sell our solutions worldwide using our direct sales force and our distributors. We have direct sales personnel covering the United States, Asia and Europe, and we operate sales offices in Santa Clara, California and Hong Kong, and business development offices in China, Germany, Japan, South Korea, and Taiwan. In addition, in each of these locations we employ a staff of field applications engineers to provide direct engineering support locally to our customers.

Our sales cycles typically require a significant investment of time and a substantial expenditure of resources before we can realize revenue from the sale of our solutions, if any. Our typical sales cycle consists of a multi-month sales and development process involving our customers' system designers and management and our sales personnel and software engineers. If successful, this process culminates in a customer's decision to use our solutions in its system, which we refer to as a design win. Our sales efforts are typically directed to the OEM of the product that will incorporate our AI and video and image processing solution, but the eventual design and incorporation of our SoC into the product may be handled by an ODM or Tier-1 supplier on behalf of the OEM. Volume production may begin within 12 to 18 months after a design win, depending on the complexity of our customer's product and other factors upon which we may have little or no influence. Once our solutions have been incorporated into a customer's design, they are likely to be used for the life cycle of the customer's product. Conversely, a design loss to a competitor will likely preclude any opportunity for future revenue from such customer's product.

Our sales are generally made pursuant to purchase orders received approximately 20 to 30 weeks prior to the scheduled product delivery date, depending upon agreed terms with our customers and the current manufacturing lead time at the time the purchase order is received. Typically, these purchase orders may not be cancelled or modified without our written consent. Our standard warranty provides that our SoCs containing defects in materials, workmanship or performance may be returned for a refund of the purchase price or for replacement, at our discretion. We may agree to different warranty terms with specific customers from time to time.

Our sales are primarily made through standard purchase orders for delivery of products. Our manufacturing production is based on estimates and advance non-binding commitments from customers as to future purchases. We follow industry practice that generally allows customers to change or defer orders with limited advance notice prior to shipment, often without penalty. Given this practice, we do not believe that backlog is a reliable indicator of future revenue levels, except on a short-term basis, principally within our average lead times.

Manufacturing

We employ a fabless business model and use third-party foundries and assembly and test contractors to manufacture, assemble and test our solutions. This outsourced manufacturing approach allows us to focus our resources on the design, sales and marketing of our solutions and avoid the cost associated with owning and operating our own manufacturing facility. Our engineers work closely with foundries and other contractors to increase yields, lower manufacturing costs and improve quality. In addition, we believe outsourcing many of our manufacturing and assembly activities provides us the flexibility needed to respond to new market opportunities, simplifies our operations and significantly reduces our capital requirements. We do not have a guaranteed level of production capacity from any of our suppliers' facilities to produce our solutions. We carefully qualify each of our suppliers and their subcontractors and processes in order to meet the extremely high-quality and reliability standards required of our solutions.

Wafer Fabrication

We have a history of using several process nodes from 130 nm through 4 nm. We aim to use the most advanced manufacturing process technology appropriate for our products that is available from our third-party foundries. As a result, we periodically evaluate the benefits of migrating our solutions to smaller geometry process technologies in order to improve performance and efficiency. We believe this strategy will help us remain competitive. We currently manufacture our solutions in the 10 nm, 5 nm and 4 nm process nodes, and recently taped out our first SoC design in the 2 nm process node. Currently, the substantial majority of our SoCs are supplied by Samsung Electronics Corporation (Samsung) in facilities located in Austin, Texas and South Korea, from whom we have the option to purchase both fully-assembled and tested products as well as tested die in wafer form for assembly. Our foundry vendors are ISO 9001 certified.

Assembly and Testing

Samsung subcontracts the assembly and initial testing of the assembled chips it supplies to us to Signetics Corporation and STATS ChipPAC Ltd. In the case of purchases of tested die from Samsung, we contract the assembly to Advanced Semiconductor Engineering, Inc., or ASE. Final testing of our products is handled primarily by Sigurd Corporation or King Yuan Electronics Co., Ltd. under the supervision of our engineers. All test software and related processes for our products are developed by our engineers. We continually monitor the results of testing at all our test contractors to ensure that our testing procedures are properly implemented.

As part of our total quality assurance program, our quality management system has been certified to ISO 9001:2015 standards. Our assembly and testing vendors are also ISO 9001 certified.

Due to the scheduling requirements of our foundry, assembly and test contractors, we generally provide our contractors with our production forecasts and place firm orders for products with our suppliers up to 40 weeks prior to the anticipated delivery date, or potentially longer during times of acute capacity shortages, usually without a purchase order from our own customers.

Research and Development

We believe our technology is a competitive advantage and we engage in substantial research and development efforts to develop new products and integrate AI functionality into our video processing solutions. We believe that our continued success depends on our ability to both introduce improved versions of our existing solutions and to develop new solutions for the markets that we serve. As of January 31, 2026, approximately 75% of our employees are engaged in research and development. Our research and development team is comprised of both semiconductor and software designers. Our semiconductor design team has extensive experience in large-scale semiconductor design, including architecture description, logic and circuit design, implementation and verification. Our software design team has extensive experience in development and verification of video processing, AI deep learning and adaptive AI radar software. Because the integration of hardware and software is a key competitive advantage of our solutions, our hardware and software design teams work closely together throughout the product development process. The experience of our hardware and software design teams enables us to effectively assess tradeoffs and advantages when determining which features and capabilities of our solutions should be implemented in hardware and in software.

We have assembled a core team of experienced engineers and systems designers in four research and development design centers located in the United States, China, Italy, and Taiwan.

Competition

The global semiconductor market in general, and the AI and video and image processing markets in particular, are highly competitive. We expect competition to increase and intensify as more and larger semiconductor companies enter our markets and as we penetrate new markets, such as the automotive OEM market. Increased competition could result in price pressure, reduced profitability and loss of market share, any of which could materially and adversely affect our business, revenue and operating results.

Our competitors range from large, international companies offering a wide range of semiconductor products to smaller companies specializing in narrow markets. In the IoT market, our primary competitors include HiSilicon Technologies Co., Ltd., or HiSilicon, which is owned by Huawei Technologies Co., Novatek Microelectronics Corp., or Novatek, NVIDIA Corporation, or NVIDIA, Qualcomm Incorporated, or Qualcomm, and Sigmastar Technology Ltd. In the automotive camera market, we compete against Horizon Robotics Inc., Mobileye, a subsidiary of Intel Corporation, Novatek, NVIDIA, Qualcomm, Renesas Electronics Corporation, and Texas Instruments. Certain of our customers and suppliers also have divisions that produce products that compete with ours.

Our ability to compete successfully depends on elements both within and outside of our control, including industry and general economic trends. Many of our competitors are substantially larger, have greater financial, technical, marketing, distribution, customer support and other resources, are more established than we are, and have significantly better brand recognition and broader product offerings which may enable them to develop and enable new technology into product solutions better or faster than us and to better withstand adverse economic or market conditions in the future.

Our ability to compete successfully in the rapidly evolving camera markets depends on several factors, including:

- the design and manufacturing of new solutions, including software, that anticipate the video processing and integration needs of our customers' next-generation products and applications;
- performance of our AI solutions, as measured by convolutional neural network performance and/or transformer neural network performance, video and still picture image quality, resolution and frame processing rates;
- power consumption efficiency of our solutions;
- the ease of implementation of our products by customers;
- the strength of our customer relationships;
- the selection of the foundry process technology and architecture tradeoffs to meet customers' product requirements in a timely manner;
- reputation and reliability;
- customer support; and
- the cost of the total solution.

We believe that, overall, we compete favorably with respect to these factors, particularly because our solutions typically provide high-quality video, and low power consumption, efficient CNN and transformer performance, efficient integration of advanced algorithms, exceptional storage and transmission efficiencies, highly-integrated SoC solutions based on a scalable platform, and comprehensive and flexible software. We cannot ensure, however, that our solutions will continue to compete favorably or that we will be successful in the face of increasing competition from new products introduced by existing or new competitors.

Intellectual Property

We rely on a combination of intellectual property rights, including patents, trade secrets, copyrights and trademarks, and contractual protections, to protect our core technology and intellectual property. As of January 31, 2026, we had 390 issued patents in the United States, 149 of which were continuation or divisional patents, 14 issued patents in Europe, 24 issued patents in China, 8 issued patents in Japan and 58 pending patent applications in the United States. The issued patents in the United States expire beginning in 2025 through 2044. Our issued patents and pending patent applications primarily relate to image and video processing and HD video compression, AI processing, system level camera, and radar perception applications spanning multiple market segments.

We may not receive competitive advantages from any rights granted under our patents, and our patent applications may not result in the issuance of any new patents. In addition, any patent we hold may be opposed, contested, circumvented, designed around or found to be unenforceable or invalidated. Others may develop technologies that are similar or superior to our proprietary technologies, duplicate our proprietary technologies or design around patents owned or licensed by us.

In addition to our own intellectual property, we also use third-party licenses for certain technologies embedded in our SoC solutions. These are typically non-exclusive contracts provided under royalty-accruing or paid-up licenses. These licenses are generally perpetual or automatically renewed for so long as we continue to pay any maintenance fees that may be due. To date, maintenance fees have not constituted a significant portion of our capital expenditures. While we do not believe our business is dependent to any significant degree on any individual third-party license, we expect to continue to use and may license additional third-party technology for our solutions.

We generally control access to and use of our confidential information through employing internal and external controls, including contractual protections with employees, contractors and customers. We rely in part on U.S. and international copyright laws to protect our mask work. All employees and consultants are required to execute confidentiality agreements in connection with their employment and consulting relationships with us. We also require them to agree to disclose and assign to us all inventions conceived or made in connection with the employment or consulting relationship.

Despite our efforts to protect our intellectual property, unauthorized parties may still copy or otherwise obtain and use our software, technology or other information that we regard as proprietary intellectual property. In addition, we continue to operate internationally, and effective patent, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries.

Seasonality

Our business has tended to be seasonal with higher revenue in our second and third fiscal quarters as our customers typically increase their production to meet holiday shopping season or year-end demand for their products. We also may experience seasonally lower demand in our first and fourth fiscal quarters. These seasonal fluctuations may diminish if our revenue diversifies and becomes less dependent on sales of our customers' consumer products.

Governmental Regulation

Our business and operations around the world are subject to government regulation at the national, state or local level addressing, among other matters, applicable environmental laws, health and safety laws and regulations, laws relating to export controls and economic sanctions, and the rules of industrial standards bodies such as the International Standards Organization and governmental agencies such as the Federal Trade Commission.

We believe that our properties and operations comply in all material respects with applicable laws protecting the environment and worker health and safety. As a fabless semiconductor company, we do not manufacture our own products but do maintain laboratory space at certain of our facilities to facilitate the development, evaluation and testing of our SoC products. To date, we have not incurred significant expenditures relating to environmental compliance at our facilities nor have we experienced any material issues relating to employee health and safety.

In addition to environmental and worker health and safety laws, our business is subject to various rules and regulations and executive orders relating to export controls and trade sanctions. Certain of our products are subject to the Export Administration Regulations (EAR), which are administered by the United States Department of Commerce's Bureau of Industry and Security (BIS), and we may from time to time be required to obtain an export license before we can export certain products or technology to specified countries or customers. In addition, the EAR imposes broad controls on entities listed on sanctioned persons lists, including the BIS Entity List. If one of our customers is listed on the BIS Entity List or another U.S. government sanctioned persons' list, then subject to certain exceptions, we will, as a general rule, be precluded from doing business with that customer. We cannot guarantee that export control restrictions or sanctions imposed in the future will not prevent, or materially limit, our ability to conduct business with certain customers or in certain countries. Any failure to comply with these laws could result in governmental enforcement actions, including substantial monetary penalties and denial of export privileges.

Human Capital Resources

Innovation has been the lifeblood of our company since our founding in 2004. We continually strive to develop leading-edge image and video, and now AI, processors using the most advanced semiconductor processes available to create high performance, power efficient SoCs. We depend on our people to sustain our competitive advantages.

As of January 31, 2026, we employed a total of 959 people, including 252 in the United States, 612 in Asia, with 372 in Taiwan and 225 in China, and 95 in Europe. Approximately 75% of our employees are engaged in research and development, 23% in sales, marketing and administration and 2% in operations. As of January 31, 2026, women represented 33% of our independent board members, 15% of senior management, 17% of our technical roles, and 21% of our total workforce. Of our total employee workforce, approximately 39% is represented by a work council in Taiwan. The work council group, which is common in Taiwan, is comprised of employees elected by the general employee base in that location. We consider our global employee relations to be good. Despite employees working in geographically disparate locations and differences in cultures, we strive to treat all employees as part of one team working together. Our Chief Executive Officer holds quarterly town hall style meetings with employees of all our offices to keep employees apprised of company activities and objectives and to provide an opportunity for all employees to meet and ask questions. All employees receive training in the prevention of sexual harassment and abusive conduct in the workplace.

Our human capital resources objectives include attracting and retaining talented and experienced employees. We utilize multiple online search tools, specialized recruiting firms, employee referral programs and university hires to ensure a varied outreach approach for candidates. We are committed to ensuring the human rights of our worldwide workforce and treating all employees with dignity and respect. We offer a combination of competitive base salary, time-based equity incentives and bonus plans linked to financial and strategic performance that are designed to motivate and reward personnel with annual grants of stock-based and cash-based incentive compensation awards, plus other benefits, in order to increase both stockholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our short term and long-term objectives. We offer competitive benefits tailored to local markets and laws and designed to support employee health, welfare and retirement; examples of such benefits include paid time off; 401(k), pension or other retirement plans; an employee stock purchase plan; basic and voluntary life, disability and supplemental insurance; medical, dental and vision insurance; health savings and flexible spending accounts; relocation assistance; and employee assistance programs. As of January 31, 2026, approximately 92% of eligible U.S. employees participate in our 401(k) plan, and 88% of eligible employees participated in the most recent offering period of our employee stock purchase plan.

The average tenure of our employees is approximately 8.1 years and approximately 31% of our employees have been employed by us for more than 10 years. We believe our compensation and benefits packages, combined with our culture that promotes teamwork, innovation and hands-on experience from the first day of employment, contribute to low employee turnover and an above-average tenure. We monitor employee turnover rates by region and our company as a whole. Our worldwide voluntary employee turnover rate in fiscal year 2026 was approximately 7.7%.

Corporate Information

Ambarella was founded and incorporated in the Cayman Islands in January 2004. Our registered address is PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The address of our U.S. operating subsidiary is Ambarella Corporation, 3001 Tasman Drive, Santa Clara, California. The Securities and Exchange Commission, or SEC, maintains a website at www.sec.gov that contains reports, proxy, and information statements, and other information regarding registrants that file electronically. You may also obtain copies of our Forms 10-K, 10-Q, 8-K, and other filings with the SEC, and all amendments to these filings, free of charge, by visiting the Investor Relations page on our website (http://investor.ambarella.com) as soon as reasonably practicable following our filing of any of these reports with the SEC. Information on our website is not incorporated into this Annual Report on Form 10-K or our other securities filings and is not a part of such filings.

ITEM 1A. Risk Factors

Certain factors may have a material adverse effect on our business, financial condition and results of operations. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Annual Report on Form 10-K, including our consolidated financial statements and related notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks actually occurs, our business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of our ordinary shares could decline, and you could lose part or all of your investment.

Summary of Risk Factors

Our business and our industry is subject to numerous risks and uncertainties, including those described in the following Risk Factors. These risks include, but are not limited to, the following:

- Global macroeconomic and political conditions, including high inflation, recessionary concerns, trade restrictions, geopolitical tensions and war may adversely impact our business and financial condition in ways that we currently cannot predict.
- If our customers do not design our solutions into their product offerings, or if our customers' product offerings are not commercially successful, our business would suffer.
- Our target markets may not grow or develop as we currently expect, and if we fail to successfully penetrate new markets, our revenue and financial condition could be harmed.
- Impacts of the global supply chain challenges could adversely affect our business, financial condition, and results of operations.

- Shortages in, or increased costs of, wafers and materials could adversely impact our gross margins and lead to reduced revenues.
- Our customers incorporate components supplied by multiple third parties, and a supply shortage or delay in delivery of these components could delay orders for our solutions by our customers.
- If we fail to successfully develop and introduce new or enhanced solutions that meet market requirements on a timely basis, our ability to attract and retain customers could be impaired and our competitive position could be harmed.
- Uncertain risks relating to the adoption, use or application of emerging technologies, including artificial intelligence, by our customers and in our business, could adversely impact our financial results and result in reputational harm and liability.
- Our primary inventory warehouse is located in Hong Kong and may be affected by continued political, social, health and economic conditions in Hong Kong.
- Our customers may cancel their orders, change production quantities or delay production. If we fail to accurately forecast demand for our solutions, revenue shortfalls or excess, obsolete or insufficient inventory could result.
- We depend on a limited number of customers and end customers for a significant portion of our revenue. If we fail to retain or expand our customer relationships, our revenue could decline.
- Achieving design wins is subject to lengthy competitive selection processes that require us to incur significant costs. Even if we begin a product design, a customer may decide to cancel or change its product plans, resulting in no revenue from such expenditures.
- Some of our customers may require our products and our third-party contractors to undergo a qualification process that does not assure product sales. If we are unsuccessful or delayed in qualifying these products or third-party contractors with a customer, our business and operating results could suffer.
- We face intense competition and expect competition to increase in the future, which could have an adverse effect on our market share, revenue and results of operations.
- A breach of our security systems, or other security breaches or incidents with respect to our products, networks or systems, may have a material adverse effect on our business.
- While we intend to continue to invest in research and development, we may be unable to make the substantial investments that are required to remain competitive in our business.
- We rely on highly skilled personnel and, if we are unable to hire, retain or motivate key personnel, we may not be able to grow effectively which could harm our business.
- The average selling prices of semiconductor solutions in our target markets have typically decreased over time and will likely do so in the future, which could harm our revenue and gross margins.
- If we are unable to manage any future growth, we may not be able to execute our business plan and our operating results could suffer.
- Deterioration of the financial conditions of our customers could adversely affect our operating results.
- We are subject to the cyclical nature of the semiconductor industry.
- The complexity of our solutions could result in unforeseen delays or expenses from undetected defects, errors or bugs in hardware or software which could reduce the market adoption of our new solutions, damage our reputation with current or prospective customers and adversely affect our operating costs.
- We may experience difficulties in transitioning to new wafer fabrication process technologies or in achieving higher levels of design integration, which may result in reduced manufacturing yields, delays in product deliveries and increased costs.
- Rapidly changing industry standards could make our video and image processing solutions obsolete, which would cause our operating results to suffer.
- Some of our operations and a significant portion of our customers and our subcontractors are 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 face tax risks, including relating to the complexity of calculating our tax provision, changes in effective tax rates, or unfavorable tax law changes.

- Fluctuations in our operating results on a quarterly and annual basis could cause the market price of our ordinary shares to decline.
- We outsource our wafer fabrication, assembly and testing operations to third parties, and if these parties fail to produce and deliver our products according to requested demands in specification, quantity, cost and time, our reputation, customer relationships and operating results could suffer.
- We do not have long-term supply contracts with our third-party manufacturing vendors, and they may not allocate sufficient capacity to us at reasonable prices to meet future demands for our solutions.
- A substantial portion of our revenue is processed through a single distributor and the loss of this distributor may cause disruptions in our shipments, which may adversely affect our operations and financial condition.
- We are subject to risks associated with our distributors' product inventories.
- We rely on third parties to provide services and technology necessary for the operation of our business. Any failure of one or more of our vendors, suppliers or licensors to provide such services or technology could harm our business.
- We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets, including China. In addition, our ability to sell certain products to certain China customers has been restricted.
- We are subject to warranty and product liability claims and to product recalls.
- We are subject to numerous laws and regulatory compliance requirements, including Section 404 of the Sarbanes-Oxley Act of 2002, which are costly to comply with, and our failure to comply with these requirements could harm our business and operating results.
- Third parties' assertions of infringement of their intellectual property rights could result in our having to incur significant costs and cause our operating results to suffer. Any potential dispute involving our intellectual property could affect our customers, which could trigger our indemnification obligations to them and result in substantial expense to us.
- Climate change and climate change-related policies and regulations may have a long-term impact on our business.

Risks Related to Our Business and Our Industry

Global macroeconomic and political conditions, including high inflation, recessionary concerns, trade restrictions, geopolitical tensions and war, may adversely impact our business and financial condition in ways that we currently cannot predict.

We are a global company and our business, results of operations, and financial condition are impacted by global macroeconomic conditions. Macroeconomic events such as recession, high inflation, geopolitical tensions, war, public health crises, supply chain disruptions, rising energy costs, changes to U.S. trade policies and responses by foreign governments to such policies, and global banking concerns have caused economic volatility, which have in the past, and may continue to, harm our business. 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 negatively affect demand for our products and lead to a buildup of inventory at many of our customers, including their affiliates, partners, and contract manufacturers. Reduced demand for our products could result in decreases in our sales and 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.

If our customers do not design our solutions into their product offerings, or if our customers' product offerings are not commercially successful, our business would suffer.

We sell our system-on-a-chip, or SoC, solutions to original equipment manufacturers, or OEMs, who include our SoCs in their products, and to original design manufacturers, or ODMs, who include our SoCs in the products that they supply to OEMs. We generally refer to ODMs as our customers and OEMs as our end customers, except as otherwise indicated or as the context otherwise requires. Our SoCs are generally incorporated into our customers' products at the design stage, which is referred to as a design win. As a result, we rely on OEMs to design our solutions into the products that they design and sell. Without these design wins, our business would be significantly harmed. We often incur significant expenditures developing a new SoC solution without any assurance that any OEM will select our solution for design into its own product. Once an OEM designs a competitor's device into its product, it becomes significantly more difficult for us to sell our SoC solutions to that OEM because changing suppliers involves significant cost, time, effort and risk for the OEM. We anticipate that it will take longer and require more resources and greater expenditures to achieve design wins, and likely take longer to generate revenue from such design wins, in the new markets we are targeting, such as the OEM automotive and robotics markets, than our legacy camera markets. We also face certain competitive disadvantages in these markets relative to larger competitors that have significantly more resources and a longer history working with OEMs and ODMs in these markets.

Even if an OEM designs one of our SoC solutions into its product, we cannot be assured that the OEM's product will be commercially successful over time or at all. For example, in the past we have secured design wins for customer products that were never commercially released by our customer or did not sell in volumes initially forecast by the customer, as a result of factors beyond our control. If products incorporating our SoC solutions are not commercially successful or experience rapid decline, our revenue and business will suffer. Similarly, if an OEM designs one of our SoC solutions into its product, we are not assured that we will receive or continue to receive new design wins from that OEM, which could negatively impact our business.

Our target markets may not grow or develop as we currently expect, and if we fail to successfully penetrate new markets, our revenue and financial condition could be harmed.

We believe that our future revenue growth, if any, significantly depends on our ability to expand within the Internet of Things, or IoT, and automotive markets with our new artificial intelligence, or AI, SoC solutions, and penetrate, or further penetrate, the robotics and industrial markets. Each of these markets presents distinct and substantial risks and, in many cases, requires us to develop new functionality or software to address the particular requirements of that market. The application of AI functionality in these markets is relatively new, and we may be unable to predict the timing or development of these markets with accuracy. If any of these markets do not develop as we currently anticipate, the technical requirements of these markets evolve in ways we do not anticipate, the development of such markets is delayed or impacted by factors outside of our control, or if we are unable to penetrate, or further penetrate, them successfully with our solutions, our revenue could decline and our financial condition would be negatively impacted.

Some of these markets are primarily served by only a few large, multinational OEMs with substantial negotiating power relative to us and, in some instances, with internal solutions that are competitive to our products. Meeting the technical requirements and securing design wins in these markets requires a substantial investment of our time and resources and we cannot assure you that we will secure design wins or that we will achieve meaningful revenue from the sales of our solutions into these markets. In addition, we face competition from larger competitors with greater resources and more history in these markets, which may put us at a competitive disadvantage to these larger competitors. If we fail to penetrate these or other new markets we are targeting, our financial condition would likely suffer. Moreover, if we are successful in achieving design wins in these new markets, it will likely take longer to generate revenue from such design wins than in our traditional markets.

Impacts of the global supply chain challenges could adversely affect our business, financial condition, and results of operations.

Managing our manufacturing capacity and supply chain is complex. Our ability to manage our supply chain has been, and could continue to be, adversely affected by a variety of factors including geopolitical conditions such as international trade tensions between the U.S. and China, military conflicts, natural disasters, health crises, and other factors beyond our control. Disruptions in the supply chain for materials used to produce semiconductors or significant increase in demand for semiconductors has, and may in the future, result in a lengthening of the manufacturing lead time for our products and impact the normal forecasting and ordering patterns of our customers. For example, we have experienced supply constraints for certain chips from Samsung Electronics Corporation (Samsung) and we may experience similar issues in the future, which could increase our manufacturing costs and reduce the gross margin of our products. To the extent our customers face supply chain issues with respect to other components needed to pair with our products, such as memory components, in order to produce their end products, such customers may delay orders of our products or hold inventory of our products for longer periods of time, which could result in a decline in our revenue, a decline in gross margin or other adverse impact on our business.

Shortages in, or increased costs of, wafers and materials could adversely impact our gross margins and lead to reduced revenues.

Worldwide manufacturing capacity for silicon wafers is relatively inelastic. If the demand for silicon wafers or assembly material exceeds market supply, our supply of silicon wafers or assembly material could quickly become limited or prohibitively expensive. Silicon wafers constitute a material portion of our product cost and if we are unable to purchase wafers at favorable prices, our results of operations and financial condition will be adversely affected. Our suppliers may pass increases in the price of engineered materials, raw materials and commodity costs onto us, which would reduce the gross margin of our products. The semiconductor industry recently experienced significant shortages of manufacturing capacity, which resulted in a lengthening of the manufacturing lead time for our products and which has at times harmed our revenue. While this capacity shortage has improved, we may experience capacity restraints again in the future. We have also experienced, during times of supply chain capacity shortages, customers placing orders for our products that exceed their actual demand, which may lead to us manufacturing a surplus of products and could have a negative impact on our results of operations and cash reserves and lead to us and our customers having excess inventory.

Our customers incorporate components supplied by multiple third parties, and a supply shortage or delay in delivery of these components could delay orders for our solutions by our customers.

Our customers purchase components used in the manufacture of their products from various sources of supply, often involving several specialized components, including lenses, sensors, microcontrollers, power management integrated circuits (PMICs), Wi-Fi chips, and memory chips. Any supply shortage or delay in delivery by third-party component suppliers, or a third-party supplier's cessation or shut down of its business, may prevent or delay production of our customers' products. As a result of delays in delivery or supply shortages of third-party components, orders for our solutions may be delayed or canceled and our business may be harmed. Similarly, our ability to generate design wins in some markets, such as the automotive OEM market, requires us to collaborate with third-party software suppliers in order to offer a complete solution to customers. Our inability to successfully collaborate with such third-party suppliers, or such suppliers' inability to develop and deliver software, could harm our ability to achieve design wins and harm our business.

If we fail to successfully develop and introduce new or enhanced solutions that meet market requirements on a timely basis, our ability to attract and retain customers could be impaired and our competitive position could be harmed.

We operate in a dynamic environment characterized by rapidly changing technologies. To compete successfully, we must design, develop, market and sell enhanced solutions that provide increasingly higher levels of performance and functionality, including AI functionality, and that meet the technical and cost expectations of our customers. Our existing or future solutions could be rendered obsolete by the introduction of new products by our competitors, convergence of other markets with or into the video perception market, the market adoption of products based on new or alternative technologies, the emergence of new industry standards applicable to our solutions, or the requirement of additional functionality included in video processors. In addition, some of the markets for our solutions are characterized by frequent introduction of next-generation and new products, short product life cycles, increasing demand for added functionality and significant price competition. Our failure to anticipate or timely develop new or enhanced solutions in response to technological shifts could result in decreased revenue and our competitors achieving design wins that we sought. As we develop and introduce new solutions, we also face the risk that customers may not value or be willing to bear the cost of incorporating these newer solutions into their products, particularly if they believe their customers are satisfied with current solutions. If we or our customers are unable to manage product transitions in a timely and cost-effective manner, our business and results of operations would suffer.

In addition, for some markets we address or seek to address we need to establish and maintain relationships with third-party suppliers or software providers in order to effectively market our solutions to end-customers. Failure to establish these relationships could harm our ability to achieve design wins.

Uncertain risks relating to the adoption, use or application of emerging technologies, including artificial intelligence, by our customers and in our business, could adversely impact our financial results and result in reputational harm and liability.

Most of our SoCs, including all of our recently introduced SoCs, support AI functionality implemented in our customers' products, such as object detection, classification and tracking, image processing, and terrain mapping. Our latest generation of products also enable us to address computationally intense AI applications for deep fusion, deep planning, multi-modal vision-language models (VLMs), large language models (LLMs), vision-action models (VLAs) and reasoning models in edge devices. AI technologies are complex and rapidly evolving. The adoption of AI solutions may not develop in the manner or in the time periods we anticipate and, as the markets for AI solutions are still developing, demand for these products may be unpredictable and vary significantly from one period to another. These factors may adversely impact demand for our AI related products. In addition, compliance with evolving government regulations worldwide related to AI may increase the costs related to the development of AI products and solutions and limit global adoption, which may also adversely impact demand for our AI related products.

Concerns relating to the responsible use of AI in our and our customers' products may result in reputational and financial harm and liability. AI poses emerging ethical issues and presents risks and challenges that could affect its adoption, and therefore our business. If we or our customers enable or offer solutions that draw controversy due to their perceived or actual impact on society, such as AI solutions that have unintended consequences or are controversial, we may experience reputational harm, competitive harm, financial harm or legal liability.

Our primary inventory warehouse is located in Hong Kong and may be affected by continued political, social, health and economic conditions in Hong Kong.

We operate a warehouse facility in Hong Kong through which the substantial majority of our finished SoCs are shipped to customers or our logistic partners. Hong Kong has experienced, and continues to experience, political unrest and social strife. The Bureau of Industry and Security, or BIS, of the U.S. Department of Commerce, or Commerce, imposes on Hong Kong the same stringent export and reexport controls applicable to China, including licensing requirements such as those applicable to SoCs and semiconductor end-uses. It is possible that the U.S. government may take future measures to impose stricter export controls or duties on shipments made to Hong Kong, which could harm our business, increase the cost of conducting our operations in Hong Kong or result in retaliatory actions against U.S. interests. While we have not been materially impacted by these problems to date, continued deterioration in political, social or economic conditions in Hong Kong or future unforeseen problems, including health pandemics, could affect deliveries of our SoCs to our customers or logistic partners, possibly resulting in business interruptions, substantially delayed or lost sales, loss of inventory, or increased expenses that cannot be passed on to customers, any of which could ultimately have a material adverse effect on our business and financial results. In addition, we could be forced to relocate our warehouse operations, either temporarily or permanently, to another potentially costlier location (or a location resulting in higher tax costs) or find alternative potentially costlier methods of shipping our finished SoCs to customers and logistic partners.

Our customers may cancel their orders, change production quantities or delay production. If we fail to accurately forecast demand for our solutions, revenue shortfalls or excess, obsolete or insufficient inventory could result.

Our customers typically do not provide us with firm, long-term purchase commitments. A substantial majority of our sales are made on a purchase order basis, which customers may seek to cancel, change or delay their product purchase commitments with little or no notice to us. Because production lead times often exceed the amount of time required by our customers to fill their orders, we often must build SoCs in advance of receiving orders from customers, relying on an imperfect demand forecast to project volumes and product mix. As a result, from time to time, we may see an increase in our inventory levels.

Our SoCs are incorporated into products manufactured by or for our end customers, and as a result, demand for our solutions is influenced by the demand for our customers' products. Our ability to accurately forecast demand can be adversely affected by a number of factors, including inaccurate forecasting by our customers, changes in market conditions including reductions in market activity due to pandemics, adverse changes in our product order mix and fluctuating demand for our customers' products. Even after an order is received, our customers may seek to cancel these orders, request a decrease in production quantities or request a delay in the delivery of our solutions. Any such cancellation, decrease or delay subjects us to a number of risks, most notably that our projected sales will not materialize on schedule or at all, leading to unanticipated revenue shortfalls and excess or obsolete inventory that we may be unable to sell to other customers.

Alternatively, if we are unable to project customer requirements accurately, we may not build enough SoCs, which could lead to delays in product shipments and lost sales opportunities in the near term, as well as force our customers to identify alternative sources, which could affect our ongoing relationships with these customers. In addition, the rapid pace of innovation in our industry could render portions of our inventory obsolete. Excess or obsolete inventory levels could result in unexpected expenses or increases in our reserves that could adversely affect our business, operating results and financial condition.

We depend on a limited number of customers and end customers for a significant portion of our revenue. If we fail to retain or expand our customer relationships, our revenue could decline.

We derive a significant portion of our revenue from a limited number of ODMs who build products on behalf of a limited number of OEMs and from a limited number of OEMs to whom we ship directly. We anticipate that this customer concentration will continue for the foreseeable future. In fiscal year 2026, the customer representing 10% or more of our revenue was WT Microelectronics Co., Ltd., or WT, which serves as our non-exclusive sales representative and fulfillment partner in Asia other than Japan, accounted for approximately 70% of total revenue. We believe that revenue from our top 10 end customers, either directly or through a distributor or an ODM, accounted for approximately 67% of our total revenue in fiscal year 2026. Our largest end customer in fiscal year 2026 was Arashi Vision Inc. dba Insta360, or Arashi, for which we indirectly supply SoCs through WT to multiple ODMs that build products on behalf of Arashi. We believe that our operating results in the near term will continue to depend on sales to a relatively small number of customers and end customers. In the future, these customers may decide not to purchase our SoC solutions at all, may purchase fewer solutions than they did in the past or may alter their purchasing patterns. The loss of a significant customer, or substantial reduction in purchases by a significant customer, could happen again at any time and without notice, and such loss would likely lead to unanticipated revenue shortfalls and excess inventory and otherwise harm our financial condition and results of operations. Moreover, because several of our largest OEM customers have a dominant position in their markets, a loss of a significant customer may not be easily replaced.

Achieving design wins is subject to lengthy competitive selection processes that require us to incur significant costs. Even if we begin a product design, a customer may decide to cancel or change its product plans, resulting in no revenue from such expenditures.

We are focused on selling our SoC solutions to ODMs and OEMs for incorporation into their products at the design stage. These efforts to achieve design wins typically are lengthy, especially in emerging markets, such as the OEM automotive market, and in any case can require us to both incur design and development costs and dedicate scarce engineering resources in pursuit of a single customer opportunity. We may not prevail in the competitive selection process, and even when we do achieve a design win, we may never generate any revenue despite incurring development expenditures. In addition, even if an OEM designs one of our SoC solutions into one of its products, we cannot be assured that we will secure new design wins from that OEM for future products. Further, even after securing a design win, we have experienced and may again experience delays in generating revenue from our solutions as a result of the lengthy product development cycle typically required, if we generate any revenue at all as a result of any such design win.

Our customers generally take a considerable amount of time to evaluate our solutions. The typical time from early engagement by our sales force to actual product introduction runs from 12 to 18 months for IoT markets and potentially significantly longer in the OEM automotive, robotics and industrial markets. The delays inherent in these lengthy sales cycles increase the risk that a customer will decide to cancel, curtail, reduce or delay its product plans, causing us to lose anticipated sales. In addition, any delay or cancellation of a customer's plans could harm our financial results, as we may have incurred significant expense and generated no revenue. If we were unable to generate revenue after incurring substantial expenses to develop any of our solutions, our business would suffer.

Some of our customers may require our products and our third-party contractors to undergo a qualification process that does not assure product sales. If we are unsuccessful or delayed in qualifying these products or third-party contractors with a customer, our business and operating results could suffer.

Prior to purchasing our products, some of our customers, particularly in the automotive market, may require that our products 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 of our products and our supply chain. This qualification process may take several months and qualification of a product by a customer does not assure any sales of the product to that customer. Even after successful qualification and sales of a product to a customer, a subsequent revision in our third-party contractors' manufacturing or assembly process or our selection of a new supplier may require a new qualification process, which may result in delays and in our holding excess or obsolete inventory. After our products are qualified, it can take several months or more before the customer commences volume production of components or systems that incorporate our products. Despite these uncertainties, we devote substantial resources, including design, engineering, sales, marketing and management efforts, to qualify our products with customers in anticipation of sales. If we are unsuccessful or delayed in qualifying these products with a customer, sales of the products to the customer may be precluded or delayed, which may impede our growth and cause our business to suffer.

We face intense competition and expect competition to increase in the future, which could have an adverse effect on our market share, revenue and profitability.

The global semiconductor market in general, and the computer vision and video/image processing markets in particular, are highly competitive. We compete in different target markets to various degrees on the basis of a number of competitive factors, including our solutions' performance, features, energy efficiency, size, ease with which our solution may be integrated into our customers' products, customer support, reliability and price, as well as on the basis of our reputation. We expect competition to increase and intensify as more and larger semiconductor companies enter our markets and as existing competitors improve or expand their product offerings. We also expect that the trend among large OEMs to seek to develop their own semiconductor solutions will continue and expand, particularly in camera markets experiencing consolidation, such as the IP security market. In addition, in our newer markets, such as the OEM automotive and robotics markets, we will face competition from larger competitors with greater resources, longer histories in these markets and established relationships with OEMs and ODMs. Once an OEM designs a competitor's device into its product, it becomes significantly more difficult for us to sell our SoC solutions to that OEM because changing suppliers involves significant cost, time, effort and risk for the OEM. Increased competition could result in price pressure, reduced profitability and loss of market share, any of which could harm our business, revenue and operating results.

Our competitors range from large, international companies with greater resources offering a wide range of semiconductor products to smaller, nimble companies specializing in narrow markets. In the IoT market, our primary competitors include HiSilicon Technologies Co., Ltd., or HiSilicon, which is owned by Huawei Technologies Co., Novatek Microelectronics Corp., or Novatek, NVIDIA Corporation, or NVIDIA, Qualcomm Incorporated, or Qualcomm, and SigmaStar Technology Corp. In the automotive camera market, we compete against Horizon Robotics Inc., Mobileye, a subsidiary of Intel Corporation, Novatek, NVIDIA, Qualcomm, Renesas Electronics Corporation, and Texas Instruments. Certain of our customers and suppliers also have divisions that produce products competitive with ours and other customers may seek to vertically integrate competitive solutions in the future. In addition, certain third-party developers of technology competitive to our solutions have licensed their technology, including image signal processing and computer vision IP, which potentially enables a greater number of competitors to offer competitive solutions.

Our ability to compete successfully depends on elements both within and outside of our control. Many of our competitors are substantially larger, have greater financial, technical, marketing, distribution, customer support and other resources, are more established than we are and have significantly better brand recognition and broader product offerings than us, which may enable them to develop and enable new technology into product solutions better or faster than us and to better withstand adverse economic or market conditions in the future. Our ability to compete will depend on a number of factors, including:

- our ability to anticipate market and technology trends and successfully develop solutions that meet market needs;
- our ability to understand the price points and performance metrics of competing products in the marketplace;

- our solutions' performance and cost-effectiveness relative to that of competing products;
- our success in identifying and penetrating new markets, applications and customers;
- our ability to gain access to leading design tools and product specifications at the same time as our competitors;
- our ability to develop and maintain relationships with key OEMs and ODMs;
- our products' effective implementation of video processing or radar standards;
- our ability to protect our intellectual property;
- our ability to expand international operations in a timely and cost-efficient manner;
- our ability to deliver products in volume on a timely basis at competitive prices;
- our ability to support our customers' incorporation of our solutions into their products; and
- our ability to recruit design and application engineers with expertise in computer vision, video and image processing technologies and sales and marketing personnel.

Our competitors may also establish cooperative relationships among themselves or with third parties or acquire companies that provide similar products to ours. As a result, new competitors or alliances may emerge that could acquire significant market share. Any of these factors, alone or in combination with others, could harm our business and result in a loss of market share and an increase in pricing pressure.

A breach of our security systems, or other security breaches or incidents with respect to our products, networks or systems, may have a material adverse effect on our business.

Our security systems are designed to maintain the physical security of our facilities and information systems and protect our confidential information and that of our customers, suppliers and employees. Accidental or willful security breaches or incidents or other unauthorized access to our facilities or our information systems or the existence of computer viruses or other malicious code or security vulnerabilities in our data or software could expose us to a risk of loss, unavailability, misappropriation and other unauthorized processing of proprietary and confidential information. Our efforts to eliminate or alleviate cyber or other security problems, bugs, viruses, ransomware and other malicious software programs and security vulnerabilities could impose significant costs, may not be successful, and could result in interruptions and delays that may impede critical functions.

Security breaches and incidents, computer malware and computer hacking attacks have become more prevalent and sophisticated. These threats are constantly evolving, making it difficult to defend against or implement preventive measures, and we may face difficulties or delays in identifying and otherwise responding to any security breach or incident. Moreover, remote work by our personnel and remote access to our systems increase our cybersecurity risk profile. We expect to incur significant costs in an effort to detect and prevent security breaches and incidents, and any actual or perceived security breach or incident may require us to incur significant costs in notifying relevant persons and entities and may otherwise increase our costs and require us to expend substantial resources. Our policies and security measures cannot guarantee security, and our information technology (IT) infrastructure, including our networks and systems, may be vulnerable to security breaches and incidents, cyber-attacks, or fraud. Third parties have attempted, and will likely continue to attempt, to penetrate and/or infect our network and systems with malicious software and phishing attacks in an effort to gain access to our network and systems. Hackers or others may be able to penetrate our security controls, misappropriate or compromise our confidential information or that of third parties, deploy viruses, worms, ransomware or other malicious code, or cause damage or disruptions to our IT infrastructure. For portions of our IT infrastructure, we rely on offerings provided by third parties. These third-party offerings relate to, among other things, human resources, electronic communication services and some finance functions, and we are dependent on these third parties' security systems. These third parties are subject to similar, and in certain cases greater, security threats than we face. These third parties may also experience breaches, incidents, and attacks compromising or otherwise impacting their offerings, and their offerings may contain security vulnerabilities or malicious code, or otherwise detrimentally impact our systems. Any unauthorized access to, or other security breaches or incidents impacting, the systems of our service providers, or any computer viruses, ransomware or other malicious code in their data or software, could expose us to risks of unauthorized access to our IT infrastructure and loss, misappropriation, unavailability and other unauthorized processing of information. Security breaches and incidents may also result from non-technical means, such as employee or contractor malfeasance or negligence. Any security breach or incident or theft, misuse, loss, unavailability or other unauthorized processing of information, or the perception that any of these matters has occurred, could result in, among other things, damage to our reputation, allegations by our customers that we have not performed our contractual obligations, regulatory investigations and other proceedings, litigation and possible penalties, damages, and other liabilities, any of which could have a material adverse effect on our business, financial condition, our reputation, and our relationships with our customers and partners. We may also encounter or be subject to bugs, errors, or hacking or other events resulting in system interruptions or other disruptions, corruption or loss of data, an inability to

accurately process or record transactions, and security or technical reliability issues. All of these could harm our ability to conduct core operating functions and could impact our internal control compliance efforts. Due to conflicts and geopolitical events, we and many third parties we work with are vulnerable to a heightened risk of cybersecurity attacks, and other means of causing security breaches and incidents from nation-state and affiliated actors.

Additionally, we cannot be certain that our insurance coverage will be adequate or otherwise protect us with respect to claims, expenses, fines, penalties, business loss, data loss, litigation, regulatory actions, or other impacts arising from security breaches or incidents, or that such coverage will continue to be available on acceptable terms or at all. Any of these results could adversely affect our business, financial condition, and operating results.

While we intend to continue to invest in research and development, we may be unable to make the substantial investments that are required to remain competitive in our business.

The semiconductor industry requires substantial investment in research and development in order to bring to market new and enhanced solutions. Our research and development expense was approximately $238.5 million, $226.1 million and $215.1 million in fiscal years 2026, 2025 and 2024, respectively. In general, we expect to increase our research and development expenditures in future periods as compared to prior periods as part of our strategy of focusing on the development of innovative AI inference SoCs with increasing levels of functionality. We are unable to predict whether we will have sufficient resources to achieve the level of investment in research and development required to remain competitive. For example, development in the latest process nodes, such as 4 nanometer, or nm, or smaller, costs significantly more than required to develop in larger process nodes. This added cost could prevent us from being able to achieve or maintain a technology advantage over larger competitors that have significantly more resources to invest in research and development. 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. In addition, the U.S. government recently introduced regulations that require notification of, or prohibit certain transactions with entities in China or with linkages to China, which could apply to certain intracompany activities between a U.S. based corporation and its China subsidiaries that support research and development activities, which could limit our ability to carry out certain research and development activities in China.

We rely on highly skilled personnel and, if we are unable to hire, retain or motivate key personnel, we may not be able to grow effectively, which could harm our business.

We believe our performance depends in large part on the talents and efforts of our senior management and other highly skilled individuals. Our future success depends on our continuing ability to identify, hire, develop, motivate, and retain highly skilled personnel for all areas of our organization. Our industry is characterized by high demand and intense competition for talent, particularly for engineering personnel. The pool of qualified candidates is limited, particularly in Silicon Valley and parts of Asia for very-large-scale integration, or VLSI, and AI engineers, and certain of our competitors and potential competitors with greater resources have directly targeted our employees. In addition, we also face competition in hiring artificial intelligence engineers, including from companies with which we do not directly compete. Our compensation arrangements, such as our equity award programs, may not always be successful in attracting new employees and retaining and motivating our existing senior executives and employees. Our continued ability to compete effectively, and to grow our business, depends on our ability to attract new employees and to retain and motivate our existing senior executives and employees.

The average selling prices of semiconductor solutions in our target markets have typically decreased over time and will likely do so in the future, which could harm our revenue and gross margins.

Average selling prices of semiconductor products in the markets we serve have historically decreased over time, and we expect such declines to occur for our solutions over time. Our gross margins and financial results will suffer if we are unable to offset reductions in our average selling prices by reducing our costs, developing new or enhanced SoC solutions, such as our new inference AI solutions, on a timely basis with higher selling prices or gross margins, or increasing our sales volumes. Additionally, 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 also reduce our gross margins. In the past, we have reduced the prices of our SoC solutions in anticipation of future competitive pricing pressures, to attract new customers or retain existing customers, new product introductions by us or our competitors and other factors. We expect that we will have to address pricing pressures again in the future, particularly in markets experiencing consolidation or with respect to our larger end customers, which could require us to reduce the prices of our SoC solutions and harm our operating results.

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

Our business has, at times, grown rapidly in the past. Our future operating results depend to a large extent on our ability to successfully manage any expansion and growth, including the challenges of managing a company with an executive management team in the United States and the majority of its employees in Asia. We are increasing our investment in research and development and other functions to grow our business and address new markets, such as industrial, robotics and intelligent transportation systems.

We are likely to incur the costs associated with any increased investments earlier than some of the anticipated benefits, and the return on these investments, if any, may be lower, may develop more slowly than we expect or may not materialize. If we are unable to manage growth effectively, we may not be able to take advantage of market opportunities or develop new solutions, and we may fail to satisfy customer product or support requirements, maintain product quality, execute our business plan or respond to competitive pressures.

Deterioration of the financial conditions of our customers could adversely affect our operating results.

Deterioration of the financial condition of our distributors or customers could adversely impact our future revenues and collection of accounts receivable. For the fiscal year ended January 31, 2026, the customer representing 10% or more of revenue was WT, which accounted for approximately 70% of total revenue. As of January 31, 2026, accounts receivable with WT was approximately $24.6 million. We regularly review the collectability and creditworthiness of our distributors and customers to determine an appropriate allowance for credit losses. Based on our review of our distributors and customers, we currently have only immaterial reserves for uncollectible accounts. If our uncollectible accounts, however, were to exceed our current or future allowance for credit losses, our operating results and cash flows would be negatively impacted.

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. Cyclical downturns have been characterized by diminished product demand, production overcapacity, high inventory levels and accelerated erosion of average selling prices, which could harm our business and operating results. We are dependent on the availability of third-party foundry and assembly capacity to manufacture and assemble our SoC solutions. None of our third-party foundry or assembly contractors has provided assurances that adequate capacity will be available to us in the future. The semiconductor industry recently experienced significant shortages of capacity, which resulted in a lengthening of the manufacturing lead time for our products. Such capacity shortages could negatively impact our ability to meet our customers' demand for our products and have an adverse impact on our revenue, results of operations and customer relationships. We have also experienced, during times of supply chain capacity shortage, customers placing orders for our products that exceed their actual demand, which may lead to us manufacturing a surplus of products and could have a negative impact on our results of operations and cash reserves. There are indications that the semiconductor industry may be facing shortages of capacity for certain components used by our customers and certain semiconductor assembly processes, which could have an adverse impact on demand for our products, increase our expenses, impact customer relationships and otherwise negatively impact our results of operations. Challenges may recur in future periods with changes in the macro-economic environment, including imposition of higher or additional tariffs by the U.S. Government on imports and new or additional restrictions on exports to foreign locations.

The complexity of our solutions could result in unforeseen delays or expenses from undetected defects, errors or bugs in hardware or software which could reduce the market adoption of our new solutions, damage our reputation with current or prospective customers and adversely affect our operating costs.

Highly complex SoC solutions such as ours frequently contain defects, errors and bugs when they are first introduced or as new versions are released. We have in the past and may in the future experience these defects, errors and bugs. If any of our solutions have reliability, quality or compatibility problems, we may not be able to successfully correct these problems in a timely manner or at all. In addition, if any of our proprietary features contain defects, errors or bugs when first introduced or as new versions of our solutions are released, we may be unable to timely correct these problems. Consequently, our reputation may be damaged and customers may be reluctant to buy our solutions, which could harm our ability to retain existing customers and attract new customers, and could adversely affect our financial results. In addition, these defects, errors or bugs could interrupt or delay sales to our customers. If any of these problems are not found until after we have commenced commercial production of a new product, we may incur significant additional development costs and product recall, repair or replacement costs. These problems may also result in claims against us by our customers or others.

We may experience difficulties in transitioning to new wafer fabrication process technologies or in achieving higher levels of design integration, which may result in reduced manufacturing yields, delays in product deliveries and increased costs.

We aim to use the most advanced manufacturing process technology appropriate for our products that is available from our third-party foundries. As a result, we periodically evaluate the benefits of migrating our solutions to smaller geometry process technologies in order to improve performance and reduce costs. We may face difficulties, delays and increased expense as we transition our products to new processes, such as the 2 nm process node, and potentially to new foundries. We currently depend on Samsung, as the principal foundry for our products, to transition to new processes successfully. We cannot assure you that Samsung will be able to effectively manage such transitions or that we will be able to maintain our relationship with Samsung or develop relationships with new foundries. Moreover, as we utilize more advanced process nodes beyond 5 nm, we are increasingly dependent upon a very small number of foundries currently available for certain advanced process technologies. If we or our foundry vendors experience significant delays in transitioning to smaller geometries or fail to efficiently implement transitions, we could experience reduced manufacturing yields, delays in product deliveries and increased costs, all of which could harm our relationships with our customers and our operating results.

Rapidly changing industry standards could make our video and image processing solutions obsolete, which would cause our operating results to suffer.

We design our solutions to conform to a broad range of technology standards set by industry standards setting bodies, including video compression standards such as MPEG-2, H.264 Advanced Video Coding (AVC) and H.265 High Efficiency Video Coding (HEVC). In addition, new or revised industry standards relating to AI technologies may impose additional requirements. Generally, our solutions comprise only a part of a customer's device. All components of these devices must uniformly comply with industry standards in order to operate efficiently together. Some industry standards may not be widely adopted or implemented uniformly, and competing standards may emerge that may be preferred by our customers or by consumers. If our customers or the suppliers that provide other device components adopt new or competing industry standards with which our solutions are not compatible, or if the industry groups fail to adopt standards with which our solutions are compatible, our existing solutions would become less desirable to our customers. If our solutions are not in compliance with prevailing industry standards for a significant period of time, we could miss opportunities to achieve crucial design wins, which could harm our business.

Some of our operations and a significant portion of our customers and our subcontractors are 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 have research and development design centers and business development offices in China, Germany, Italy, Japan, South Korea and Taiwan, and we expect to continue to conduct business with companies that are located outside the United States, particularly in Asia. We purchase wafers from foreign foundries, have our solutions assembled and tested by subcontractors located in Asia, and supply our solutions to customers located outside of the United States. Even customers of ours that are based in the United States often use contract manufacturers based in Asia to manufacture their products, and these contract manufacturers typically purchase products directly from us. As a result of our international focus, we face numerous challenges and risks, including:

- increased complexity and costs of managing international operations;
- longer and more difficult collection of receivables from customers;
- difficulties in enforcing contracts generally;
- regional economic instability;
- geopolitical instability and military conflicts, including the ongoing conflicts in Ukraine and the Middle East;
- limited protection of our intellectual property and other assets;
- 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 and/or additional tariffs;
- travel restrictions;
- timing and availability of import and export licenses and other governmental approvals, permits and licenses, including export classification requirements;

- foreign currency exchange fluctuations relating to our international operating activities;
- restrictions imposed by the U.S. government on our ability to do business with certain companies or in certain countries as a result of international political conflicts;
- 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;
- heightened risk of terrorist acts;
- local business and cultural factors that differ from standards and practices in the U.S.;
- differing employment practices and labor relations;
- regional health issues, pandemics, and natural disasters; and
- work stoppages.

We face tax risks, including relating to the complexity of calculating our tax provision, changes in statutory tax rates, or unfavorable tax law changes.

We are incorporated in the Cayman Islands and our operations are subject to income and transaction taxes in the United States, China, Hong Kong, Germany, Italy, Japan, South Korea, Taiwan and other jurisdictions in which we do business. Due to the complexity associated with the calculation of our tax provision, we have hired independent tax advisors to assist us. If we or our independent tax advisors fail to resolve or fully understand certain issues, there may be errors that could result in us having to restate our financial statements. The risk of errors may be exacerbated by the significant number of tax law changes recently enacted in the United States and other jurisdictions. Restatements are generally costly and could adversely impact our results of operations or have a negative impact on the trading price of our ordinary shares.

Risks Related to Our Financial Performance or Results

Fluctuations in our operating results on a quarterly and annual basis could cause the market price of our ordinary shares to decline.

Our revenue and operating results have fluctuated significantly from period to period in the past and are likely to do so in the future. As a result, you should not rely on period-to-period comparisons of our operating results as an indication of our future performance. It is also possible that our normal seasonal patterns will be impacted by ongoing macroeconomic uncertainty, future pandemics or disease outbreaks, supply chain disruptions and semiconductor capacity shortages, including the buildup of inventory by customers in response to such shortages, and continued high inflation. In future periods, our forecasted or actual revenue and results of operations may be below the expectations of analysts and investors, which could cause the market price of our ordinary shares to decline.

Factors that may affect our operating results include:

- fluctuations in demand, sales cycles, product mix, and prices for our products;
- the forecasting, scheduling, rescheduling or cancellation of orders by our customers;
- shifts in consumer or manufacturer preferences and any resultant change in demand for our customers' products;
- changes in the competitive dynamics of our markets, including new entrants or pricing pressures;
- delays in our customers' ability to manufacture and ship products that incorporate our solutions caused by internal and external factors beyond our control;
- our ability to successfully define, design and release new solutions in a timely manner that meet our customers' needs;
- timely availability of adequate manufacturing capacity from our manufacturing subcontractors;
- changes in manufacturing costs, including wafer, test and assembly costs, mask costs, manufacturing yields and product quality and reliability;
- the timing of product announcements by our competitors or by us;
- incurrence of research and development and related new products expenditures;

- write-downs of inventory for excess quantities and technological obsolescence;
- impairment of investment or other asset values;
- future accounting pronouncements and changes in accounting policies;
- volatility in our share price, which may lead to higher stock-based compensation expense;
- volatility in our effective tax rate;
- general socioeconomic and political conditions in the countries where we operate or where our products are sold or used, including recent macroeconomic volatility, pandemics or widespread public health problems, U.S.-China relations and the conditions in Hong Kong; and
- costs associated with litigation, especially related to intellectual property.

Moreover, the semiconductor industry has historically been cyclical in nature, reflecting overall economic conditions as well as budgeting and buying patterns of consumers. For example, the semiconductor industry recently experienced significant shortages of capacity, which resulted in a lengthening of the manufacturing lead time for our products and could be impacting the normal forecasting and ordering patterns of our customers. In recent periods, some customers have indicated they are reducing their inventory levels as lead times for semiconductor chips and other components used by customers shrink, which has reduced, and may continue to reduce, such customers' demand for our products in future periods. We expect these cyclical conditions to continue. As a result, our quarterly operating results are difficult to predict, even in the near term. Our expense levels are relatively fixed in the short term and are based, in part, on our expectations of future revenue. If revenue levels are below our expectations, we may experience material adverse impacts on our business, including declines in margins, profitability and cash flows, or incur losses.

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

Our sales have been historically denominated in U.S. dollars. An increase in the value of the U.S. dollar relative to the currencies of the countries in which our end customers operate could impair the ability of our end customers to cost-effectively integrate our SoCs into their devices which may materially affect the demand for our solutions and cause these end customers to reduce their orders, which would adversely affect our revenue and business. We may experience foreign exchange gains or losses due to the volatility of other currencies compared to the U.S. dollar. A significant portion of our solutions are sold to customers located outside the United States, primarily in Asia and we anticipate that this will continue. Sales to customers in Asia accounted for approximately 88%, 85% and 79% of our total revenue in fiscal years 2026, 2025 and 2024, respectively. Although a large percentage of our sales are made to customers in Asia, we believe that a significant number of the products designed by these customers and incorporating our SoCs are then sold to consumers globally. In addition, if in the future we sell products or purchase inventory in currencies other than the U.S. dollar, our exposure to foreign currency risk could become more significant.

A significant number of our employees are located in Asia, principally Taiwan and China, and Europe. Therefore, a portion of our payroll as well as certain other operating expenses are paid in currencies other than the U.S. dollar, such as the New Taiwan Dollar, the Chinese Yuan Renminbi and the Eurozone Euro. Our operating results 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 operating results. Furthermore, currency exchange rates, particularly the exchange rates between the Chinese Yuan Renminbi and the U.S. dollar, between the New Taiwan Dollar and the U.S. dollar, and between the Eurozone Euro and the U.S. dollar, have been volatile in the recent past and these currency fluctuations may make it difficult for us to predict our operating results.

We have not implemented any hedging strategies to mitigate risks related to the impact of fluctuations in currency exchange rates. Even if we were to implement hedging strategies, not every exposure can be hedged and, where hedges are put in place based on expected foreign exchange exposure, they are based on forecasts which may vary or which may later prove to have been inaccurate. Failure to hedge successfully or anticipate currency risks accurately could adversely affect our operating results.

We cannot 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, investors may experience significant dilution of their ownership interest, and the newly-issued securities may have rights senior to those of the holders of our ordinary shares. 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 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 products, take advantage of business opportunities or respond to competitive pressures which could result in lower revenue and reduce the competitiveness of our products.

Our marketable securities portfolio could experience a decline in market value or otherwise become illiquid, which could materially and adversely affect our financial results.

As of January 31, 2026, we had approximately $121.6 million invested in marketable debt securities. The marketable debt security investments primarily consisted of corporate bonds, asset-backed securities and U.S. government securities. We currently do not use derivative financial instruments to adjust our investment portfolio risk or income profile. These investments, as well as any cash deposited in bank accounts, are subject to general credit, liquidity, market and interest rate risks, which may be exacerbated by unusual events, such as the pandemics or widespread public health problems, the Eurozone crisis, the U.S. debt ceiling crisis, and imposition of tariffs, which affected various sectors of the financial markets and led to global credit and liquidity issues. We regularly maintain cash balances that are not insured or are in excess of the Federal Deposit Insurance Corporation's (FDIC) insurance limit. If the global financial markets continue to experience volatility or deteriorate, our investment portfolio may be impacted and some or all of our investments may become illiquid or otherwise experience loss which could adversely impact our financial results and position. To the extent that we increase the amount of our security investments in the future, these risks would be exacerbated.

Risks Related to Our Dependence on Third Parties

We outsource our wafer fabrication, assembly and testing operations to third parties, and if these parties fail to produce and deliver our products according to requested demands in specification, quantity, cost and time, our reputation, customer relationships and operating results could suffer.

We rely on third parties for substantially all of our manufacturing operations, including wafer fabrication, assembly and testing. Currently, the majority of our SoCs are supplied by Samsung in facilities located in Austin, Texas and South Korea, from whom we have the option to purchase both fully assembled and tested products as well as tested die in wafer form for assembly. Samsung subcontracts the assembly and initial testing of the assembled chips it supplies to us to Signetics Corporation and STATS ChipPAC Ltd. In the case of purchases of tested die from Samsung, we contract the assembly to Advanced Semiconductor Engineering, Inc., or ASE. Final testing of all of our products is handled by Sigurd Corporation or King Yuan Electronics Co., Ltd. under the supervision of our engineers. 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. Moreover, because each SoC is fabricated in only one manufacturing facility, or single sourced, any disruption to a facility could cause significant delays in the production or shipment of the products produced in that facility that could not be easily offset by having such product(s) produced in another facility. We do not have any long-term supply agreements with any of our manufacturing suppliers. If one or more of these vendors terminates its relationship with us, or if we encounter any problems with our manufacturing supply chain, including available capacity constraints, 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 and damage our customer relationships.

If, in the future, we enter into arrangements with suppliers that include additional fees to expedite delivery, nonrefundable deposits or loans in exchange for capacity commitments or commitments to purchase specified quantities over extended periods, such arrangements may be costly, reduce our financial flexibility and be on terms unfavorable to us, if we are able to secure such arrangements at all. To date, we have not entered into any such arrangements with our suppliers. If we need additional foundry or assembly and test subcontractors because of increased demand or the inability to obtain timely and adequate deliveries from our current vendors, we may not be able to do so cost-effectively, if at all.

We do not have long-term supply contracts with our third-party manufacturing vendors, and they may not allocate sufficient capacity to us at reasonable prices to meet future demands for our solutions.

The semiconductor industry is subject to intense competitive pricing pressure from customers and competitors. Accordingly, any increase in the cost of our solutions, whether by adverse purchase price variances, adverse manufacturing cost variances or supply chain disruptions, will reduce our gross margins and operating profit. We currently do not have long-term supply contracts with most of our primary third-party vendors, and we negotiate pricing with our main vendors on a purchase order-by-purchase order basis. Therefore, they are not obligated to perform services or supply product to us for any specific period, in any specific quantities, or at any specific price, except as may be provided in a particular purchase order. The ability of our foundry vendors to provide us with a product, which is solely sourced at each foundry, is limited by their available capacity, existing obligations and technological capabilities. Foundry capacity may not be available when we need it or at reasonable prices. None of our third-party foundry or assembly and test vendors have provided contractual assurances to us that adequate capacity will be available to us to meet our anticipated future demand for our solutions. We have experienced and may again experience in the future supply constraints at our primary foundry and assembly vendors resulting from industry wide supply chain challenges.

Our foundry and assembly and test vendors may allocate capacity to the production of other companies' products while reducing deliveries to us on short notice. In particular, other companies that are larger and better financed than we are or that have long-term agreements with our foundry or assembly and test vendors may cause our foundry or assembly and test vendors to reallocate capacity to them, decreasing the capacity available to us. Converting or transferring manufacturing from a primary location or supplier to a backup provider could be expensive and would likely take at least two or more quarters. There are only a few foundries, including Samsung and Taiwan Semiconductor Manufacturing Co., Ltd., or TSMC, that are currently available for certain advanced process technologies that we utilize or may utilize, such as 4 nm or 2 nm. Accordingly, as we continue to develop solutions in advanced process nodes, we will be increasingly dependent upon such foundries. The unavailability of one or both of these foundries could significantly impact our ability to produce our new products or delay production, which would negatively impact our business.

If our foundry vendors do not achieve satisfactory yields or quality, our reputation and customer relationships could be harmed.

The fabrication of our video and image processing SoC solutions 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, from time to time, experience manufacturing defects and reduced manufacturing yields, including in the fabrication of our SoCs. Changes in manufacturing processes or the inadvertent use of defective or contaminated materials by our foundry vendors could result in lower than anticipated manufacturing yields or unacceptable performance of our SoCs. 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 yields from our foundry vendors, or defects, integration issues or other performance problems in our solutions, could cause us significant customer relations and business reputation problems, harm our financial results and give rise to financial or other damages to our customers. Our customers might consequently seek damages from us for their losses. A product liability claim brought against us, even if unsuccessful, would likely be time consuming and costly to defend.

Each of our SoC solutions is manufactured at a single location. If we experience manufacturing problems at a particular location, we would be required to transfer manufacturing to a new location or supplier. Converting or transferring manufacturing from a primary location or supplier to a backup fabrication facility could be expensive and could take two or more quarters. We do not seek to maintain sufficient inventory to address a lengthy transition period because we believe it is uneconomical. As a result, we may not be able to meet customer needs during such a transition, which could result in a decline in our sales, negatively impact our financial results and damage our customer relationships.

A substantial portion of our revenue is processed through a single distributor and the loss of this distributor may cause disruptions in our shipments, which may adversely affect our operations and financial condition.

We sell a significant percentage of our solutions through a single distributor, WT, which serves as our non-exclusive sales representative and fulfillment partner in Asia other than Japan. Approximately 70%, 63% and 53% of our revenue was derived from sales through WT for the fiscal years ended January 31, 2026, 2025 and 2024. We anticipate that a significant portion of our revenue will continue to be derived from sales through WT in the foreseeable future. Our current agreement with WT is effective until January 2029, unless it is terminated earlier by either party for any or no reason with 60 days written notice or by failure of the breaching party to cure a material breach within 30 days following written notice of such material breach by the non-breaching party. Our agreement with WT will automatically renew for additional successive 12-month terms unless at least 60 days before the end of the then-current term either party provides written notice to the other party that it elects not to renew the agreement. Termination of the relationship with WT, either by us or by WT, could result in a temporary or permanent loss of revenue. We may not be successful in finding suitable alternative distributors on satisfactory terms, or at all, and this could adversely affect our ability to effectively sell our solutions in certain geographical locations or to certain end customers. Furthermore, WT, or any successor or other distributors we do business with, may face issues obtaining credit, which could impair their ability to make timely payments to us.

We are subject to risks associated with our distributors' product inventories.

If our distributors are unable to sell an adequate amount of their inventory of our products in a given quarter to ODMs and end customers, or if they decide to decrease their inventories for any reason, such as adverse global economic conditions or a downturn in technology spending, our sales to these distributors and our revenues may decline. We also face the risk that our distributors may purchase, or for other reasons accumulate, inventory levels of our products in any particular quarter in excess of future anticipated sales to end customers. If such sales do not occur in the time frame anticipated by these distributors for any reason, these distributors may substantially decrease the amount of product they order from us in subsequent periods until their inventory levels realign with end-customer demand, which would harm our business and could adversely affect our revenues in such subsequent periods.

We rely on third-party vendors to supply software development tools and intellectual property to us for the development of our new products, and we may be unable to obtain the tools necessary to develop or enhance new or existing products.

We rely on third-party software development tools to assist us in the design, simulation and verification of new products or product enhancements. To bring new products or product enhancements to market in a timely manner, or at all, we need software development tools that are sophisticated enough or technologically advanced enough to complete our design, simulations and verifications. We also rely upon third-party intellectual property to enable certain advanced features in our products. In the future, the design requirements necessary to meet consumer demands for more features and greater functionality from our solutions may exceed the capabilities of available intellectual property and software development tools. Unavailability of software development tools or intellectual property may result in our missing design cycles or losing design wins, either of which could result in a loss of market share or negatively impact our operating results.

Because of the importance of software development tools to the development and enhancement of our solutions, our relationships with leaders in the computer-aided design industry, including Cadence Design Systems, Inc., Mentor Graphics Corporation and Synopsys, Inc., are critical to us. If these relationships are not successful, we may be unable to develop new products or product enhancements in a timely manner, which could result in a loss of market share, a decrease in revenue or negatively impact our operating results.

We rely on third parties to provide services and technology necessary for the operation of our business. Any failure of one or more of our vendors, suppliers or licensors to provide such services or technology could harm our business.

We rely on third-party vendors to provide critical services, including, among other things, services related to accounting, human resources, information technology and network monitoring that we cannot or do not create or provide ourselves. We depend on these vendors to ensure that our corporate infrastructure will consistently meet our business requirements. The ability of these third-party vendors to successfully provide reliable and high-quality services is subject to technical and operational uncertainties that are beyond our control. While we may be entitled to damages if our vendors fail to perform under their agreements with us, our agreements with these vendors limit the amount of damages we may receive. In addition, we do not know whether we will be able to collect on any award of damages or that these damages would be sufficient to cover the actual costs we would incur as a result of any vendor's failure to perform under its agreement with us. Upon expiration or termination of any of our agreements with third-party vendors, we may not be able to replace the services provided to us in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us, and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete.

Any disruption to the operations of our third-party contractors and their suppliers could cause significant delays in the production or shipment of our products.

Our operations could be harmed if manufacturing, logistics or other operations of our third-party contractors or their suppliers are disrupted for any reason, including natural disasters, high heat events or water shortages, severe storms, other negative impacts from climate change, information technology system failures, military actions or environmental, public health or regulatory issues. The majority of our products are manufactured by or receive components from third-party contractors located in South Korea, Taiwan and Japan. The risk of an earthquake or tsunami in South Korea, Taiwan, Japan and elsewhere in the Pacific Rim region is significant due to the proximity of major earthquake fault lines. We have had disruptions in the past due to natural disasters disrupting the operations of our suppliers and this could happen again. Any disruption resulting from such events could cause significant delays in the production or shipment of our products until we are able to shift our manufacturing, assembling or testing from the affected contractor to another third-party vendor. We may not be able to obtain alternate capacity on favorable terms, or at all.

Risks Related to Our Legal and Regulatory Environment

Global political conditions, including trade relations and regulations, may have an impact on our business and financial condition in ways that we currently cannot predict.

Our operations and performance depend significantly on global, regional and U.S. economic and geopolitical conditions. Customer demand for our solutions may be negatively impacted by weak economic conditions, high inflation or recessionary environments in the US and other nations. Inflation or other deteriorations in global economic conditions may impact our operating expenses and third parties may demand pricing accommodations, which could harm our ability to meet customer demands or collect revenue or otherwise harm our business and financial results.

General trade tensions between the United States and China have been escalating, which has, in our view, created and will perpetuate an uncertain business environment. Tariffs on Chinese-origin products increased and may do so further. The specific duty rates have fluctuated, with the United States imposing, revoking, and postponing various tariffs. Similarly, China has taken measures in response, including increased tariffs on U.S. products and the imposition of new export controls on rare earth metals, critical minerals, and other items. Though certain items have been exempted from some of these recent U.S. tariff actions, including computers, semiconductors and other consumer electronics, the risk of additional U.S. tariffs has materially increased in light of recent comments and new Section 232 investigations opened by the U.S. presidential administration.

Additionally, in 2022, the U.S. government announced new controls restricting the ability to send certain products and technology related to semiconductors, semiconductor manufacturing, advanced computing, supercomputing, and artificial intelligence to China, including Hong Kong, without an export license. In many cases, these licenses are subject to a policy of denial and will not be issued. These controls have continued to expand. While our current products are not restricted by these controls, such controls could impact our ability to export products to China in the future. It also is possible that the Chinese government will retaliate in ways that could impact our business. End-user and end-use restrictions continue to evolve and may change what we can provide to certain entities both in China and other countries.

In addition to negative impacts from existing tariffs and trade restrictions, if additional tariffs or trade restrictions are imposed on our SoC solutions or the products of our customers, or trade restrictions are imposed on our ability to conduct business with certain customers, there could be a negative impact on our operations and financial performance. Even in the absence of new restrictions, tariffs or changes in export classifications, it is possible that foreign customers could take actions to reduce dependence on the supply of components, including our solutions, that could be subject to new export classifications or trade restrictions. There are also risks that the Chinese government may, among other things, require the use of local suppliers, compel companies that do business in China to partner with local companies to conduct business and provide incentives to government-backed local customers to buy from local suppliers. A large portion of our employee base is in China and impacts to our China offices could significantly harm our operations, make it difficult to support customers and negatively impact product development. The materialization of these risks could have a material adverse effect on our business and financial condition. Further, our business and performance are subject to economic conditions, and our suppliers, distributors, and customers may suffer their own financial and economic challenges.

The U.S. government recently introduced regulations that require notification of or prohibit certain transactions by the Company with entities in China or with linkages to China. These regulations could apply to certain intracompany activities with our China subsidiary or other activities with entities in China or with linkages to China. These regulations could also limit the ability of others to transact certain business with the Company if those transactions involve or benefit, directly or indirectly our operations in China.

Russia's ongoing conflict with Ukraine has triggered significant sanctions from U.S. and European leaders. Changes in U.S. trade policy could trigger retaliatory actions by Russia, its allies and other affected countries, including China, resulting in a trade war. These sanctions and restrictions have continued to increase as the conflict has further escalated, and the United States and other countries could impose wider sanctions and export restrictions and take other actions in the future that could impact our business. Furthermore, if the conflict between Russia and Ukraine continues, or if other countries, including the U.S., become further involved in the conflict, we could face significant adverse effects to our business and financial condition.

We have significant business operations in Taiwan, including 372 employees as of January 31, 2026, and many of our third-party manufacturing suppliers are located in Taiwan. Accordingly, our business, financial condition and results of operations may be affected by changes in governmental and economic policies in Taiwan, social instability and diplomatic and social developments in or affecting Taiwan due to its international political status. Although significant economic and cultural relations have been established between Taiwan and China, we cannot assure that relations between Taiwan and China will not face political or economic uncertainties in the future. Any deterioration in the relations between Taiwan and China, and other factors affecting military, political or economic conditions in Taiwan, could disrupt our business operations and materially and adversely affect our results of operations.

We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets.

The U.S. and various foreign governments have imposed controls, export license requirements and restrictions on the import or export of certain products, technologies and software. We must export our products in compliance with U.S. export controls, including the Commerce's Export Administration Regulations. We may not always be successful in obtaining necessary export licenses, and our failure to obtain required import or export approval for our products or limitations on our ability to export or sell our products imposed by these laws may harm both our international and domestic sales and adversely affect our revenue. Noncompliance with these laws could have negative consequences, including government investigations, penalties and reputational harm.

Changes in our products or changes in export, import and economic sanctions laws and regulations may delay our introduction of new products in international markets, prevent our customers from deploying our products internationally or, in some cases, prevent the export or import of our products to or from certain countries altogether. Any change in export or import regulations or legislation, shift or change in enforcement, or change in the countries, persons or technologies targeted by these regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations. In such event, our business and results of operations could be adversely affected.

Our ability to sell our products to several China customers has been restricted.

Several of our Chinese customers have been added to the BIS Entity List, which imposes limitations on the supply of U.S. controlled items to the listed entities. These customers have, and may continue to seek to obtain similar or substitute products from our competitors that are not subject to these limitations, or to develop similar or substitute products themselves. We also cannot be certain what additional actions the U.S. government may take with respect to any of our China customers, including changes to the Entity List restrictions, export regulations, tariffs or other trade restrictions, or whether the Chinese government may take any actions in response to U.S. government action that may adversely affect our ability to do business with our China customers. Even in the absence of new restrictions, tariffs or trade actions imposed by the U.S. or Chinese government, our China customers may take actions to reduce dependence on the supply of components subject to U.S. trade regulations, including our SoC solutions, which could have a material adverse effect on our operating results. We are unable to predict the duration of the restrictions imposed by the U.S. government or of any additional governmental actions, any of which could have a long-term adverse effect on our business, operating results and financial condition.

We are subject to warranty and product liability claims and to product recalls.

From time to time, we are subject to warranty claims that may require us to make significant expenditures to defend these claims or pay damage awards. In the future, we may also be subject to product liability claims resulting from failure of our solutions or if products we design, manufacture, or sell, cause personal injury or property damage, even where the cause is unrelated to product defects. These risks will likely increase as our products are introduced into new devices, markets, or applications, including autonomous and semi-autonomous automotive, drone and robotic applications. In the event of a warranty claim, we may also incur costs if we compensate the affected customer. We maintain product liability insurance, but this insurance is limited in amount and subject to significant deductibles. There is no guarantee that our insurance will be available or adequate to protect against all claims. We also may incur costs and expenses relating to a recall of one of our customers' products containing one of our devices. The process of identifying a recalled product in consumer devices that have been widely distributed may be lengthy and require significant resources, and we may incur significant replacement costs, contract damage claims from our customers and reputational harm. Costs or payments made in connection with warranty and product liability claims and product recalls could harm our financial condition and results of operations, as well as harm our reputation and cause the market value of our ordinary shares to decline.

We are subject to governmental laws, regulations and other legal obligations related to data processing, privacy, data protection and cybersecurity.

The legislative and regulatory framework for data processing, privacy, data protection and cybersecurity issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. We collect, maintain, transfer and otherwise process personal information and other data as part of our business processes and activities. These actions are subject to a variety of U.S. and international laws and regulations, and oversight by various regulatory or other governmental bodies. Many foreign countries and governmental bodies, including China, the European Union and other relevant jurisdictions where we conduct business, have laws and regulations concerning these matters that are more restrictive than those in the U.S. For example, the European Union has adopted the General Data Protection Regulation, or GDPR, which imposed stringent data protection requirements and provided for substantial penalties for noncompliance, including the potential for fines of up to €20 million or 4% of the annual global revenues of the noncompliant entity, whichever is greater. The United Kingdom has adopted legislation that substantially implements the GDPR and provides for a similar penalty structure. Similarly, California has adopted the California Consumer Privacy Act of 2018, or CCPA, which took effect in 2020. The CCPA was modified by the California Privacy Rights Act of 2020, which became effective on January 1, 2023. Numerous other U.S. states have proposed, and in certain cases enacted privacy laws, many of which are similar to the CCPA. The U.S. Department of Justice has also issued regulations regarding certain bulk sensitive personal data transfers.

In 2021, the National People's Congress passed the Data Security Law of the People's Republic of China (Data Security Law) and China's Personal Information Protection Law (PIPL). The Data Security Law is the first comprehensive data security legislation in China and aims to regulate a wide range of issues in relation to the collection, storage, processing, use, provision, transaction and publication of any kind of data. The PIPL is the first national-level law comprehensively regulating issues in relation to personal information protection in China, and provides for substantial fines and other remedies. The Data Security Law contains provisions that allow substantial government oversight and includes fines for failure to obtain required approval from China's cyber and data protection regulators for cross-border personal information-related data transfers.

Aspects of laws and regulations relating to data processing, privacy, data protection and cybersecurity, and their interpretation and enforcement, remain unclear, and these laws and regulations, as well as relevant industry standards or other actual or asserted obligations, may be interpreted or applied in a manner that is inconsistent with our practices or the features of our products or solutions. We may find it necessary to modify our products, solutions or practices and to incur substantial costs and expenses in an effort to comply. Further, in the event of any actual or alleged failure to comply with such laws, regulations, industry standards or other actual or asserted obligations, we could face fines, lawsuits, regulatory investigations, and other claims and penalties, and we could be required to fundamentally change our products or our business practices, which could have an adverse effect on our business. Any inability, or perceived inability, to adequately address data processing, privacy, data protection or cybersecurity concerns, or to comply with applicable laws, regulations, industry standards, or other actual or asserted obligations relating to these matters, even if unfounded, could result in additional cost and liability to us, inhibit sales, damage our reputation and adversely affect our business.

Failure to comply with the U.S. Foreign Corrupt Practices Act, or FCPA, and similar 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 the FCPA and other anti-corruption laws that prohibit improper payments or offers of payment. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, agents, representatives, distributors, business partners, and third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. 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.

Although we implemented an anti-corruption compliance program, we cannot assure you that none of our employees, agents, representatives, distributors, business partners or third-party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any allegations or violation of the FCPA or other applicable anti-corruption laws could result in whistleblower complaints, investigations, enforcement actions, severe criminal or civil sanctions, fines, adverse media coverage, and suspension or debarment from U.S. government contracting, all of which could have an adverse effect on our reputation, business, financial condition, operating results and cash flows. Responding to any investigation or action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees.

We, our customers and third-party contractors are subject to increasingly complex environmental regulations and compliance with these regulations may delay or interrupt our operations and adversely affect our business.

We face increasing complexity in our procurement, design, and research and development operations as a result of requirements relating to the materials composition of our products, including the European Union's, or EU's, Restriction on the Use of Certain Hazardous Substances in Electrical and Electronic Equipment, or RoHS, directive, which restricts the content of lead and certain other hazardous substances in specified electronic products put on the market in the EU and similar Chinese legislation relating to marking of electronic products. The passage of similar requirements in additional jurisdictions or the tightening of these standards in jurisdictions where our products are already subject to such requirements could cause us to incur significant expenditures to make our products compliant with new requirements, or could limit the markets into which we may sell our products.

Failure to comply with these and similar laws and regulations could subject us to fines, penalties, civil or criminal sanctions, contract damage claims, and take-back of non-compliant products, which could harm our business, reputation and operating results. Similarly, failure by our foundry vendors or other suppliers to comply with applicable environmental laws and requirements could cause disruptions and delays in our product shipments, which could adversely affect our relations with our ODMs and OEMs and adversely affect our business and results of operations.

We are subject to regulatory compliance requirements, including Section 404 of the Sarbanes-Oxley Act of 2002, which are costly to comply with, and our failure to comply with these requirements could harm our business and operating results.

We are subject to disclosure and compliance requirements associated with being a public company, including but not limited to compliance with Section 404 of the Sarbanes-Oxley Act of 2002. For example, Section 404 of the Sarbanes-Oxley Act requires that our management report on, and our independent auditors attest to, the effectiveness of our internal control structure and procedures for financial reporting. Compliance with Section 404 requires a significant amount of time, expenses and diversion of internal resources. If we or our auditors discover a material weakness in our internal controls, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm our stock price. In addition, if we fail to maintain effective controls over financial reporting, we could be subject to sanctions or investigations by The Nasdaq Global Select Market, the SEC, or other regulatory authorities. Irrespective of compliance with Section 404, any failure of our internal controls could have a material adverse effect on our stated results of operations and harm our reputation. Furthermore, investor perceptions of our company may suffer, and this could cause a decline in the market price of our ordinary shares.

Changes in applicable tax laws or statutory tax rates or adverse outcomes resulting from examination of our tax returns could adversely affect our results.

Our operations are subject to certain taxes, such as income and transaction taxes in the jurisdictions in which we do business. A change in the tax laws in the jurisdictions in which we do business, including an increase in tax rates or an adverse change in the treatment of an item of income or expense, possibly with retroactive effect, could result in a material increase in the amount of taxes we incur. Our future effective tax rates could be adversely affected if our earnings are lower than anticipated in countries where we have lower statutory rates and higher than anticipated in countries where we have higher statutory rates, by changes in the valuation of our deferred tax assets and liabilities, transfer pricing adjustments, re-organization or restructuring of our businesses, changes in our corporate structure, including the effect of acquisitions on our legal structure, by tax costs related to intercompany realignments, tax effects of share-based compensation, expiration of or lapses in tax incentives, or by changes in tax laws, regulations, accounting principles or interpretations thereof. In addition, we may determine that it is advisable from time to time to repatriate earnings from subsidiaries under circumstances that could give rise to imposition of potentially significant withholding taxes by the jurisdictions in which such amounts were earned, without our receiving the benefit of any offsetting tax credits, which could also adversely impact our effective tax rate.

Changes in applicable laws could cause us to experience fluctuations in our tax obligations and effective tax rates and otherwise adversely affect our tax positions and/or our tax liabilities.

For example, the Organization for Economic Co-operation and Development has been working on a Base Erosion and Profit Shifting Project and has been issuing guidelines and proposals covering a number of issues, including country-by-country reporting, permanent establishment rules, transfer pricing rules and tax treaties. Many of these changes have been or are in the process of being adopted by numerous countries and could materially and adversely affect our provision for income taxes. One proposal is a framework that ensures an effective global minimum tax rate of 15% on certain multinationals that meet a consolidated revenues threshold of EUR 750 million or equivalent annually (Pillar Two). The Company believes that its consolidated revenues have not exceeded the relevant annual threshold.

Further, the One Big Beautiful Bill Act (OBBBA) was enacted on July 4, 2025, and made a number of changes to existing tax law, including extending or making permanent certain business and international tax measures initially established under the Tax Cuts and Jobs Act of 2017 (TCJA), which were set to expire. The OBBBA requires complex computations to be performed that were initially introduced by the TCJA. The U.S. Treasury Department, the Internal Revenue Service (IRS), and other standard-setting bodies could interpret or issue guidance on how provisions of the OBBBA will be applied or otherwise administered that is different from our interpretation. We have considered the impact of the OBBBA in the current financial year. We are also in the process of evaluating the financial statement impact of these provisions for future periods. We do not currently expect the OBBBA to have a material impact on our consolidated financial statements. As we evaluate the effect of the OBBBA, collect and prepare necessary data, and interpret any additional guidance, we may adjust provisional amounts that we have recorded that may impact our provision for income taxes in the period in which the adjustments are made.

Additional changes to global tax laws are likely to occur, and such changes may adversely affect our statutory tax rate, operating results, and cash flow.

We are subject to periodic audits or other reviews by tax authorities in the jurisdictions in which we conduct our activities. For example, our income tax returns are subject to continuous examination by the Internal Revenue Service and other tax authorities. Any such audit, examination or review requires management's time, diverts internal resources and, in the event of an unfavorable outcome, may result in additional tax liabilities or other adjustments to our historical results. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. We cannot assure you that the outcomes from these continuous examinations will not have an adverse effect on our operating results and financial condition.

We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences for U.S. holders of our ordinary shares.

If, for any taxable year, either (a) at least 75% of our gross income is passive income or (b) at least 50% of the value of our assets (based on an average of the quarterly values of those assets during the taxable year) is attributable to assets that produce or are held for the production of passive income, in each case including a pro rata portion of the income and assets of each subsidiary in which we own, directly or indirectly, at least 25% by value of such subsidiary's equity interests, we may be characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. If we are treated as a PFIC for any taxable year during which a U.S. holder holds ordinary shares, certain adverse U.S. federal income tax consequences could apply for such U.S. holder.

Based on the current and anticipated valuation of our assets and the composition of our income and assets, we do not expect to be considered a PFIC for our 2026 fiscal year. However, a separate determination must be made at the close of each taxable year as to whether we are a PFIC for that taxable year, and we cannot assure you that we will not be a PFIC for our 2027 fiscal year or any future taxable year. Because we currently hold, and expect to continue to hold, a substantial amount of cash or cash equivalents, and because the calculation of the value of our assets may be based in part on the value of our ordinary shares, which may fluctuate and may fluctuate considerably given that market prices of technology companies historically often have been volatile, we may be a PFIC for any taxable year.

Risks Related to Our 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 proprietary technologies and 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 misappropriation of our proprietary information or infringement of our intellectual property rights, and our ability to prevent such misappropriation or infringement is uncertain, particularly in countries outside of the United States. The failure of our patents to adequately protect our technology might make it easier for our competitors to offer similar products or technologies, which would harm our business. For example, our patents and patent applications could be opposed, contested, circumvented, designed around by our competitors or be declared invalid or unenforceable in judicial or administrative proceedings. Our foreign patent protection is generally not as comprehensive as our U.S. patent protection and may not protect our intellectual property in some countries where our products are sold or may be sold in the future. Many U.S.-based companies have encountered substantial intellectual property infringement in foreign countries, including countries where we sell products. Even if foreign patents are granted, effective enforcement in foreign countries may not be available. For example, the legal environment relating to intellectual property protection in certain emerging market countries where we operate is relatively weaker, often making it difficult to create and enforce such rights. We may not be able to effectively protect our intellectual property rights in these emerging markets or elsewhere. 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, operating results and cash flows could be materially and adversely affected.

We may in the future need to initiate infringement claims or litigation in order to try to protect our intellectual property rights. Litigation, whether we are a plaintiff or a defendant, can be expensive, time-consuming and may divert the efforts of our technical staff and management, 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 being issued. Additionally, any enforcement of our patents or other intellectual property may provoke third parties to assert counterclaims against us. If we are unable to protect our proprietary rights or if third parties independently develop or gain access to our or similar technologies, our business, revenue, reputation and competitive position could be harmed.

Third parties' assertions of infringement of their intellectual property rights could result in our having to incur significant costs and cause our operating results to suffer.

The semiconductor industry is characterized by vigorous protection and pursuit of intellectual property rights and positions, which has resulted in protracted and expensive litigation for many companies. We and certain of our customers have received, and in the future may receive, communications from others alleging our infringement of their patents, trade secrets or other intellectual property rights. In addition, we and certain of our end customers have been the subject of lawsuits alleging infringement of intellectual property rights by our solutions or products incorporating our solutions, including the assertion that the alleged infringement may be attributable, at least in part, to our technology. Such lawsuits could subject us to significant liability for damages and invalidate our proprietary rights, though this has not occurred to date. Any potential intellectual property litigation also could force us to do one or more of the following:

- stop selling products or using technology that contain the allegedly infringing intellectual property;
- incur significant legal expenses;
- pay substantial damages to the party whose intellectual property rights we may be found to be infringing;
- redesign those products that contain the allegedly infringing intellectual property;
- attempt to obtain a license to the relevant intellectual property from third parties, which may not be available on reasonable terms or at all; or
- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property against others.

Any significant impairment of our intellectual property rights from any litigation we face could harm our business and our ability to compete.

Any potential dispute involving our 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 our patents or other intellectual property, our customers could also become the target of litigation. Certain of our customers have received notices from third parties claiming to have patent rights in certain technology and inviting our customers to license this technology, and certain of our end customers have been the subject of lawsuits alleging infringement of patents by products incorporating our solutions, including the assertion that the alleged infringement may be attributable, at least in part, to our technology. Because we generally indemnify our customers for certain intellectual property claims made against them for products incorporating our technology, any litigation could trigger technical support and indemnification obligations under some of our license agreements, which could result in substantial expense to us. Because some of our ODMs and OEMs 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 ODMs or OEMs that could increase our expenses, disrupt our ability to sell our solutions and reduce our revenue. 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.

The use of open source software in our products, processes and technology may expose us to additional risks and compromise our proprietary intellectual property.

Our products, processes and technology sometimes utilize and incorporate software that is subject to an open source license. Open source software is typically freely accessible, usable and modifiable. Certain open source software licenses, such as the GNU General Public License, require a user who intends to distribute the open source software as a component of the user's software to disclose publicly part or all of the source code to the user's software. In addition, certain open source software licenses require the user of such software to make any derivative works of the open source code available to others on terms unfavorable to us or at no cost. This can subject previously proprietary software to open source license terms.

While we monitor the use of open source software in our products, processes and technology and try to ensure that no open source software is used in such a way as to require us to disclose the source code to the related product, processes or technology when we do not wish to do so, such use could inadvertently occur. Additionally, if a third-party software provider has incorporated certain types of open source software into software we license from such third-party for our products, processes or technology, we could, under certain circumstances, be required to disclose the source code to our products, processes or technology. This could harm our intellectual property position and our business, results of operations and financial condition.

Risks Related to Ownership of Our Ordinary Shares

The market price of our ordinary shares may be volatile, which could cause the value of your investment to decline.

The market price of our ordinary shares has historically been highly volatile. The trading price of our ordinary shares is likely to remain volatile and could be subject to wide fluctuations in price in response to various factors, some of which are beyond our control. These factors include:

- changes in financial estimates, including our ability to meet our future revenue and operating profit or loss projections;
- fluctuations in our operating results or those of other semiconductor or comparable companies;
- our actual operating results failing to meet or exceed our guidance or investor expectations;
- fluctuations in the economic performance or market valuations of companies perceived by investors to be comparable to us;
- economic developments in the semiconductor industry as a whole;
- general economic conditions, including conditions related to the banking industry or caused by pandemics, military conflicts, high inflation, and slow or negative market growth;
- trade and other geopolitical activities affecting markets we address;
- announcements by us or our competitors of acquisitions, new products, significant contracts or orders, commercial relationships or capital commitments;
- sales or purchases of a substantial number of our ordinary shares by us, our officers, or our significant stockholders as well as the perception that such sales or purchases could occur;
- short sales of our ordinary shares, short seller reports, and related media coverage;
- our issuance or repurchase of ordinary shares;
- our ability to develop and market new and enhanced solutions on a timely basis;
- changes in the demand for our customers' products;
- commencement of or our involvement in litigation;
- disruption to our operations;
- any major change in our board of directors or management;
- political or social conditions in the markets where we sell our products;
- changes in governmental regulations; and
- changes in earnings estimates or recommendations by securities analysts or failure of securities analysts to maintain coverage of us.

In addition, the stock market in general, and the market for semiconductor and other technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. These broad market and industry factors may cause the market price of our ordinary shares to decrease, regardless of our actual operating performance. These trading price fluctuations may also make it more difficult for us to use our ordinary shares as a means to make acquisitions or to use options to purchase our ordinary shares to attract and retain employees. If the market price of our ordinary shares declines, you may not realize any return on your investment in us and may lose some or all of your investment. In addition, in the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Provisions of our memorandum and articles of association and Cayman Islands corporate law may discourage or prevent an acquisition of us which could adversely affect the value of our ordinary shares.

Provisions of our memorandum and articles of association and Cayman Islands law may have the effect of delaying or preventing a change of control or changes in our management. These provisions include the following:

- the division of our board of directors into three classes;
- the right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or due to the resignation or departure of an existing board member;
- prohibition of cumulative voting in the election of directors which would otherwise allow less than a majority of shareholders to elect director candidates;
- the requirement for the advance notice of nominations for election to our board of directors or for proposing matters that can be acted upon at a shareholders' meeting;
- the ability of our board of directors to issue, without shareholder approval, such amounts of preference shares as the board of directors deems necessary and appropriate with terms set by our board of directors, which rights could be senior to those of our ordinary shares;
- the elimination of the rights of shareholders to call a special meeting of shareholders and to take action by written consent in lieu of a meeting; and
- the required approval of a special resolution of the shareholders, being a two-thirds vote of shares held by shareholders present and voting at a shareholder meeting, to alter or amend the provisions of our post-offering memorandum and articles of association.

Holders of our ordinary shares may face difficulties in protecting their interests because we are incorporated under Cayman Islands law.

Our corporate affairs are governed by our amended and restated memorandum and articles of association, by the Companies Law (as the same may be supplemented or amended from time to time) of the Cayman Islands and by the common law of the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as under statutes or judicial precedent in existence in jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States and provides significantly less protection to investors. There is no legislation specifically dedicated to the rights of investors in securities and thus no statutorily defined private cause of action specific to investors such as those provided under the Securities Act or the Securities Exchange Act of 1934, as amended. In addition, shareholders of Cayman Islands companies may not have standing to initiate shareholder derivative actions in U.S. federal courts. Therefore, you may have more difficulty in protecting your interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States due to the comparatively less developed nature of Cayman Islands law in this area.

Shareholders of Cayman Islands exempted companies, such as our company, have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders of the company. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Subject to limited exceptions, under Cayman Islands law, a minority shareholder may not bring a derivative action against the board of directors.

Holders of our ordinary shares may have difficulty obtaining or enforcing a judgment against us because we are incorporated under the laws of the Cayman Islands.

It may be difficult or impossible for you to bring an action against us in the Cayman Islands if you believe your rights have been infringed under U.S. securities laws. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will in certain circumstances recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits. While there is no binding authority on this point, this is likely to include, in certain circumstances, a non-penal judgment of a United States court imposing a monetary award based on the civil liability provisions of the U.S. federal securities laws. The Grand Court of the Cayman Islands may stay proceedings if concurrent proceedings are being brought elsewhere. There is uncertainty as to whether the Grand Court of the Cayman Islands would recognize or enforce judgments of United States courts obtained against us predicated upon the civil liability provisions of the securities laws of the United States or any state thereof and whether the Grand Court of the Cayman Islands would hear original actions brought in the Cayman Islands against us predicated upon the securities laws of the United States or any state thereof.

General Risk Factors

If our operations are interrupted, our business and reputation could suffer.

Our operations and those of our manufacturers are vulnerable to interruption caused by technical breakdowns, computer hardware and software malfunctions, software viruses, infrastructure failures, pandemics, and regional health issues, earthquakes, natural disasters, and other negative impacts from climate change, power losses, telecommunications failures, terrorist attacks, wars, Internet failures and other events beyond our control. Our operations could also be disrupted by geopolitical conditions, particularly in Taiwan or China, where the majority of our employees are located. Any disruption in our services or operations could result in a reduction in revenue, delay product development and R&D, or result in a claim for substantial damages against us, regardless of whether we are responsible for that failure. If remote or work from home conditions were to continue for an extended period of time, we may experience delays in product development, a decreased ability to support our customers, reduced design win activity, and overall lack of productivity. We rely on our computer equipment, database storage facilities and other office equipment, which are located primarily in the seismically active San Francisco Bay Area and Taiwan. If we suffer a significant database or network facility outage, our business could experience disruption until we fully implement our back-up systems.

Climate change and climate change-related policies and regulations may have a long-term impact on our business.

Global climate change is causing, and is projected to continue to cause, an increase in the frequency and intensity of certain natural disasters. Additionally, adverse weather, such as drought, wildfires, severe storms, sea-level rise, flooding, heat waves and cold waves, may occur more frequently and/or with greater intensity. Such extreme events are driving changes in market dynamics, and local, national and international policies and regulations, which could result in disruptions to us, our suppliers, customers, and employees. These disruptions could make it more difficult and costly for us to deliver our products, obtain components or other supplies through our supply chain, maintain, or resume operations or perform other critical corporate functions, and could reduce customer demand for our products, which would harm our business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have established policies and processes for assessing, identifying, and managing material risks from cybersecurity threats, including an Incident Response Plan for cybersecurity and related processes that are overseen by our IT and management teams. Our cybersecurity program leverages industry frameworks, including certain of those established by the National Institute of Standards and Technology (NIST). Our information security management system is ISO 27001 certified.

We regularly assess material risks from cybersecurity threats, including any potential unauthorized occurrence on or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein. We conduct periodic risk assessments to identify cybersecurity threats, as well as assessments in the event of a material change in our business practices that may affect our information systems that are vulnerable to such cybersecurity threats. These risk assessments include identification of reasonably foreseeable internal risks associated with our employee and contractor usage of our information systems, as well as risks posed by external actors. The assessments also evaluate the likelihood and potential damage that could result from such risks, and the sufficiency of existing procedures, systems, and safeguards in place to manage such risks. Our cybersecurity risk management program is integrated into our overall risk management scheme by seeking to identify and mitigate those cybersecurity threats that are more likely to lead to a material impact on our business.

As part of our overall risk management system, we provide periodic mandatory training for personnel regarding cybersecurity threats as means to equip our employees with information and tools to address cybersecurity threats, and to communicate our information security policies, processes and practices. We also perform periodic email phishing tests to evaluate and maintain cybersecurity awareness among our employees.

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

We also engage consultants or other third parties in connection with our risk assessment processes. These service providers assist us in designing and implementing our cybersecurity policies and procedures, as well as in monitoring and testing our safeguards, including penetration testing of public facing assets.

Governance

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

The Board of Directors and the Nominating and Corporate Governance Committee receive presentations and reports on cybersecurity, which address a range of topics including recent developments, evolving standards, the threat environment, cybersecurity systems testing and vulnerability assessments, and the Company's practices and policies to manage risks. Management reports to the Nominating and Corporate Governance Committee on cybersecurity matters and materials risks, if any, from cybersecurity threats. Our Nominating and Corporate Governance Committee provides updates to the Board of Directors on such reports. The Nominating and Corporate Governance Committee also receives notice of any significant cybersecurity incidents, as well as ongoing updates regarding any such incident until it has been addressed.

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

Our cybersecurity incident response plan is designed to escalate certain cybersecurity incidents to a team of business leaders, including, but not limited to, our Chief Operating Officer, Chief Financial Officer and General Counsel. This team of business leaders works with our incident response team to help determine the severity of the impact of a cybersecurity incident, as well as to help mitigate and remediate cybersecurity incidents of which they are notified.

As of the date of this Annual Report on Form 10-K, we are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected the Company, its business strategy, results of operations or financial condition. As cybersecurity threats become more sophisticated, it is reasonably likely that we will be required to expend greater resources to continue to modify and enhance our protective measures. For additional information concerning risks related to cybersecurity, see Item 1A of this report, "*Risk Factors – Risks Related to Our Business and Our Industry – A breach of our security systems, or other security breaches or incidents with respect to our products, networks or systems, may have a material adverse effect on our business*."

ITEM 2. PROPERTIES

Our corporate headquarters are located in Santa Clara, California with approximately 58,000 square feet of building space. We also lease other facilities in Ohio and in various international locations, primarily in Taiwan, China, Italy and Hong Kong. Our facilities primarily consist of operating leases with lease periods expiring between fiscal years 2027 to 2035. We believe our existing facilities are well maintained and in good operating condition, and are sufficient for our needs for the foreseeable future. The following table lists major locations and primary usage of these facilities as of January 31, 2026:

Major Locations	Approximate Square Footage	Usage
United States:		
Santa Clara, California	57,900	Corporate Headquarters; Sales; Marketing; Research and Development; Finance; Administration
Beavercreek, Ohio	16,000	Research and Development
Asia Pacific:		
Hsinchu, Taiwan	86,700	Research and Development; Business Development; Operations; Administration
Shanghai, China	31,600	Research and Development; Business Development
Shenzhen, China	19,200	Research and Development; Business Development
Kowloon, Hong Kong	9,000	Sales; Warehousing
Shin-Yokohama, Japan	1,300	Business Development
SeongNam, South Korea	1,200	Business Development
Europe:		
Parma, Italy	14,400	Research and Development

ITEM 3. LEGAL PROCEEDINGS

We are not engaged in any material legal proceedings at this time. However, from time to time, we may be subject to commercial disputes, employment issues, intellectual property claims and litigation, in the ordinary course of our business. Refer to Note 15, Commitments and Contingencies within Notes to Consolidated Financial Statements for further information.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

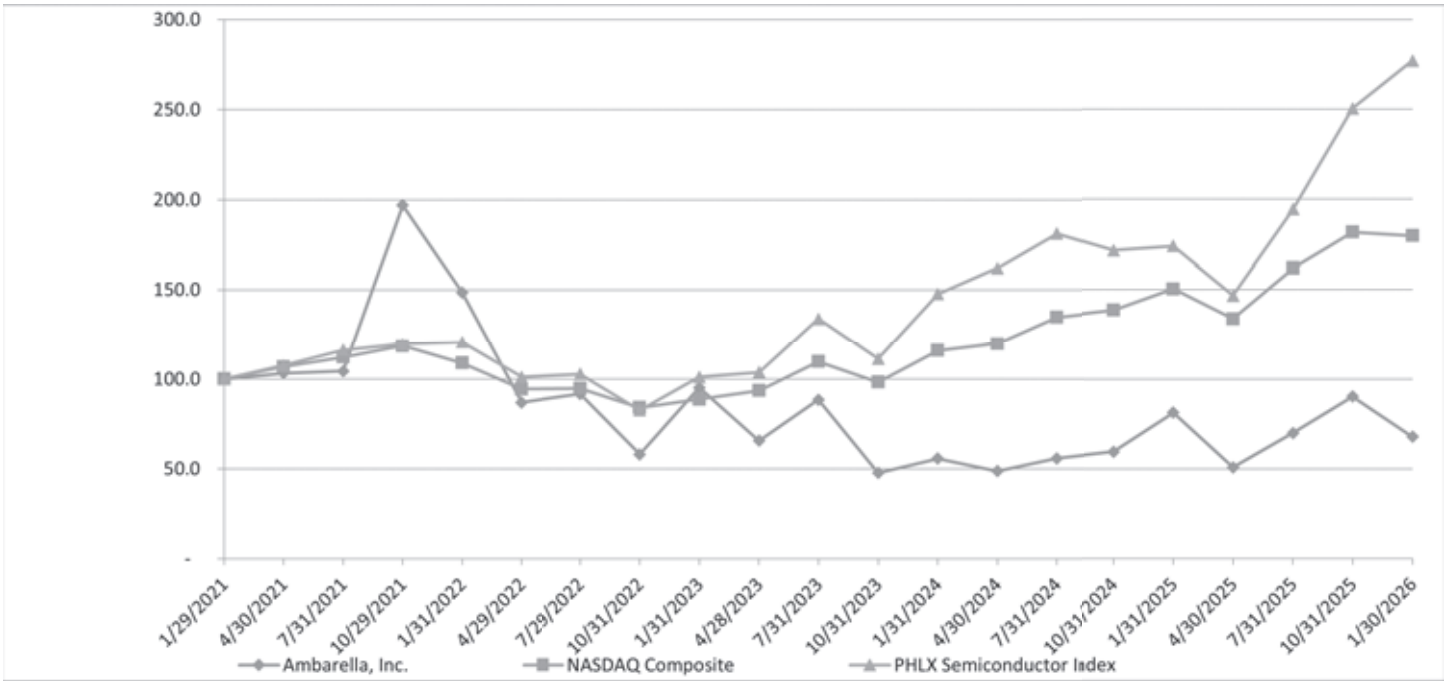
Our ordinary shares are traded on the Nasdaq Global Select Market under the symbol "AMBA". On March 16, 2026, there were 24 shareholders of record holding our ordinary shares. We cannot estimate the number of beneficial owners since many brokers and other institutions hold our shares on behalf of shareholders.

Share Performance Graph

This performance graph shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the Securities and Exchange Commission, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

The following graph shows a comparison from February 1, 2021 through January 31, 2026 of the cumulative total return for our ordinary shares, the Nasdaq Composite Index and the Philadelphia Semiconductor Index. The comparisons in the graph are historical and are not intended to forecast or be indicative of possible future performance of our ordinary shares.

Comparison of 5-year Cumulative Total Return



Dividends

We have never declared or paid any cash dividends on our ordinary shares and do not currently intend to do so in the foreseeable future.

Purchases of Equity Securities by the Issuer

On May 28, 2025, our Board of Directors approved an extension of the existing share repurchase program for an additional twelve months through June 30, 2026. As of January 31, 2026, we had approximately $48.0 million available to repurchase shares under the program through June 30, 2026. The repurchase program does not obligate us to acquire any particular amount of ordinary shares, and it may be suspended at any time at our discretion. Shares may be repurchased through open market purchases, 10b5-1 plans or privately negotiated transactions. Repurchases are funded using our working capital and any repurchased shares are recorded as authorized but unissued shares. There were no shares repurchased during the fourth fiscal quarter covered by this report.

Recent Sales of Unregistered Securities

None.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a leading developer of low power system on a chip (SoC) semiconductors and software that enable advanced edge and physical AI applications. Our solutions combine state of the art video processing, high resolution image capture, and our proprietary CVflow® AI acceleration architecture to deliver high performance at extremely low power. Historically, our technologies supported human viewing applications such as enterprise, public infrastructure, and home security cameras, as well as sports cameras, wearables, aerial drones, and aftermarket automotive recorders. Building on this foundation, our recent product generations incorporate advanced AI inference capabilities that allow edge devices to interpret complex scenes, perform multi modal sensor fusion, and support autonomous decision making.

Our latest SoC families integrate third generation CVflow technology with advanced video processing, image signal processing, audio processing, and system control functions on a single chip. CVflow is optimized for a broad range of AI inference workloads, including object detection, classification, tracking, segmentation, stereo depth processing, radar perception, and transformer based models. This architecture supports multi modal sensor inputs, including camera, lidar, 4D radar, thermal, and near infrared, enabling environmental perception for edge devices. These capabilities allow our customers to deploy differentiated AI models and solutions across applications, such as next generation automotive camera systems, video security, robotics, and consumer devices, while achieving high image quality, low latency, and low power consumption.

Our development roadmap is focused on human viewing, AI inference, and radar based perception technologies that support the increasing automation and intelligence requirements of the Internet of Things (IoT), automotive, industrial, and robotics markets. As a result, we believe that our future revenue growth, if any, will significantly depend upon our ability to expand within camera markets with our AI technology, particularly in the Internet of Things, or IoT, markets, as well as emerging markets such as AI-enabled security cameras, AI-based driving applications, including driver monitoring systems, advanced blind spot detection, object detection, and deep learning algorithms for HD mapping solutions, automotive advanced driver assistance systems, or ADAS, applications, and industrial and robotics markets. We expect our research and development expenditures to increase in comparison to prior periods as we devote additional resources to the development of innovative video and image processing solutions with increased functionality, such as AI capabilities, and as we target new markets.

We sell our SoC solutions to leading original design manufacturers, or ODMs, and original equipment manufacturers, or OEMs, globally, and in the automotive market, we also sell to Tier-1 suppliers. We refer to ODMs and Tier-1 automotive suppliers as our customers and OEMs as our end customers, except as otherwise indicated or as the context otherwise requires.

Our sales cycles typically require a significant investment of time and a substantial expenditure of resources before we can realize revenue from the sale of our solutions, if any. Our typical sales cycle consists of a multi-month sales and development process involving our customers' system designers and management and our sales personnel and software engineers. If successful, this process culminates in a customer's decision to use our solutions in its system, which we refer to as a design win. Our sales efforts are typically directed to the OEM of the product that will incorporate our video and image processing solution, but the eventual design and incorporation of our SoC into the product may be handled by an ODM or Tier-1 supplier on behalf of the OEM.

Volume production may begin within 12 to 18 months after a design win, but could be longer in certain markets, depending on the complexity of our customer's product and other factors upon which we may have little or no influence. In general, design cycles will be longer in the OEM automotive and industrial and robotics markets than in the IoT markets. Once our solutions have been incorporated into a customer's design, they are likely to be used for the life cycle of the customer's product. Conversely, a design loss to a competitor will likely preclude any opportunity for future revenue from such customer's product. Even if we obtain a design win and our SoC remains a component through the life cycle of a customer's product, the volume and timing of actual sales of our SoCs to the customer depend upon the production, release and market acceptance of that product, none of which are within our control. An IoT product typically has a life cycle of 12 to 24 months. We anticipate that product life cycles will typically be longer than 24 months in the OEM automotive and industrial and robotics markets, as new product introductions occur less frequently in these markets.

Fiscal Year 2026 Financial Highlights

- We recorded revenue of $390.7 million in fiscal year 2026, an increase of 37.2% as compared to fiscal year 2025. The increase in revenue was primarily attributable to higher product unit shipments and an increased percentage of sales from higher average selling price AI inference processors as a result of high demand for our edge AI solutions, partially offset by lower nonrecurring engineering (NRE) project service revenue.
- We recorded a loss from operations of $82.5 million in fiscal year 2026, as compared to a loss from operations of $126.6 million in fiscal year 2025. The reduction in operating losses was primarily attributable to higher revenue and consequently, higher gross profit, partially offset by an increase in operating expenses. The increased operating expenses primarily related to higher personnel costs, including employee benefits, higher engineering-related costs associated with the progress and number of chips in development, higher facility-related costs from relocation of our headquarters in fiscal year 2026, as well as higher marketing and travel expenses.
- We generated $73.5 million of cash from operating activities in fiscal year 2026, as compared to $33.8 million in fiscal year 2025. The increase in cash flows from operating activities was mainly driven by improved operating results and higher cash inflows from changes in working capital.

Factors Affecting Our Performance

Ability to Capitalize on AI and Computer Vision Trends. We expect that AI and computer vision functionality will become an increasingly important requirement in many of our current and future markets, including IoT, automotive, industrial and robotics markets. As a result, we believe that our ability to develop advanced AI and computer vision technologies, enable and support customer product development in emerging applications, such as ADAS, advanced blind spot detection, object detection, classification and tracking, people recognition, retail analytics, and machine learning, and gain customer acceptance of our technology platform and solutions will be critical to our future success. Moreover, achieving design wins, particularly for computer vision-centric applications in the IoT, automotive, industrial and robotics markets, is vital to our ability to generate revenue growth. As such, we closely monitor our design wins with our customers. However, a design win may not successfully materialize into revenue, and even if it does result in revenue, the amount generated by each design win can vary significantly.

Ability to Develop and Introduce New or Enhanced Solutions. We operate in a dynamic environment characterized by rapidly changing technologies and technological obsolescence. To compete successfully, we must design, develop, market and sell enhanced solutions with increased levels of performance and functionality that meet the expectations of our customers, including advanced process technologies. As such, we continuously invest in our research and development projects, especially AI and computer vision technologies. However, failure to anticipate or timely develop new or enhanced solutions in response to technology shifts and trends could result in decreased revenue and our competitors achieving design wins we sought. In addition, our ability to successfully develop new and enhanced solutions depends on our continuing ability to hire, train, motivate and retain highly skilled engineers, which is not ensured. Moreover, any reliability or quality problems with our solutions could harm our reputation, increase additional development and replacement costs, and prevent us from retaining existing customers and attracting new customers.

Pricing, Product Cost and Margin. Our pricing and margins depend on a variety of factors, including the volumes and features of the solutions we provide to our customers. Additionally, we make significant investments in new solutions for both cost improvements and new features that we expect to drive revenue and maintain margins. In general, solutions incorporated into more complex configurations, such as those used in high-performance camera applications or, in the future, advanced driver assistance systems, have higher prices and higher gross margins as compared to solutions sold into lower-performing, more competitive camera applications. Our average selling price can vary by market and application due to market-specific supply and demand, the maturation of products launched in previous years, the launch of new products by us or our competitors and by product mix.

We continually monitor the cost of our solutions. As we rely on third-party manufacturers for the manufacture of our products, we maintain a close relationship with these suppliers to continually monitor production yields, component costs and design efficiencies.

Continued Concentration of Revenue by End Markets. Historically, our revenue has been significantly concentrated in a small number of end markets and we developed technologies to provide solutions for new markets as they emerged. Since fiscal year 2018, the IoT markets and automotive markets have been our largest end markets and sales into these markets collectively generated the majority of our revenue. We believe, however, that continued expansion into new markets is required to facilitate revenue growth and customer diversification. We have recently introduced solutions to address emerging applications and markets, such as the incorporation of AI and computer vision functionalities for AI-enabled security cameras, AI-based driving applications and industrial and robotics markets. While we will continue to seek to expand our end market exposure, we anticipate that sales to a limited number of markets will continue to account for a significant percentage of our total revenue for the foreseeable future. Our concentration in a limited number of markets may cause our financial performance to fluctuate significantly from period to period based on the success or failure of products that our SoCs are designed into as well as the overall growth or decline in the video capture markets in which we compete. In addition, we derive a significant portion of our revenue from a limited number of ODMs who build products on behalf of a limited number of OEMs and from a limited number of OEMs to whom we ship directly. We believe that our operating results for the foreseeable future will continue to depend on sales to a relatively small number of customers.

Sales Volume. A typical design win that successfully launches into the marketplace can generate a wide range of sales volumes for our solutions, depending on the end market demand for our customers' products. Our ability to accurately forecast demand can be adversely affected by a number of factors, including the reputation of the end customer, market penetration, product capabilities, size of the end market that the product addresses, our end customers' ability to sell their products, miscalculations by our customers of their inventory requirements, changes in market conditions, adverse changes in our product order mix and fluctuating demand for our customers' products. In certain cases, we may provide volume discounts on sales of our solutions, which may be offset by lower manufacturing costs related to higher volumes. In general, our customers with greater market penetration and better branding tend to develop products that generate larger volumes over the product life cycle.

Customer Product Life Cycle. We estimate our customers' product life cycles based on the customer, type of product and end market. We typically commence commercial shipments from 12 to 18 months following a design win; however, in some markets, lengthier product and development cycles are possible, depending on the scope and nature of the project, such as in the automotive market. An IoT product typically has a product life cycle of 12 to 24 months. We anticipate that product development and product life cycles will typically be longer than 24 months in the OEM automotive, Tier-1 automotive suppliers and robotics markets, as new product introductions typically occur less frequently in these markets.

Impact of Global Supply Chain Conditions on Our Business. The semiconductor industry faced significant global supply chain challenges over the past few years. Supply chain issues can impact our business as they relate to both our suppliers and our customers. We have seen cycles of supply chain challenges in the past, which may recur in future periods as well, with constant changes in the macro-economic environment, including potential retaliatory tariffs and restrictions on exports to foreign locations due to the recent imposition of tariffs by the U.S. Government on imports.

Results of Operations

The following table sets forth our historical operating results for the periods indicated:

	Year Ended January 31,		
	2026	2025	2024
	(dollars in thousands)		
Revenue	$ 390,702	$ 284,865	$ 226,474
Cost of revenue	159,436	112,535	89,657
Gross profit	231,266	172,330	136,817
Operating expenses:			
Research and development	238,519	226,109	215,052
Selling, general and administrative	75,274	72,816	76,325
Total operating expenses	313,793	298,925	291,377
Loss from operations	(82,527)	(126,595)	(154,560)
Other income, net	8,830	8,867	6,030
Loss before income taxes	(73,697)	(117,728)	(148,530)
Provision (benefit) for income taxes	2,168	(602)	20,887
Net loss	$ (75,865)	$ (117,126)	$ (169,417)

The following table sets forth our historical operating results as a percentage of revenue of each line item for the periods indicated:

	Year Ended January 31,		
	2026	2025	2024
Revenue	100 %	100 %	100 %
Cost of revenue	41	40	40
Gross profit	59	60	60
Operating expenses:			
Research and development	61	79	95
Selling, general and administrative	19	25	34
Total operating expenses	80	104	129
Loss from operations	(21)	(44)	(69)
Other income, net	2	3	3
Loss before income taxes	(19)	(41)	(66)
Provision (benefit) for income taxes	—	—	9
Net loss	(19)%	(41)%	(75)%

Revenue

We derive substantially all of our revenue from the sale of low power AI-based processing and video and image processing SoC solutions to IoT OEMs, IoT ODMs, automotive OEMs or Tier-1 automotive suppliers, either directly or through our distributors. A substantial portion of our revenue from sales was made indirectly through one of our distributors, WT Microelectronics Co., Ltd., formerly Wintech Microelectronics Co., Ltd., or WT, which serves as our non-exclusive sales representative and fulfillment partner in Asia other than Japan, and to one ODM, Chicony Electronics Co., Ltd., or Chicony, which manufactures devices incorporating our solutions on behalf of multiple end-customers.

Our average selling prices fluctuate based on the mix of our solutions sold in a period which reflects the impact of both changes in unit sales of existing solutions as well as the introduction and sales of new solutions. Our AI-based solutions generally have higher selling prices than our traditional video and image processing SoC solutions that do not enable AI functionality. Our solutions are typically characterized by a life cycle that begins with higher average selling prices and lower volumes, followed by broader market adoption, higher volumes and average selling prices that are lower than initial levels.

The end markets into which we sell our products have seen significant changes as customer preferences have evolved in response to new technologies. As a result, the composition and timing of our revenue may change in future periods. We expect shifts in use of video capture to continue to change over time, as AI specialized use cases emerge and video capture continues to proliferate.

Cost of Revenue and Gross Margin

Cost of revenue includes the cost of materials, such as wafers processed by third-party foundries, costs associated with packaging, assembly, testing and manufacturing support operations, such as logistics, planning and quality assurance, as well as personnel costs (including stock-based compensation) related to project service agreements. Cost of revenue also includes indirect costs, such as inventory valuation reserves, adverse purchase commitment reserves, facility cost allocations, amortization of developed technology and software licenses, warranty and other general overhead costs.

We expect that our gross margin may fluctuate from period to period as a result of changes in customer mix, average selling price, product mix and the introduction of new products by us or our competitors. In general, solutions incorporated into more complex configurations, such as those used in high-performance cameras, and in future advanced automotive OEM applications, have had or are expected to have higher prices and higher gross margins, as compared to solutions sold into the lower-performance, more competitive camera applications. As semiconductor products mature and unit volumes sold to customers increase, their average selling prices typically decline. These declines may be paired with improvements in manufacturing yields and lower wafer, packaging and test costs, which offset some of the margin reduction that could result from lower selling prices.

Research and Development

Research and development expense primarily consists of personnel costs, including salaries, stock-based compensation and employee benefits. The expense also includes costs of development incurred in connection with our collaborations with our foundry vendors, costs of licensing intellectual property from third parties for product development, costs of development for software and hardware tools, costs of fabrication of mask sets for prototype products, the cost and depreciation of equipment, outside services as well as allocated depreciation and facility expenses. All research and development costs are expensed as incurred. We expect our research and development expense to generally increase in absolute dollars as we continue to enhance and expand our product features and offerings and increase headcount for new SoC development and development of AI technologies.

Selling, General and Administrative

Selling, general and administrative expense primarily consists of personnel costs, including salaries, stock-based compensation and employee benefits for our sales, marketing, finance, human resources, information technology and administrative personnel. The expense also includes amortization of trade name and customer relationships, professional service costs such as accounting, tax, or legal services, and allocated depreciation and facility expenses. We expect our selling, general and administrative expense to increase in absolute dollars as we continue to maintain the infrastructure and expand the size of our sales and marketing organization to support our business strategy of addressing new opportunities with our AI technology, including, but not limited to, costs expected to be incurred on the expansion of an indirect sales channel.

Other Income, Net

Other income, net, consists primarily of interest income and yields from our cash deposits and debt security investments, realized gains and losses from equity and debt security investments, subsidies and grants issued by governments, as well as gains and losses from foreign currency transaction remeasurements.

Provision (Benefit) for Income Taxes

We are incorporated and domiciled in the Cayman Islands and also conduct business in several locations such as the United States, China, Taiwan, Hong Kong, Italy, South Korea, Germany, and Japan, and we are subject to taxation in those jurisdictions. Our worldwide operating income is subject to varying tax rates, and our effective tax rate is highly dependent upon the geographic distribution of our earnings or losses and the tax laws and regulations in each geographical region. It is also subject to fluctuation from changes in the valuation of our deferred tax assets and liabilities; tax benefits from excess stock-based compensation deductions; transfer pricing adjustments and the tax effects of nondeductible compensation. We have historically had lower effective tax rates as a substantial percentage of our operations are conducted in lower-tax jurisdictions. If our operational structure were to change in such a manner that would increase the amount of operating income subject to taxation in higher-tax jurisdictions, or if we were to commence operations in jurisdictions assessing relatively higher tax rates, our effective tax rate could fluctuate significantly on a quarterly basis and/or be adversely affected.

Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. Although we believe our reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in our historical provision for income taxes and accruals. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the provision for income taxes in the period in which such determination is made. The provision for income taxes includes the impact of uncertain tax position reserves and changes to reserves that are considered appropriate, as well as the related net interest and penalties.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Comparison of the Fiscal Years Ended January 31, 2026, 2025 and 2024

Revenue

	Year Ended January 31,			Change 2026		Change 2025	
	2026	2025	2024	Amount	%	Amount	%
	(dollars in thousands)						
Revenue	$390,702	$284,865	$226,474	$105,837	37.2%	$ 58,391	25.8%

Revenue increased in fiscal year 2026, as compared to fiscal year 2025, primarily due to higher product unit shipments and an increased percentage of sales from higher average selling price AI inference processors as a result of high demand for our edge AI solutions, partially offset by lower NRE project service revenue.

Revenue increased in fiscal year 2025, as compared to fiscal year 2024, primarily as a result of higher product unit shipments driven by customers' new product ramps, an increased percentage of our sales from higher value AI inference processors which contributed to a higher average selling price, as well as higher NRE project service revenue.

Gross Margin

	Year Ended January 31,			Change 2026		Change 2025	
	2026	2025	2024	Amount	%	Amount	%
	(dollars in thousands)						
Gross margin	59.2%	60.5%	60.4%	—	(1.3)%	—	0.1%

Gross margin decreased in fiscal year 2026, as compared to fiscal year 2025, primarily due to higher manufacturing costs associated with advanced process technologies, as well as lower sales of previously reserved inventory, partially offset by a higher percentage of sales from higher average selling price AI inference processors.

Gross margin increased marginally in fiscal year 2025, as compared to fiscal year 2024, primarily due to a higher percentage of sales from higher average selling price AI inference processors, as well as increased higher margin NRE project service revenue, partially offset by higher manufacturing costs associated with advanced process technologies.

Research and Development

	Year Ended January 31,			Change 2026		Change 2025	
	2026	2025	2024	Amount	%	Amount	%
	(dollars in thousands)						
Research and development	$238,519	$226,109	$215,052	$ 12,410	5.5%	$ 11,057	5.1%

Research and development expense increased in fiscal year 2026, as compared to fiscal year 2025, primarily due to approximately $4.8 million of additional engineering-related costs, including chip development cost and tools and equipment expense, associated with the progress and number of chips in development. The increase was also attributable to approximately $4.4 million of higher personnel costs, including employee benefits, and approximately $3.2 million of additional facility-related costs allocated associated with relocation of our headquarters in fiscal year 2026.

Research and development expense increased in fiscal year 2025, as compared to fiscal year 2024, primarily due to approximately $4.2 million of additional engineering-related expenses associated with supporting our AI inference processor and radar solutions, and $3.4 million of additional SoC development cost from our foundries associated with our chip development progress. The increase was also attributable to approximately $3.4 million of additional personnel costs, including stock-based compensation expense, as a result of an increase in headcount.

Selling, General and Administrative

	Year Ended January 31,			Change 2026		Change 2025	
	2026	2025	2024	Amount	%	Amount	%
	(dollars in thousands)						
Selling, general and administrative	$ 75,274	$ 72,816	$ 76,325	$ 2,458	3.4%	$ (3,509)	(4.6)%

Selling, general and administrative expense increased in fiscal year 2026, as compared to fiscal year 2025, primarily due to approximately $1.7 million of higher personnel costs, including employee benefits, and approximately $0.7 million of higher marketing and travel expenses.

Selling, general and administrative expense decreased in fiscal year 2025, as compared to fiscal year 2024, primarily due to approximately $3.0 million of lower net personnel costs associated with departures of certain employees and $0.9 million of lower facility-related expenses. The decrease was partially offset by approximately $0.3 million of additional professional service costs.

Other Income, Net

	Year Ended January 31,			Change 2026		Change 2025	
	2026	2025	2024	Amount	%	Amount	%
	(dollars in thousands)						
Other income, net	$ 8,830	$ 8,867	$ 6,030	$ (37)	(0.4)%	$ 2,837	47.0%

The marginal decrease in other income, net, in fiscal year 2026, as compared to fiscal year 2025, was primarily due to a $0.6 million government grant released in fiscal year 2025 that did not recur in fiscal year 2026, offset by approximately $0.6 million of higher interest income and yields from our cash deposits and debt security investments.

The increase in other income, net, in fiscal year 2025, as compared to fiscal year 2024, was primarily due to an approximately $1.2 million impairment charge relating to an equity investment recognized in fiscal year 2024 that did not recur in fiscal year 2025, approximately $0.9 million of higher interest income and yields from our cash deposits and debt security investments, as well as $0.8 million of net gains from a government grant and foreign currency transactions and remeasurements.

Provision (Benefit) for Income Taxes

	Year Ended January 31,			Change 2026		Change 2025	
	2026	2025	2024	Amount	%	Amount	%
	(dollars in thousands)						
Provision (benefit) for income taxes	$ 2,168	$ (602)	$ 20,887	$ 2,770	(460.1)%	$(21,489)	(102.9)%
Effective tax rate	(2.94)%	0.5%	(14.1)%	—	(3.44)%	—	14.6%

Income tax expense increased in fiscal 2026, as compared to fiscal year 2025, primarily due to reduced pre-tax loss and a reduction in benefit from income tax reserve release, partially offset by a decrease in non-deductible stock-based compensation.

Income tax expense decreased in fiscal year 2025, as compared to fiscal year 2024, primarily due to a one-time charge of $22.7 million of valuation allowance in fiscal year 2024 that did not recur in fiscal year 2025, a benefit from income tax reserve release upon the lapse of the statute of limitations of $2.8 million and an increase in the proportion of profits generated in lower tax jurisdictions, partially offset by an increase in non-deductible stock-based compensation.

Liquidity and Capital Resources

Cash Flows

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

	Year Ended January 31,		
	2026	2025	2024
	(in thousands)		
Net cash provided by operating activities	$ 73,519	$ 33,836	$ 19,024
Net cash provided by (used in) investing activities	(30,494)	(40,526)	7,842
Net cash provided by financing activities	3,807	6,398	4,506
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 46,832	$ (292)	$ 31,372

Net Cash Provided by Operating Activities

Fiscal year 2026 compared to fiscal year 2025: Cash provided by operating activities increased primarily due to improved operating results and higher cash inflows from changes in working capital.

Fiscal year 2025 compared to fiscal year 2024: Cash provided by operating activities increased primarily due to improved operating results, partially offset by higher cash outflows as a result of changes in working capital.

Net Cash Provided by (Used in) Investing Activities

Fiscal year 2026 compared to fiscal year 2025: Net cash used in investing activities decreased primarily due to approximately $15.2 million of additional net cash received from our debt security investments, partially offset by approximately $5.1 million higher payments for our purchase of capital assets and software licenses.

Fiscal year 2025 compared to fiscal year 2024: Net cash used in investing activities increased primarily due to approximately $36.5 million of additional cash payments for our debt security purchases and $13.5 million of less cash proceeds from maturities and sales of our debt security investments, partially offset by $1.6 million less in payment for the purchase of property and equipment.

Net Cash Provided by Financing Activities

Fiscal year 2026 compared to fiscal year 2025: Net cash provided by financing activities decreased primarily due to approximately $2.6 million less cash received from stock activities and our repurchase of approximately $1.0 million of our ordinary shares, partially offset by approximately $1.0 million of higher principal payments associated with long-term software license agreements.

Fiscal year 2025 compared to fiscal year 2024: Net cash provided by financing activities increased primarily due to approximately $3.0 million higher cash receipts from stock activities, partially offset by approximately $1.1 million higher principal payments associated with long-term software license agreements.

Stock Repurchase Program

There were no shares repurchased in fiscal years 2025 and 2024. In the first quarter of fiscal year 2026, we repurchased a total of 24,152 of our ordinary shares for approximately $1.0 million in cash. The repurchased shares were recorded as authorized but unissued shares. On May 28, 2025, our Board of Directors approved an extension of the existing share repurchase program for an additional twelve months through June 30, 2026. Refer to *Purchases of Equity Securities by the Issuer* within *Item 5 Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities* for additional information.

Sources of Liquidity

As of January 31, 2026, we had cash, cash equivalents and marketable debt securities on hand of approximately $312.6 million, compared with approximately $250.3 million as of January 31, 2025.

Operating and Capital Expenditure Requirements

We believe that our existing cash balances will be sufficient to meet our anticipated cash requirements through at least the next 12 months. In the future, we may require more working capital to meet our operating and capital expenditure needs. If our available cash balances are insufficient to satisfy our future liquidity requirements, we may seek to sell equity or convertible debt securities or borrow funds commercially.

Our short-term and long-term capital requirements will depend on many factors, including the following:

- our ability to generate cash from operations;
- our ability to control our costs;
- the expansion of our research and development of new technologies and products to address new markets and applications;
- the emergence of competing or complementary technologies or products;
- global economic and political conditions, including macroeconomic conditions, high inflation and trade restrictions;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights or participating in litigation-related activities; and
- our acquisition of complementary businesses, products and technologies.

Contractual Obligations, Commitments and Contingencies

The following table summarizes our outstanding contractual obligations as of January 31, 2026:

	Payment Due by Period as of January 31, 2026 (in thousands)					
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	All Other
Contractual Obligations						
Technology licenses [1]	$ 27,841	$ 13,995	$ 13,846	$ —	$ —	$ —
Manufacturing purchase commitments [2]	80,436	80,436	—	—	—	—
Capital commitments [3]	5,041	237	4,376	26	402	—
Service commitments [4]	12,395	4,141	6,403	1,851	—	—
Total	$ 125,713	$ 98,809	$ 24,625	$ 1,877	$ 402	$ —

(1) Technology license obligations primarily represent future cash payments for noncancelable software licenses used in product design.
(2) Manufacturing purchase commitments consist primarily of inventory purchase commitments with our independent contract manufacturers.
(3) Capital commitment primarily represents future construction costs for our office building in Parma, Italy.
(4) Service commitment represents future cash payments for our IT infrastructure services and support and maintenance for software licenses.

We also have lease obligations primarily for our worldwide office facilities. As of January 31, 2026, these undiscounted lease payments were a total of $18.2 million, with $3.0 million due in the next 12 months. Refer to *Note 8 Leases* of *Notes to Consolidated Financial Statements* for further information.

Stock Options and Restricted Stock Units

Grants of stock-based awards are key components of the compensation packages we provide to attract and retain employees and to align their interests with the interests of shareholders. We recognize that these stock-based awards will dilute existing shareholders and have sought to limit the number of shares granted while providing competitive compensation packages. As of January 31, 2026, we had a total of 2.8 million ordinary shares subject to outstanding stock options and unvested restricted stock units, which will dilute our existing shareholders. This potential dilution will only result if outstanding options vest and are exercised and restricted stock units vest and are settled.

Recent Accounting Pronouncements

See Note 1, "Organization and Summary of Significant Accounting Policies—Recent Accounting Pronouncements" of the Notes to the Consolidated Financial Statements, included in Part IV, Item 15 of this report, for a full description of recent accounting standards, including the respective dates of adoption and effects on our consolidated financial position, results of operations and cash flows.

Critical Accounting Policies and Significant Management Estimates

The preparation of audited consolidated financial statements in conformity with U.S. generally accepted accounting principles, or GAAP, requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported periods. On an ongoing basis, we evaluate our estimates and assumptions, including those related to (i) write downs of excess and obsolete inventories; (ii) the estimated useful lives of long-lived assets; (iii) the valuation of stock-based compensation awards; (iv) the realization of tax assets and estimates of tax liabilities, including reserves for uncertain tax positions and recognition or release of valuation allowance on deferred tax assets. These estimates and assumptions are based on historical experience and on various other factors which we believe to be reasonable under the circumstances. We may engage third-party valuation specialists to assist with estimates related to the valuation of assets and stock awards associated with various contractual arrangements. Such estimates often require the selection of appropriate valuation methodologies and significant judgment. Actual results could differ from these estimates under different assumptions or circumstances and such differences could be material.

We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgment and estimates:

Revenue Recognition

In accordance with Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers, we recognize revenue when control of goods and services is transferred to our customers. Revenue recognition is evaluated through the following five steps: (i) identification of the contract, or contracts, with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

The sale of semiconductor products accounts for the substantial majority of our consolidated revenue. Sales agreements with customers are renewable periodically and contain terms and conditions with respect to payment, delivery, warranty, supply and other rights. We consider an accepted customer purchase order, governed by sales agreement, to be the contract with the customer. For each contract, we consider the promise to transfer tangible products to be the identified performance obligation. Product sales contracts may include volume-based tiered pricing or rebates that are fulfilled in cash or product. In determining the transaction price, we account for the right of returns, cash rebates, commissions and other pricing adjustments as variable consideration, estimate these amounts based on the expected amount to be provided to customers and reduce the revenue recognized. We estimate sales returns and rebates based on our historical patterns of return and pricing credits. As our standard payment terms are 30 days to 60 days, the contracts have no financing component. For a limited number of contracts that include volume-based tiered pricing, we estimate the total consideration to be received by using the expected value method for each contract, compute weighted average selling price for each unit shipped in cases where there is a material right due to the presence of volume-based tiered pricing, allocate the total consideration between the identified performance obligations, and recognize revenue when control of goods and services is transferred to our customers. We consider product control to be transferred at a point in time upon shipment or delivery because we have a present right to payment at that time, the customer has legal title to the asset, we have transferred physical possession of the asset, and the customer has significant risk and rewards of ownership of the asset.

We also enter into various project service agreements with certain customers, including development funding agreements subject to certain refund conditions. In determining whether a development funding agreement constitutes a contract with a customer, we assess whether the substantive and genuine financial risk has been transferred to the funding party and whether the services provided to the funding party are an output of our ordinary activities in exchange for consideration. These agreements may include multiple performance obligations, such as software development services, licensing of intellectual property and post-contract customer support, or PCS. These multiple performance obligations are highly interdependent, highly interrelated, are typically not sold separately and do not have standalone selling prices. They are all inputs to generate one combined output which is incorporating our SoC into the customer's product. Accordingly, we determine that they are not separately identifiable and shall be treated as a single performance obligation. For project service contracts containing variable consideration, we estimate variable consideration using the most likely amount method which we believe better predicts the amount of consideration to which we expect to be entitled. Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur, in accordance with the variable consideration constraint. We recognize revenue on project service contracts either over time as services are provided using an input method based on contract costs incurred to date compared to total estimated contract cost, or at a point in time upon completion and acceptance by the customer, depending on the terms of the arrangement. For project service contracts that are billed at a fixed rate for each hour of service provided, we recognize revenue in the amount for which we have the right to invoice as we believe the amount invoiced directly corresponds with the value to the customer of our performance completed to date.

Timing of revenue recognition may differ from the timing of invoicing to our customers. We record contract assets when revenue is recognized prior to invoicing. Our contract assets are primarily related to the satisfied but unbilled performance obligations associated with project service agreements at the reporting date. As of January 31, 2026 and 2025, the contract assets for these unbilled receivables were not material, respectively. Our contract liabilities consist of deferred revenue. The deferred revenue is primarily related to the nonrecurring engineering charges that are either invoiced or paid but performance obligations are not satisfied, as well as the portion of a transaction price that exceeds the weighted average selling price for products sold to date under tiered-pricing contracts that contain material rights. The deferred revenue is expected to be recognized over the period when performance obligations are satisfied associated with project service agreements, or over the course of the contract when products are delivered for future pricing below the weighted average selling price of the contract. We elect not to disclose the value of unsatisfied or partially unsatisfied performance obligations for contracts with original expected contract duration of one year or less, and elect to exclude amounts collected from customers for all sales taxes from the transaction price.

Inventory Valuation

We record inventories at the lower of cost or net realizable value. The cost includes materials and other production costs and is computed using standard cost on a first-in, first-out basis. Inventory reserves are recorded for estimated obsolescence or unmarketable inventories based on forecast of future demand and market conditions. Any adjustments to reduce the cost of inventories to their net realizable value are recognized in earnings in the current period. Once inventory is written down, a new accounting cost basis is established and, accordingly, any associated reserve is not released until the inventory is sold or scrapped.

Goodwill

We do not amortize goodwill. We test goodwill for impairment at least annually in the fourth fiscal quarter, or sooner whenever events or changes in circumstances indicate that the asset may be impaired. There is only one single reporting unit for goodwill impairment test purposes based on our business and reporting structure. We are permitted to first assess qualitative factors to determine whether the two step goodwill impairment test is necessary. Further testing is only required if we determine, based on the qualitative assessment, that it is more likely than not that the reporting unit's fair value is less than its carrying amount. Otherwise, no further impairment testing is required. Qualitative factors include industry and market considerations, overall financial performance, and other relevant events and factors affecting the reporting unit. No goodwill impairment has been identified to date based on our qualitative factors assessment.

Stock-Based Compensation

We measure stock-based compensation for equity awards based on the estimated fair value on the grant date, and recognize that compensation as expense using the straight-line attribution method over the requisite service period, which is typically the vesting period of each award. We determine the fair value of restricted stock units with service conditions based on the fair market value of our ordinary shares on the grant date. We use the Lattice pricing model and perform Monte Carlo Simulation to evaluate the fair value of restricted stock units with market conditions. We also use the Black-Scholes option pricing model to determine the fair value of shares to be issued under our employee stock purchase plan, or ESPP, at the commencement of an offering period. We elect to account for forfeitures as they occur.

Income Taxes

We record income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. In estimating future tax consequences, generally all expected future events other than enactments or changes in the tax law or rates are considered. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized.

We apply authoritative guidance for the accounting for uncertainty in income taxes. The guidance requires that tax effects of a position be recognized only if it is "more likely than not" to be sustained based solely on its technical merits as of the reporting date. Upon estimating our tax positions and tax benefits, we consider and evaluate numerous factors, which may require periodic adjustments and which may not reflect the final tax liabilities. We adjust our financial statements to reflect only those tax positions that are more likely than not to be sustained under examination.

As part of the process of preparing consolidated financial statements, we are required to estimate our taxes in each of the jurisdictions in which we operate. We estimate actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as accruals and allowances not currently deductible for tax purposes. These differences result in deferred tax assets, which are included in the consolidated balance sheets. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in the consolidated statements of operations become deductible expenses under applicable income tax laws, or loss or credit carryforwards are utilized.

In assessing whether deferred tax assets may be realized, we consider whether it is more likely than not that some portion or all of deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income.

We make estimates and judgments about our future taxable income based on assumptions that are consistent with our plans and estimates. Should the actual amounts differ from estimates, the amount of valuation allowance could be materially impacted. Any adjustment to the deferred tax asset valuation allowance would be recorded in the consolidated statements of operations for the periods in which the adjustment is determined to be required.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We had cash, cash equivalents and marketable debt securities totaling $312.6 million and $250.3 million at January 31, 2026 and 2025, respectively. Our cash is deposited in checking accounts with reputable financial institutions in excess of the Federal Deposit Insurance Corporation, or FDIC, insurance coverage limit of $250,000 per depositor, per FDIC-insured bank, per ownership category. The cash equivalents and marketable debt securities consist primarily of investments in money market funds, fixed deposits, commercial paper, corporate bonds, asset-backed securities and U.S. government securities. Our cash is held primarily for working capital purposes. We do not enter into investments for trading or speculative purposes.

Interest Rate Fluctuation Risk

The primary objective of our investment activities is to preserve capital, and provide both, liquidity and income, without significantly increasing risk. Some of the securities we invest in are subject to market risk. This means that a change in prevailing interest rates may have an impact on interest income and the fair market value of those securities. To minimize this risk, we maintain our portfolio in a variety of debt securities with high liquidity and low credit risk. The current inflationary environment and interest rates have not had a material negative impact on our investment portfolio and financial position to date. We do not enter into investments for trading or speculative purposes. As of January 31, 2026, a hypothetical 10% change in interest rates would not have a material impact on our interest income or investment fair value.

Foreign Currency Risk

To date, all of our product sales and inventory purchases have been denominated in U.S. dollars. We therefore have not had any foreign currency revaluation risk associated with these two activities. The functional currency of all our entities is the U.S. dollar. Our operations outside of the United States incur operating expenses and hold assets and liabilities denominated in foreign currencies, principally the New Taiwan Dollar, the Chinese Yuan Renminbi and the Eurozone Euro. A hypothetical 10% fluctuation in exchange rates of these currencies will change our consolidated operating expenses by approximately 2%. Gains or losses from foreign currency transaction remeasurement are included in other income, net, in the Consolidated Statements of Operations and were immaterial for the fiscal years ended January 31, 2026, 2025 and 2024, respectively. To date, we have not entered into any foreign currency hedging contracts. We also do not expect to enter into foreign currency exchange contracts for trading or speculative purposes.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this Item are set forth as a separate section of this Annual Report on Form 10-K. See Item 15 for a listing of financial statements provided in the section titled “Financial Statements.”

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. The term "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e)) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based upon such evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that, as of January 31, 2026, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the effectiveness of our internal control over financial reporting based on the framework in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management has concluded that our internal control over financial reporting was effective as of January 31, 2026.

The effectiveness of our internal control over financial reporting as of January 31, 2026 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which appears herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the Company's fiscal quarter ended January 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations of Disclosure Controls and Procedures and Internal Control over Financial Reporting

Because of their inherent limitations, our disclosure controls and procedures and our internal control over financial reporting may not prevent material errors or 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. The effectiveness of our disclosure controls and procedures and our internal control over financial reporting is subject to risks, including that the controls may become inadequate because of changes in conditions or that the degree of compliance with our policies or procedures may deteriorate.

ITEM 9B. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During our fourth quarter of fiscal year 2026, one officer adopted a "Rule 10b5-1 trading arrangement" as defined in Regulation S-K Item 408, as follows:

On January 15, 2026, John A. Young, our Chief Financial Officer, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of up to an aggregate of: (a) 25,000 shares subject to an outstanding stock option plus (b) the net shares resulting from the vesting of 21,850 outstanding restricted stock units (RSUs) less shares sold to cover withholding taxes on such vested shares. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The duration of the trading arrangement is until March 31, 2027, or earlier if all transactions under the trading arrangement are completed.

No other director or officer, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Regulation S-K Item 408, during the last fiscal quarter ended January 31, 2026.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2026 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

We have a Code of Business Conduct and Ethics for all of our directors, officers and employees. We also have a Code of Ethics for Finance Team applicable to our Chief Executive Officer, Chief Financial Officer and other Senior Financial Officers. These documents are available on our website at http://investor.ambarella.com/corporate-governance. To date, there have been no waivers under our Code of Business Conduct and Ethics and Code of Ethics for Finance Team. We will post any amendments or waivers, if and when granted, of our Code of Business Conduct and Ethics and Code of Ethics for Finance Team on our website.

ITEM 11. EXECUTIVE COMPENSATION

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2026 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2026 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2026 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2026 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements

The following consolidated financial statements of the Registrant and Report of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, are included herewith:

(a) (2) Financial Statement Schedule

Financial statement schedules are omitted because they are not applicable or the required information is shown in the Financial Statements or the notes thereto.

(b) Exhibits

The exhibits listed below in the accompanying "Exhibits Index" are filed or incorporated by reference as part of this Annual Report on Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Ambarella, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Ambarella, Inc. and its subsidiaries (the "Company") as of January 31, 2026 and 2025, and the related consolidated statements of operations, of comprehensive loss, of shareholders' equity and of cash flows for each of the three years in the period ended January 31, 2026, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of January 31, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2026 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2026, based on criteria established in *Internal Control - Integrated Framework*(2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

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

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

Critical Audit Matters

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

Accounting for Income Taxes

As described in Notes 1 and 14 to the consolidated financial statements, management records income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in its financial statements or tax returns. Upon estimating the Company's tax positions and tax benefits, management considers and evaluates numerous factors, which may require periodic adjustments and which may not reflect the final tax liabilities. Management adjusts the Company's financial statements to reflect only those tax positions that are more likely than not to be sustained under examination. As part of the process of preparing consolidated financial statements, the Company is required to estimate its taxes in each of the jurisdictions in which it operates. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized. Management regularly assesses the likelihood of adverse outcomes resulting from potential tax examinations to determine the adequacy of its provision for income taxes. These assessments can require considerable estimates and judgments. The Company's worldwide operating income is subject to varying tax rates and its effective tax rate is highly dependent upon the geographic distribution of its earnings or losses and the tax laws and regulations in each geographical region. The Company recorded a provision for income taxes of $2.2 million for the year ended January 31, 2026, and has unrecognized tax benefits of $18.4 million, gross deferred tax assets of $84.3 million, gross deferred tax liabilities of $7.1 million, and a valuation allowance of $77.3 million as of January 31, 2026.

The principal considerations for our determination that performing procedures relating to the accounting for income taxes is a critical audit matter are (i) the significant judgment by management when determining the provision for income taxes, deferred tax assets, deferred tax liabilities, and unrecognized tax benefits; (ii) a high degree of auditor judgment, subjectivity, and effort in performing audit procedures and evaluating audit evidence relating to these tax account balances; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to accounting for income taxes. These procedures also included, among others (i) testing the provision for income taxes, including the effective tax rate reconciliation, certain permanent and temporary differences, and on a sample basis, the allocation of income by jurisdiction; (ii) testing the completeness and accuracy of underlying data used in measuring and recognizing certain deferred tax assets and liabilities; and (iii) evaluating the completeness of management's assessment of the identification of or changes in uncertain tax positions and unrecognized tax benefits. Professionals with specialized skill and knowledge were used to assist in testing the allocation of income by jurisdiction.

/s/ PricewaterhouseCoopers LLP
San Jose, California
March 23, 2026

We have served as the Company's auditor since 2008.

AMBARELLA, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	As of	
	January 31, 2026	January 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 191,019	$ 144,622
Marketable debt securities	121,552	105,643
Accounts receivable, net	39,180	29,767
Inventories	52,246	34,428
Restricted cash	442	7
Prepaid expenses and other current assets	5,836	6,084
Total current assets	410,275	320,551
Property and equipment, net	11,553	9,084
Intangible assets, net	58,046	47,279
Operating lease right-of-use assets, net	12,118	5,188
Goodwill	303,625	303,625
Other non-current assets	2,983	3,241
Total assets	$ 798,600	$ 688,968
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	54,029	21,775
Accrued and other current liabilities	97,964	80,781
Operating lease liabilities, current	2,027	2,829
Income taxes payable	1,531	1,383
Deferred revenue, current	22,393	14,226
Total current liabilities	177,944	120,994
Operating lease liabilities, non-current	11,408	2,436
Other long-term liabilities	14,459	4,126
Total liabilities	203,811	127,556
Commitments and contingencies (Note 15)		
Shareholders' equity:		
Preference shares, $0.00045 par value per share, 20,000,000 shares authorized and no shares issued and outstanding at January 31, 2026 and January 31, 2025, respectively	—	—
Ordinary shares, $0.00045 par value per share, 200,000,000 shares authorized; 43,305,592 and 41,963,959 shares issued and outstanding at January 31, 2026 and January 31, 2025, respectively	19	19
Additional paid-in capital	922,119	813,683
Accumulated other comprehensive income (loss)	573	(233)
Accumulated deficit	(327,922)	(252,057)
Total shareholders’ equity	594,789	561,412
Total liabilities and shareholders' equity	$ 798,600	$ 688,968

See accompanying notes to consolidated financial statements.

AMBARELLA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Year Ended January 31,		
	2026	2025	2024
Revenue	$ 390,702	$ 284,865	$ 226,474
Cost of revenue	159,436	112,535	89,657
Gross profit	231,266	172,330	136,817
Operating expenses:			
Research and development	238,519	226,109	215,052
Selling, general and administrative	75,274	72,816	76,325
Total operating expenses	313,793	298,925	291,377
Loss from operations	(82,527)	(126,595)	(154,560)
Other income, net	8,830	8,867	6,030
Loss before income taxes	(73,697)	(117,728)	(148,530)
Provision (benefit) for income taxes	2,168	(602)	20,887
Net loss	$ (75,865)	$ (117,126)	$ (169,417)
Net loss per share attributable to ordinary shareholders:			
Basic	$ (1.78)	$ (2.84)	$ (4.25)
Diluted	$ (1.78)	$ (2.84)	$ (4.25)
Weighted-average shares used to compute net loss per share attributable to ordinary shareholders:			
Basic	42,704,312	41,303,287	39,878,872
Diluted	42,704,312	41,303,287	39,878,872

See accompanying notes to consolidated financial statements.

AMBARELLA, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended January 31,		
	2026	2025	2024
Net loss	$ (75,865)	$ (117,126)	$ (169,417)
Other comprehensive income (loss), net of tax:			
Net unrealized gains (losses) on investments	806	(50)	309
Other comprehensive income (loss), net of tax	806	(50)	309
Comprehensive loss	$ (75,059)	$ (117,176)	$ (169,108)

See accompanying notes to consolidated financial statements.

AMBARELLA, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share data)

	Outstanding Ordinary Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount				
Balance--January 31, 2023	39,043,000	$ 18	$ 572,076	$ (492)	$ 34,486	$ 606,088
Issuance of shares through employee equity plans	1,325,539	—	7,280	—	—	7,280
Issuance of shares through employee stock purchase plan	152,019	—	7,934	—	—	7,934
Stock-based compensation expense	—	—	107,677	—	—	107,677
Other comprehensive income - net of tax	—	—	—	309	—	309
Net loss	—	—	—	—	(169,417)	(169,417)
Balance--January 31, 2024	40,520,558	18	694,967	(183)	(134,931)	559,871
Issuance of shares through employee equity plans	1,251,065	1	8,360	—	—	8,361
Issuance of shares through employee stock purchase plan	192,336	—	8,035	—	—	8,035
Stock-based compensation expense	—	—	102,321	—	—	102,321
Other comprehensive loss - net of tax	—	—	—	(50)	—	(50)
Net loss	—	—	—	—	(117,126)	(117,126)
Balance--January 31, 2025	41,963,959	19	813,683	(233)	(252,057)	561,412
Issuance of shares through employee equity plans	1,179,875	—	8,331	—	—	8,331
Issuance of shares through employee stock purchase plan	185,910	—	8,631	—	—	8,631
Stock repurchase	(24,152)	—	(1,000)	—	—	(1,000)
Stock-based compensation expense	—	—	92,474	—	—	92,474
Other comprehensive income - net of tax	—	—	—	806	—	806
Net loss	—	—	—	—	(75,865)	(75,865)
Balance--January 31, 2026	$43,305,592	$ 19	$ 922,119	$ 573	$ (327,922)	$ 594,789

See accompanying notes to consolidated financial statements.

AMBARELLA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended January 31,		
	2026	2025	2024
Cash flows from operating activities:			
Net loss	$ (75,865)	$ (117,126)	$ (169,417)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	25,592	26,060	24,813
Amortization (accretion) of premium (discount) on marketable debt securities, net	(165)	(582)	(1,154)
Stock-based compensation	98,040	107,803	111,316
Deferred income taxes	(78)	(119)	19,042
Other non-cash items, net	125	502	1,121
Changes in operating assets and liabilities:			
Accounts receivable	(9,413)	(4,817)	27,037
Inventories	(17,897)	(5,213)	11,443
Prepaid expenses and other current assets	103	143	(961)
Other non-current assets	336	(75)	38
Accounts payable	33,687	(9,581)	10,658
Accrued and other current liabilities	12,996	30,383	(6,660)
Income taxes payable	148	(158)	(2,571)
Deferred revenue	8,167	13,332	(1,531)
Operating lease liabilities	(2,220)	(3,800)	(3,877)
Other long-term liabilities	(37)	(2,916)	(273)
Net cash provided by operating activities	73,519	33,836	19,024
Cash flows from investing activities:			
Purchases of investments	(62,557)	(70,670)	(34,178)
Sales of investments	18,675	21,387	7,062
Maturities of investments	28,902	19,138	46,935
Purchase of tangible and intangible assets	(15,514)	(10,381)	(11,977)
Net cash provided by (used in) investing activities	(30,494)	(40,526)	7,842
Cash flows from financing activities:			
Stock repurchase	(1,000)	—	—
Proceeds from exercise of stock options and employee stock purchase plan	10,963	13,525	10,536
Long-term financing payment for intangible assets	(6,156)	(7,127)	(6,030)
Net cash provided by financing activities	3,807	6,398	4,506
Net increase (decrease) in cash, cash equivalents and restricted cash	46,832	(292)	31,372
Cash, cash equivalents and restricted cash at beginning of period	144,629	144,921	113,549
Cash, cash equivalents and restricted cash at end of period	$ 191,461	$ 144,629	$ 144,921
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	$ 2,268	$ 1,418	$ 7,112
Supplemental disclosure of noncash investing activities:			
Unpaid liabilities related to tangible and intangible assets purchases	$ 23,716	$ 4,213	$ 6,880

See accompanying notes to consolidated financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization

Ambarella, Inc. (the Company) was incorporated in the Cayman Islands on January 15, 2004. The Company is a leading developer of low-power system-on-a-chip, or SoC, semiconductors and software for edge and physical artificial intelligence, or AI, applications and intelligent automation. The Company's technologies make electronic systems smarter, enabling them to become partially or fully autonomous with features such as intelligent automation, complex scene understanding, and autonomous decision-making. These systems perform multi-modal data fusion and complex data analysis in real time, delivering high quality imagery, and preserving vital system resources such as power and network bandwidth. The Company specializes in the development of deployable, scalable designs for intelligent electronic systems that utilize high-bandwidth sensors offering a proven path to mass production. The Company's products are used in a wide variety of human viewing, computer vision and edge and physical AI applications, including a variety of automotive camera systems, video security cameras, fixed robots, autonomous mobile robots (AMRs), industrial applications, intelligent transportation systems, and consumer devices, such as action, drone and 360° cameras.

The Company sells its solutions to leading original equipment manufacturers, or OEMs, who include the Company's SoCs in their products, and original design manufacturers, or ODMs, who include the Company's SoCs in the products that they supply to OEMs, globally.

Basis of Consolidation

The Company's fiscal year ends on January 31. The consolidated financial statements of the Company and its subsidiaries have been prepared in conformity with U.S. GAAP. All intercompany transactions and balances have been eliminated upon consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported periods. Actual results could differ from those estimates.

On an ongoing basis, management evaluates its estimates and assumptions, including those related to (i) write downs of excess and obsolete inventories; (ii) the estimated useful lives of long-lived assets; (iii) the valuation of stock-based compensation awards; (iv) the realization of tax assets and estimates of tax liabilities, including reserves for uncertain tax positions and recognition or release of valuation allowance on deferred tax assets. These estimates and assumptions are based on historical experience and on various other factors which the Company believes to be reasonable under the circumstances. The Company may engage third-party valuation specialists to assist with estimates related to the valuation of assets and stock awards associated with various contractual arrangements. Such estimates often require the selection of appropriate valuation methodologies and significant judgment. Actual results could differ from these estimates under different assumptions or circumstances and such differences could be material.

Concentration of Risk

The Company's products are manufactured, assembled and tested by third-party contractors located primarily in Asia. The Company does not have long-term agreements with these contractors. A significant disruption in the operations of one or more of these contractors would impact the production of the Company's products which could have a material adverse effect on its business, financial condition and results of operations.

A substantial portion of the Company's revenue is derived from sales through one of its distributors, WT Microelectronics Co., Ltd., formerly Wintech Microelectronics Co., Ltd., or WT, which serves as its non-exclusive sales representative and fulfillment partner in Asia other than Japan, and to one ODM, Chicony Electronics Co., Ltd., or Chicony, which manufactures devices incorporating the Company's solutions on behalf of multiple end-customers. Termination of the relationships with these customers could result in a temporary or permanent loss of revenue. Furthermore, any credit issues from these customers could impair their abilities to make timely payment to the Company. See Note 16 for additional information regarding revenue and credit concentration with these customers.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents, marketable debt securities and accounts receivable. The Company maintains its cash primarily in checking accounts with reputable financial institutions. Cash deposits held with these financial institutions may exceed the amount of insurance provided on such deposits. The Company has not experienced any losses on deposits of its cash. In order to limit the exposure of each investment, the cash equivalents and marketable debt securities consist primarily of money market funds, fixed deposits, corporate bonds, asset-backed securities and U.S. government securities which management assesses to be highly liquid. The Company does not hold or issue financial instruments for trading purposes.

The Company performs ongoing credit evaluation of its customers and adjusts credit limits based upon payment history and customers' credit worthiness. The Company regularly monitors collections and payments from its customers.

Foreign Currency Transactions

The U.S. dollar is the functional currency for the Company and its subsidiaries. Monetary assets and liabilities denominated in non-U.S. currencies are re-measured to U.S. dollars using current exchange rates in effect at the balance sheet date. Nonmonetary assets and liabilities are re-measured to U.S. dollars using historical exchange rates. Monetary and other accounts are re-measured to U.S. dollars using average exchange rates in effect during each period. Gains or losses from foreign currency re-measurement are included in other income, net in the consolidated statements of operations, and, to date, have not been material.

Fair Value of Financial Instruments

Fair value accounting is applied to all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed in the financial statements on a recurring basis. The carrying amounts reflected in the consolidated balance sheets for cash equivalents, accounts receivable, accounts payable, accrued liabilities and other current liabilities, approximate fair value due to the short-term nature.

Cash Equivalents and Marketable Debt Securities

The Company considers all highly liquid investments that are readily convertible into cash and highly liquid debt security investments with original maturities of less than three months at the time of purchase to be cash equivalents. Debt security investments that are highly liquid with original maturities at the time of purchase greater than three months are considered marketable debt securities. The Company classifies the cash equivalents and marketable debt security investments as "available-for-sale" (AFS) securities.

The Company estimates an expected loss whenever a security's fair value is below its amortized cost basis. The expected loss is computed at an individual security level using the discounted cash flow method with the effective interest rate on the purchase date. In the determination of credit-related losses, the Company excludes securities with zero loss expectation such as assets backed by government agencies. There are various factors considered in its assessment of credit-related losses, including the extent to which the fair value is less than the amortized cost basis, adverse conditions related to an industry or an underlying loan obligator, the payment structure of the security, changes to the rating of the security and other factors that may affect the security credit. The credit-related portion of the loss is recognized in other income, net in the consolidated statements of operations but is limited to the difference between the fair value and the amortized cost basis of the security, adjusted for accrued interest. The non-credit-related portion of the loss is recognized in accumulated other comprehensive income (loss) in the consolidated balance sheets.

The Company measures the fair value of money market funds and fixed deposits using quoted prices in active markets for identical assets and classifies them within Level 1. The fair value of the Company's investments in other debt securities is obtained based on quoted prices for similar asserts in active markets, or model driven valuations using significant inputs derived from or corroborated by observable market data and is classified within Level 2. The Company does not have any investments classified within Level 3.

Restricted Cash

In the first quarter of fiscal year 2026, the Company entered into a Letter of Credit of approximately $0.4 million with a financial institution as collateral for the security deposit on its new office lease located in Santa Clara, California. Refer to Note 8 Leases for detailed lease information. The Letter of Credit is irrevocable for one year, during which the Company has the obligation to maintain the full amount of the Letter of Credit. The restricted cash also includes those amounts required to be set aside to secure certain transactions in a foreign entity. The following table presents cash, cash equivalents and restricted cash reported on the consolidated balance sheets, and the sums are presented on the consolidated statements of cash flows:

	As of January 31,		
	2026	2025	2024
		(in thousands)	
Cash and cash equivalents	$ 191,019	$ 144,622	$ 144,914
Restricted cash	442	7	7
Total as presented in the consolidated statements of cash flows	$ 191,461	$ 144,629	$ 144,921

Trade Accounts Receivable and Allowance for Credit Losses

The Company's accounts receivables are recorded at invoiced amounts less allowance for any credit losses. In arrangements where revenue recognition occurs in advance of invoicing, an unbilled receivable is recorded, less allowance for any credit losses, within accounts receivable, when collection of these unbilled amounts are conditional only on the passage of time. The Company recognizes credit losses based on a forward-looking current expected credit losses (CECL). The Company makes estimates of expected credit losses based upon its assessment of various factors, including historical collection experience, the age of accounts receivable balances, credit quality of its customers, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from customers. The changes in allowance for credit losses are recognized in the consolidated statement of operations. The uncollectible accounts receivables are written off in the period in which a determination is made that all commercially reasonable means of recovering them have been exhausted. There were no material credit losses or write-offs of accounts receivable for the fiscal years ended January 31, 2026, 2025 and 2024, respectively. There was no material allowance recorded as of January 31, 2026 and 2025, respectively.

Inventories

The Company records inventories at the lower of cost or net realizable value. The cost includes materials and other production costs and is computed using standard cost on a first-in, first-out basis. Inventory reserves are recorded for estimated obsolescence or unmarketable inventories based on forecast of future demand and market conditions. Any adjustments to reduce the cost of inventories to their net realizable value are recognized in earnings in the current period. Once inventory is written down, a new accounting cost basis is established and, accordingly, any associated reserve is not released until the inventory is sold or scrapped.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful life for computer equipment, computer software, machinery, equipment and furniture and fixtures. Leasehold improvements are amortized over the shorter of the lease term or their estimated useful lives. Repairs and maintenance are charged to expense as incurred.

Intangible Assets

The Company's intangible assets primarily consist of software licenses as well as developed technology, customer relationships and trade name that were acquired from business combinations. The intangible asset acquired from a business combination is amortized over its estimated useful life.

The Company accounts for a noncancelable on-premise internal-use software license as the acquisition of an intangible asset and the incurrence of a liability to the extent that all or a portion of the software licensing fees are not paid on or before the license acquisition date. The intangible asset and related liability are recorded at net present value and interest expense is recorded over the payment term. The internal-use software license is amortized over its license term.

The Company expenses the cost of purchased software that is to be sold, leased or otherwise marketed as part of a product until the technological feasibility of the product has been established. Once the technological feasibility of the product, to be externally marketed, has been established or where the software has an alternative future use, the Company capitalizes the cost of the purchased software until the associated product is available for general release to customers, at which point the capitalized cost is amortized on a product-by-product basis over the remaining estimated economic life of the product.

Leases

In accordance with the Accounting Standards Codification (ASC) Topic 842, Leases, the Company recognizes leases as operating lease right-of-use (ROU) assets and corresponding lease liabilities at the lease commencement date based on the present value of future lease payments, while recognizing lease expenses under straight-line method through the lease term. The Company also elected the practical expedient that does not recognize ROU assets and lease liabilities that arise from short-term (12 months or less) leases. The Company does not combine lease components with non-lease components, and as a result, the non-lease components are accounted for separately. In determining the present value of lease payments, the Company uses the implicit interest rate if readily determinable. When the implicit rate is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the lease commencement date. The Company's leases mainly include its worldwide office facilities which are all classified as operating leases. Certain leases include renewal options that are under the Company's discretion. The renewal options are included in the ROU asset and liability calculation if it is reasonably certain that the Company will exercise the option. The Company's finance leases were immaterial as of January 31, 2026 and 2025, respectively.

Goodwill

The Company does not amortize goodwill. The Company tests goodwill for impairment at least annually in the fourth fiscal quarter, or sooner whenever events or changes in circumstances indicate that the asset may be impaired. There is only one single reporting unit for goodwill impairment test purposes based on the Company’s business and reporting structure. The Company is permitted to first assess qualitative factors to determine whether the two step goodwill impairment test is necessary. Further testing is only required if the Company determines, based on the qualitative assessment, that it is more likely than not that the reporting unit’s fair value is less than its carrying amount. Otherwise, no further impairment testing is required. Qualitative factors include industry and market considerations, overall financial performance, and other relevant events and factors affecting the reporting unit. No goodwill impairment has been identified to date based on the Company’s qualitative factors assessment.

Impairment of Long-Lived Assets Excluding Goodwill

The Company reviews property and equipment and intangible assets, excluding goodwill, for impairment at least annually in the fourth fiscal quarter or whenever events or changes in circumstances indicate that the carrying amount of an asset, or asset group, may not be recoverable. Determination of recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset, or asset group to estimated undiscounted future cash flows expected to be generated by the asset, or asset group. If the carrying amount of an asset or asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset or asset group exceeds the estimated fair value of the asset or asset group. Fair value is determined based on the estimated discounted future cash flows expected to be generated by the asset or asset group. Events or changes in circumstances that may indicate that an asset is impaired include significant decreases in the market value of an asset, significant underperformance relative to expected historical or projected future results of operations, a change in the extent or manner in which an asset is utilized, significant declines in the estimated fair value of the overall Company for a sustained period, shifts in technology, loss of key management or personnel, changes in the Company’s operating model or strategy and competitive forces. There has been no occurrence of events or indications to date that would trigger an impairment. As such, no impairment charge has been recognized as of January 31, 2026.

Equity Investments

The Company accounts for its investments in privately held companies as equity investments and reports the investments in other non-current assets in the consolidated balance sheets. The Company chooses to measure these equity investments that do not have readily determinable fair value at cost minus any recorded impairments, adjusted for subsequent observable price changes in transactions for an identical or similar investment of the same issuers. Upon determining that an impairment or observable price change exists, the Company records any adjustment to the fair value of the investment through other income, net in the consolidated statements of operations. There were no significant changes in the fair value of the investments and the Company did not recognize significant impairment losses related to the investments in the fiscal years ended January 31, 2026 and 2025, respectively. There was approximately $1.2 million of impairment recognized in the fiscal year ended January 31, 2024.

Revenue Recognition

In accordance with ASC 606, Revenue from Contracts with Customers, the Company recognizes revenue when control of its goods and services is transferred to its customers. Revenue recognition is evaluated through the following five steps: (i) identification of the contract, or contracts, with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

The sale of semiconductor products accounts for the substantial majority of the Company's consolidated revenue. Sales agreements with customers are renewable periodically and contain terms and conditions with respect to payment, delivery, warranty, supply and other rights. The Company considers an accepted customer purchase order, governed by sales agreement, to be the contract with the customer. For each contract, the Company considers the promise to transfer tangible products to be the identified performance obligation. Product sales contracts may include volume-based tiered pricing or rebates that are fulfilled in cash or product. In determining the transaction price, the Company accounts for the right of returns, cash rebates, commissions and other pricing adjustments as variable consideration, estimates these amounts based on the expected amount to be provided to customers and reduces the revenue recognized. The Company estimates sales returns and rebates based on the Company's historical patterns of return and pricing credits. As the Company's standard payment terms are 30 days to 60 days, the contracts have no financing component. For a limited number of contracts that include volume-based tiered pricing, the Company estimates the total consideration to be received by using the expected value method for each contract, computes weighted average selling price for each unit shipped in cases where there is a material right due to the presence of volume-based tiered pricing, allocates the total consideration between the identified performance obligations, and recognizes revenue when control of its goods and services is transferred to its customers. The Company considers product control to be transferred at a point in time upon shipment or delivery because the Company has a present right to payment at that time, the customer has legal title to the asset, the Company has transferred physical possession of the asset, and the customer has significant risk and rewards of ownership of the asset.

The Company also enters into various project service agreements with certain customers, including development funding agreements subject to certain refund conditions. In determining whether a development funding agreement constitutes a contract with a customer, the Company assesses whether the substantive and genuine financial risk has been transferred to the funding party and whether the services provided to the funding party are an output of the Company's ordinary activities in exchange for consideration. These agreements may include multiple performance obligations, such as software development services, licensing of intellectual property and post-contract customer support, or PCS. These multiple performance obligations are highly interdependent, highly interrelated, are typically not sold separately and do not have standalone selling prices. They are all inputs to generate one combined output which is incorporating its SoC into the customer's product. Accordingly, the Company determines that they are not separately identifiable and shall be treated as a single performance obligation. For project service contracts containing variable consideration, the Company estimates variable consideration using the most likely amount method which the Company believes better predicts the amount of consideration to which the Company expects to be entitled. Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur, in accordance with the variable consideration constraint. The Company recognizes revenue on project service contracts either over time as services are provided using an input method based on contract costs incurred to date compared to total estimated contract cost, or at a point in time upon completion and acceptance by the customer, depending on the terms of the arrangement. For project service contracts that are billed at a fixed rate for each hour of service provided, the Company recognizes revenue in the amount for which the Company has the right to invoice as the Company believes the amount invoiced directly corresponds with the value to the customer of its performance completed to date.

Timing of revenue recognition may differ from the timing of invoicing to the Company's customers. The Company records contract assets when revenue is recognized prior to invoicing. The Company's contract assets are primarily related to the satisfied but unbilled performance obligations associated with project service agreements at the reporting date. As of January 31, 2026 and 2025, the contract assets for these unbilled receivables were not material, respectively. The Company's contract liabilities consist of deferred revenue. The deferred revenue is primarily related to the nonrecurring engineering charges that are either invoiced or paid but performance obligations are not satisfied, as well as the portion of a transaction price that exceeds the weighted average selling price for products sold to date under tiered-pricing contracts that contain material rights. The deferred revenue is expected to be recognized over the period when performance obligations are satisfied associated with project service agreements, or over the course of the contract when products are delivered for future pricing below the weighted average selling price of the contract. The Company elects not to disclose the value of unsatisfied or partially unsatisfied performance obligations for contracts with original expected contract duration of one year or less, and elects to exclude amounts collected from customers for all sales taxes from the transaction price.

Cost of Revenue

Cost of revenue includes the cost of materials, such as wafers processed by third-party foundries, costs associated with packaging, assembly, testing and manufacturing support operations, such as logistics, planning and quality assurance, as well as personnel costs (including stock-based compensation) related to project service agreements. Cost of revenue also includes indirect costs, such as inventory valuation reserves, adverse purchase commitments, allocation of facility costs, amortization of developed technology and software licenses, warranty and other general overhead costs.

Research and Development

Research and development costs are expensed as incurred and consist primarily of personnel costs, product development costs, outside services, costs of development for software and hardware tools, costs and amortization of licensing intellectual property from third parties for product development, costs of fabrication of masks for prototype products, equipment expenses, depreciation of equipment and tools and allocation of facility costs.

Selling, General and Administrative

Selling, general and administrative expenses consist of personnel costs, travel and trade show costs, legal expenses, amortization of trade name and customer relationships, professional services and occupancy costs. Advertising expenses were not material for the fiscal years ended January 31, 2026, 2025 and 2024, respectively.

Stock-Based Compensation

The Company measures stock-based compensation for equity awards based on the estimated fair value on the grant date, and recognizes that compensation as expense using the straight-line attribution method over the requisite service period, which is typically the vesting period of each award. The Company determines the fair value of restricted stock units with service conditions based on the fair market value of its ordinary shares on the grant date. The Company uses the Lattice pricing model and performs Monte Carlo Simulation to evaluate the fair value of restricted stock units with market conditions. The Company also uses the Black-Scholes option pricing model to determine the fair value of shares to be issued under its employee stock purchase plan, or ESPP, at the commencement of an offering period. The Company elects to account for forfeitures as they occur.

Income Taxes

The Company records income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in its financial statements or tax returns. In estimating future tax consequences, generally all expected future events other than enactments or changes in the tax law or rates are considered. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company applies authoritative guidance for the accounting for uncertainty in income taxes. The guidance requires that tax effects of a position be recognized only if it is “more likely than not” to be sustained based solely on its technical merits as of the reporting date. Upon estimating its tax positions and tax benefits, the Company considers and evaluates numerous factors, which may require periodic adjustments and which may not reflect the final tax liabilities. The Company adjusts its financial statements to reflect only those tax positions that are more likely than not to be sustained under examination.

As part of the process of preparing consolidated financial statements, the Company is required to estimate its taxes in each of the jurisdictions in which it operates. The Company estimates actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as accruals and allowances not currently deductible for tax purposes. These differences result in deferred tax assets, which are included in the consolidated balance sheets. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in the consolidated statements of operations become deductible expenses under applicable income tax laws, or loss or credit carryforwards are utilized.

In assessing whether deferred tax assets may be realized, the Company considers whether it is more likely than not that some portion or all of deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income.

The Company makes estimates and judgments about its future taxable income based on assumptions that are consistent with its plans and estimates. Should the actual amounts differ from estimates, the amount of valuation allowance could be materially impacted. Any adjustment to the deferred tax asset valuation allowance would be recorded in the consolidated statements of operations for the periods in which the adjustment is determined to be required.

Net Income (Loss) Per Ordinary Share

Basic earnings (losses) per share is computed by dividing net income (loss) available to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period. Diluted earnings (losses) per share is computed by dividing net income (loss) available to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period increased to include the number of additional ordinary shares that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding stock options, shares to be purchased under the Company's ESPP and unvested restricted stock units. The dilutive effect of potentially dilutive securities is reflected in diluted earnings (losses) per share by application of the treasury stock method.

Comprehensive Loss

Comprehensive loss includes unrealized gains or losses from available-for-sale securities that are excluded from net loss.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This new guidance requires additional disclosures related to effective tax rate reconciliation, disaggregated income taxes paid and other modified income tax-related disclosures. The ASU shall be applied on a prospective basis with retrospective application permitted, and is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company adopted this new guidance on a prospective basis in fiscal year 2026. There was no material impact on its consolidated financial statements from the adoption of this new guidance. Refer to Note 14 Income Taxes for further information.

In November 2024, the FASB issued Accounting Standard Update (ASU) 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This new guidance requires public entities to provide disaggregated disclosures, in the notes to the financial statements, of certain categories of expenses that are included in expense line items on the face of income statement. The ASU may be applied prospectively or retrospectively and is effective for fiscal years beginning after December 15, 2026 and for interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this new guidance on its consolidated financial statements and disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This new guidance simplifies the estimation of credit losses on current accounts receivable and current contract assets arising from transactions accounted for under Accounting Standard Codification (ASC) 606, *Revenue from Contracts with Customers*, and allows all entities to elect a practical expedient to assume that the current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when developing a reasonable and supportable forecast as part of estimating expected credit losses on these assets. The new guidance is effective for fiscal years beginning after December 15, 2025, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this new guidance on its consolidated financial statements and disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Accounting for and Disclosure of Software Costs*. This new guidance removes all references to project stages throughout ASC 350-40 and clarifies the threshold entities apply to begin capitalizing costs. The new guidance also specifies that the disclosures under ASC 360-10, *Property, Plant, and Equipment — Overall* apply to capitalized software costs accounted for under *Subtopic 350-40*, regardless of how those costs are presented in the financial statements. The new guidance may be applied using a prospective, retrospective or modified transition approach, and it is effective for fiscal years beginning after December 15, 2027 and interim periods within those fiscal years. Early adoption is permitted. The Company early adopted this new guidance using a prospective transition approach and there was no material impact on its consolidated financial statements and disclosures.

2. Financial Instruments and Fair Value

The Company invests a portion of its cash in money market funds, fixed deposits and marketable debt securities that are denominated in United States dollars. The marketable debt security portfolio consists of corporate bonds, asset-backed securities and U.S. government securities. All of the investments are classified as available-for-sale securities and reported at fair value in the consolidated balance sheets as follows:

	As of January 31, 2026			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
Money market funds and fixed deposits	$ 61,000	$ —	$ —	$ 61,000
Corporate bonds	63,777	382	(2)	64,157
Asset-backed securities	21,388	79	(25)	21,442
U.S. government securities	35,814	140	(1)	35,953
Total cash equivalents and marketable debt securities	$ 181,979	$ 601	$ (28)	$ 182,552

	As of January 31, 2025			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
Money market funds and fixed deposits (*)	$ 48,398	$ —	$ —	$ 48,398
Corporate bonds	55,138	111	(123)	55,126
Asset-backed securities	20,412	20	(67)	20,365
U.S. government securities	30,326	8	(182)	30,152
Total cash equivalents and marketable debt securities	$ 154,274	$ 139	$ (372)	$ 154,041

The following table provides the breakdown of unrealized losses as of January 31, 2026 and 2025, respectively, aggregated by investment category and length of time that individual securities have been in a continuous loss position:

	As of January 31, 2026					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(in thousands)					
Corporate bonds	$ 2,691	$ (2)	$ —	$ —	$ 2,691	$ (2)
Asset-backed securities	3,582	(25)	—	—	3,582	(25)
U.S. government securities	6,771	(1)	—	—	6,771	(1)
Total marketable debt securities at loss position	$ 13,044	$ (28)	$ —	$ —	$ 13,044	$ (28)

	As of January 31, 2025					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(in thousands)					
Corporate bonds	$ 23,200	$ (116)	$ 2,144	$ (7)	$ 25,344	$ (123)
Asset-backed securities	8,052	(51)	4,343	(16)	12,395	(67)
U.S. government securities	20,380	(169)	4,809	(13)	25,189	(182)
Total marketable debt securities at loss position	$ 51,632	$ (336)	$ 11,296	$ (36)	$ 62,928	$ (372)

	As of	
	January 31, 2026	January 31, 2025
	(in thousands)	
Included in cash equivalents (*)	$ 61,000	$ 48,398
Included in marketable debt securities	121,552	105,643
Total cash equivalents and marketable debt securities	$ 182,552	$ 154,041

The contractual maturities of the investments at January 31, 2026 and 2025 were as follows:

	As of	
	January 31, 2026	January 31, 2025
	(in thousands)	
Due within one year (*)	$ 84,844	$ 79,954
Due in 1 - 5 years	96,685	74,087
Due in 5 - 10 years	—	—
Due in greater than 10 years	1,023	—
Total cash equivalents and marketable debt securities	$ 182,552	$ 154,041

The unrealized gains and losses on the available-for-sale securities were primarily caused by fluctuations in market value and interest rates as a result of the economic environment. The Company estimates the expected losses at an individual security level whenever a security's fair value is below its amortized cost basis using the discounted cash flow method. The credit-related portion of the loss is recognized in other income, net in the consolidated statements of operations but is limited to the difference between the fair value and the amortized cost basis of the security, adjusted for accrued interest. The non-credit-related portion of the loss is recognized in accumulated other comprehensive income (loss) in the consolidated balance sheets. The credit-related losses were not material for the fiscal years ended January 31, 2026, 2025 and 2024, respectively. The accrued interest on available-for-sale securities is included in marketable debt securities in the consolidated balance sheets. As of January 31, 2026 and 2025, the accrued interest was approximately $1.0 million and $0.8 million, respectively.

The following fair value hierarchy is applied for disclosure of the inputs used to measure the fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2—Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments.

Level 3—Unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value. The inputs require significant management judgment or estimation.

The Company measures the fair value of money market funds and fixed deposits using quoted prices in active markets for identical assets and classifies them within Level 1. The fair value of the Company's investments in other debt securities are obtained based on quoted prices for similar assets in active markets and are classified within Level 2.

The following tables present the fair value of the financial instruments measured on a recurring basis as of January 31, 2026 and 2025, respectively:

	As of January 31, 2026			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
Money market funds and fixed deposits	$ 61,000	$ 61,000	$ —	$ —
Corporate bonds	64,157	—	64,157	—
Asset-backed securities	21,442	—	21,442	—
U.S. government securities	35,953	—	35,953	—
Total cash equivalents and marketable debt securities	$ 182,552	$ 61,000	$ 121,552	$ —

	As of January 31, 2025			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
Money market funds and fixed deposits (*)	$ 48,398	$ 48,398	$ —	$ —
Corporate bonds	55,126	—	55,126	—
Asset-backed securities	20,365	—	20,365	—
U.S. government securities	30,152	—	30,152	—
Total cash equivalents and marketable debt securities	$ 154,041	$ 48,398	$ 105,643	$ —

(*): Prior period amounts denoted with an asterisk throughout this footnote have been adjusted to include the amount of a money market fund investment that was excluded from amounts originally reported. There is no impact on previously reported total cash and cash equivalents.

3. Inventories

Inventories at January 31, 2026 and 2025 consisted of the following:

	As of January 31,	
	2026	2025
	(in thousands)	
Work-in-progress	$ 35,507	$ 20,546
Finished goods	16,739	13,882
Total	$ 52,246	$ 34,428

4. Property and Equipment, net

Depreciation expense was approximately $4.8 million, $4.7 million and $4.8 million for the fiscal years ended January 31, 2026, 2025 and 2024, respectively. Property and equipment at January 31, 2026 and 2025 consisted of the following:

	As of January 31,	
	2026	2025
	(in thousands)	
Computer hardware and software	$ 28,960	$ 25,730
Tools and equipment	9,048	8,625
Furniture and fixtures	2,230	1,376
Leasehold improvements	2,560	3,455
Construction in progress	839	307
	43,637	39,493
Less: accumulated depreciation and amortization	(32,084)	(30,409)
Total property and equipment, net	$ 11,553	$ 9,084

5. Intangible Assets, net

Intangible assets primarily consist of software licenses as well as developed technology, customer relationships and trade name that were acquired from business combinations.

The Company enters into certain software license agreements with third parties from time-to-time. The software licenses consist of noncancelable on-premise internal-use software and software with alternative use that is to be sold, leased or otherwise marketed as part of a product. The licenses have been capitalized as intangible assets and the corresponding future payments have been recorded as liabilities at net present value. As of January 31, 2026, software license liabilities of approximate $11.4 million were recorded in accrued and other current liabilities and $12.8 million were recorded in other long-term liabilities in the consolidated balance sheets.

The components of intangible assets as of January 31, 2026 and 2025 were as follows:

	As of January 31, 2026			As of January 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(in thousands)					
Software licenses	$ 51,194	$ (9,279)	$ 41,915	$ 45,051	$ (18,755)	$ 26,296
Developed technology	21,200	(13,018)	8,182	21,200	(9,989)	11,211
Customer relationships	13,200	(6,233)	6,967	13,200	(4,767)	8,433
Trade name	2,500	(1,518)	982	2,500	(1,161)	1,339
Total intangible assets, net	$ 88,094	$ (30,048)	$ 58,046	$ 81,951	$ (34,672)	$ 47,279

During the twelve months ended January 31, 2026, there were approximately $28.1 million of software licenses purchased and approximately $22.0 million of software licenses expired. The amortization expense associated with software licenses was approximately $12.3 million, $12.7 million and $11.5 million for the fiscal years ended January 31, 2026, 2025 and 2024, respectively. The amortization expense associated with acquisition-related intangible assets, including developed technology, customer relationship and trade name, was approximately $4.9 million, $4.9 million and $4.9 million for the fiscal years ended January 31, 2026, 2025 and 2024, respectively. As of January 31, 2026, the Company has not commenced amortization with respect to approximately $8.0 million of software licenses with alternative uses that are to be sold, leased or otherwise marketed as part of products. Once the associated products are available for general release to customers, the Company will commence amortization on a product-by-product basis over the remaining estimated economic life of the products. The expected future amortization expense related to these intangible assets as of January 31, 2026 is as follows:

Fiscal Year	As of January 31, 2026 (in thousands)
2027	$ 18,167
2028	15,412
2029	11,642
2030	3,664
2031	3,144
Thereafter	6,017
Total future amortization expenses:	$ 58,046

There were no intangible asset impairments for the fiscal years ended January 31, 2026, 2025 and 2024, respectively.

6. Goodwill

Goodwill represents the excess of the purchase price over the fair value of net tangible and identifiable intangible assets acquired in a business combination. The Company has one reporting segment and accordingly, there is no goodwill assignment based on reporting units (refer to Note 16 Segment Reporting). As of January 31, 2026 and 2025, the total carrying amount of goodwill was $303.6 million, respectively. The Company does not amortize goodwill. Goodwill is tested for impairment at least annually, in the fourth fiscal quarter, or more frequently if events or changes in circumstances indicate that it may be impaired. There was no goodwill impairment in the fiscal years ended January 31, 2026, 2025 and 2024, respectively.

7. Accrued and Other Current Liabilities

Accrued and other current liabilities at January 31, 2026 and 2025 consisted of the following:

	As of January 31,	
	2026	2025
	(in thousands)	
Accrued employee compensation	$ 31,251	$ 22,941
Accrued product development costs	37,233	32,929
Software license liabilities, current	11,439	7,021
Development deposit liability	13,500	13,500
Other accrued liabilities	4,541	4,390
Total accrued and other current liabilities	$ 97,964	$ 80,781

The accrued employee compensation primarily consists of accrued payroll and accrued employee benefits, as well as employee stock purchase plan withholding. For the accrued employee compensation as of January 31, 2025, approximately $9.8 million of annual bonus was paid in fiscal year 2026, of which $3.7 million was paid in cash and $6.1 million was settled with fully vested restricted stock units. The timing of new and next-gen SoC development and invoicing from outside foundries usually results in fluctuation of accrued product development costs. The $13.5 million of development deposit liability as of January 31, 2026 and 2025, respectively, represents a cash advance from a customer for funding a development project that is subject to certain refund conditions.

8. Leases

The lease obligations primarily consist of operating leases for the Company's headquarters and its foreign subsidiaries. In December 2024, the Company entered into a new office lease for its headquarters in Santa Clara, California with a term of 104 months from September 1, 2025 to April 30, 2034 and an option to extend for an additional five years. The lease commencement date was established on September 1, 2025. Accordingly, an operating lease ROU asset of approximately $10.0 million, net of $0.5 million of lease incentives and prepayments, and a corresponding $10.5 million lease liability was recorded in the consolidated balance sheets as of the lease commencement date. The optional lease term is not recognized as part of the ROU asset and lease liability.

During the twelve months ended January 31, 2025, the Company extended certain facility leases for its international offices with lease periods expiring between fiscal years 2027 and 2031. An aggregate of approximately $3.6 million of additional operating lease ROU assets and corresponding lease liabilities were recorded in the consolidated balance sheets as a result of these lease extensions.

There were no material lease agreements entered into or modified during the twelve months ended January 31, 2024.

For the fiscal years ended January 31, 2026, 2025 and 2024, the operating lease expense was approximately $3.6 million, $3.8 million and $3.7 million, respectively. The Company's short-term leases and finance leases were immaterial as of January 31, 2026 and 2025, respectively.

Supplemental cash flow information related to the operating leases is as follows:

	Year Ended January 31,		
	2026	2025	2024
	(in thousands)		
Cash paid for operating leases included in operating cash flows	$ 2,220	$ 3,800	$ 3,877
Operating lease assets obtained in exchange for lease obligations	$ 10,058	$ 3,604	$ 348

As of January 31, 2026, the weighted average remaining lease term is 7.0 years, and the weighted average discount rate is 8.04%. Future minimum lease payments for the lease liabilities are as follows:

Fiscal Year	As of January 31, 2026 (in thousands)
2027	$ 3,013
2028	2,662
2029	1,896
2030	1,952
2031	2,003
Thereafter	6,681
Total future annual minimum lease payments	18,207
Less: interest	(4,772)
Total lease liabilities	$ 13,435

9. Deferred Revenue

Deferred revenue is primarily related to nonrecurring engineering charges that are either invoiced or paid but for which, the related performance obligations are not yet satisfied, as well as, for product shipments, a portion of the transaction price that exceeds the weighted average selling price for products sold to date under tiered-pricing contracts that contain material rights. During the twelve months ended January 31, 2026, 2025 and 2024, the amount recognized as revenue that was included in deferred revenue at the end of prior fiscal year was approximately $9.9 million, $0.8 million and $2.2 million, respectively.

As of January 31, 2026, the amount of transaction price allocated to performance obligations that are unsatisfied, or partially unsatisfied, which primarily consists of NRE project service agreements and product purchase orders with original contract duration of more than one year, was approximately $76.1 million, of which approximately 97% is expected to be recognized within the next 12 months. This does not include consideration in contracts with an original expected contract duration of one year or less, or variable consideration that is constrained.

10. Other Long-Term Liabilities

Other long-term liabilities at January 31, 2026 and 2025 consisted of the following:

	As of January 31, 2026	2025
	(in thousands)	
Unrecognized tax benefits, including interest	$ 1,105	$ 1,008
Deferred tax liabilities	560	695
Software license liabilities, non-current	12,790	2,420
Other long-term liabilities	4	3
Total other long-term liabilities	$ 14,459	$ 4,126

During the twelve months ended January 31, 2025, there were approximately $2.8 million of tax liabilities released due to lapse of related statutes of limitation and recognized as tax benefits in the consolidated statements of operations.

11. Capital Stock

Preference shares

Since the Company's initial public offering, or IPO, a total of 20,000,000 preference shares, with a $0.00045 par value per share, were authorized. There were no preference shares issued and outstanding as of January 31, 2026 and 2025, respectively.

Ordinary shares

As of January 31, 2026 and 2025, the following ordinary shares were reserved for future issuance under the Company's equity plans and employee stock purchase plan:

	As of January 31, 2026	2025
Shares reserved for options, restricted stock and restricted stock units under equity plans	3,811,695	4,991,570
Shares reserved for employee stock purchase plan	3,975,230	3,636,591

Shares repurchased

On May 28, 2025, the Company's Board of Directors approved an extension of the Company's existing share repurchase program for an additional twelve months through June 30, 2026. During the three months ended April 30, 2025, the Company repurchased a total of 24,152 shares for approximately $1.0 million in cash. As of January 31, 2026, there was approximately $48.0 million available for repurchases under the current repurchase program through June 30, 2026. Repurchases may be made from time-to-time through open market purchases, 10b5-1 plans or privately negotiated transactions subject to market conditions, applicable legal requirements and other relevant factors. The repurchase program does not obligate the Company to acquire any particular amount of ordinary shares, and it may be suspended at any time at the Company's discretion. The repurchase program is funded using the Company's working capital and any repurchased shares are recorded as authorized but unissued shares.

12. Employee Benefits and Stock-based Compensation

401(k) Plan

The Company maintains a defined contribution 401(k) plan (the 401(k) Plan) for all of its eligible U.S. employees. Under the 401(k) Plan, eligible employees may contribute up to the Internal Revenue Service annual contribution limitation. The Company is responsible for administrative costs of the Plan. The Company's contribution expense for the fiscal years ended January 31, 2026, 2025, and 2024 was approximately $0.8 million, $0.7 million and $0.8 million, respectively.

Stock Option Plans

Amended and Restated 2021 Equity Incentive Plan. The Amended and Restated 2021 Equity Incentive Plan, or 2021 EIP, permits the grant of ISOs, within the meaning of Section 422 of the Code, to employees of the Company and any of the Company's subsidiary or parent corporations, and the grant of NSOs, stock appreciation rights, restricted stock, restricted stock units, and performance awards to employees, directors and consultants of the Company and any of the Company's subsidiary or parent corporations' employees and consultants. In the second quarter of fiscal year 2025, the Company's shareholders approved an increase of 1,750,000 shares to the ordinary shares reserved for issuance under the Amended and Restated 2021 EIP. Subject to adjustments upon changes in capitalization as provided under the 2021 EIP, the maximum aggregate number of ordinary shares that may be subject to awards and issued under the 2021 EIP will be equal to (a) 3,100,000 shares plus (i) any shares subject to awards granted under the Company's 2012 Equity Incentive Plan (the "Prior Plan") that, after the date the Prior Plan was terminated, are cancelled, expire or otherwise terminate without having been exercised in full or are forfeited to or repurchased by the Company due to failure to vest, and (ii) any shares that, as of immediately prior to the termination of the Prior Plan, were reserved but not issued pursuant to any awards granted under the Prior Plan and are not subject to any awards thereunder, with the maximum number of ordinary shares to be added to the 2021 EIP pursuant to clauses (i) and (ii) equal to 6,834,208 shares.

Oculii Corp. 2017 Stock Option Plan. The Oculii Corp. 2017 Stock Option Plan, or 2017 Plan, was assumed as part of the acquisition of Oculii. No additional awards will be granted under the 2017 Plan. However, all outstanding stock options previously granted under the 2017 Plan will remain subject to the terms of the 2017 Plan and any outstanding stock options that are cancelled or forfeited due to failure to vest will immediately expire from the 2017 Plan.

Restricted stock and restricted stock units granted to new employees vest as to 1/4th of the shares on the first anniversary service date of the grant and 1/16th of the shares vest every 3 months thereafter, so as to be 100% vested on the fourth anniversary of the vesting commencement date.

Vesting schedules for other service condition or market condition awards vary and are subject to approval by the Board of Directors.

Amended and Restated 2012 Employee Stock Purchase Plan. The Amended and Restated 2012 Employee Stock Purchase Plan, or ESPP, permits eligible participants to purchase ordinary shares at a discount through contributions up to 15% of their eligible compensation, subject to any IRS limitations. The ESPP provides each offering and purchasing period of six months in duration. The purchase price is 85% of the lower of the closing price of the Company's ordinary shares on the first trading day of each offering period or on the purchase date.

In fiscal year 2026, the Company added 524,549 shares to the ordinary shares reserved for issuance, pursuant to an "evergreen" provision contained in the ESPP. Pursuant to such provision, on February 1st of each fiscal year, the number of ordinary shares reserved for issuance under the ESPP is automatically increased by a number equal to the lesser of (i) 1,500,000 ordinary shares, (ii) one and one quarter percent (1.25%) of the aggregate number of ordinary shares outstanding on such date, or (iii) an amount determined by the Company's Board of Directors or a duly authorized committee of the Board of Directors.

Stock-based Compensation

The following table presents the classification of stock-based compensation for the periods indicated:

	Year Ended January 31,		
	2026	2025	2024
		(in thousands)	
Stock-based compensation:			
Cost of revenue	$ 2,989	$ 3,270	$ 3,341
Research and development	65,468	73,025	72,759
Selling, general and administrative	29,583	31,748	35,216
Total stock-based compensation	$ 98,040	$ 108,043	$ 111,316

As of January 31, 2026 and 2025, approximately $5.6 million and $6.2 million of stock-based compensation expense, respectively, was accrued in accrued and other current liabilities in the consolidated balance sheets. Total unrecognized compensation cost related to unvested restricted stock units at January 31, 2026 was $151.1 million and is expected to be recognized over a weighted-average period of 2.37 years. The stock options were fully vested and as a result, there was no unrecognized compensation cost related to unvested stock options as of January 31, 2026.

There were no material stock modifications in fiscal years 2026 and 2025, respectively. In fiscal year 2024, the Company and its Compensation Committee of the Board of Directors approved an acceleration of vesting of certain unvested equity awards and one-time compensation settled through the issuance of restricted stock units associated with a departure of an executive. As a result, there were 24,559 shares of restricted stock units accelerated and approximately $1.6 million of additional stock-based compensation expense, net, recognized in the fiscal year ended January 31, 2024.

The following table sets forth the weighted-average assumptions used to estimate the fair value of employee stock purchase plan awards for the periods indicated:

	Year Ended January 31,		
	2026	2025	2024
Employee stock purchase plan awards:			
Volatility	61%	47%	56%
Risk-free interest rate	4.05%	4.97%	5.11%
Expected term (years)	0.5	0.5	0.5
Dividend yield	0%	0%	0%

For ESPP shares, the expected term represents the term from the first day of the offering period to the purchase date. The Company calculates expected volatility based on its own historical stock price for a period commensurate with the expected term. The risk-free interest rate is derived from the U.S. Treasury constant maturity rate for the respective period commensurate with the expected term. The expected dividend yield is zero because the Company has not historically paid dividends and has no present intention to pay dividends.

The following table summarizes stock option activities for the periods indicated:

	Options Outstanding					
	Shares	Weighted-Average Exercise Price	Weighted-Average Grant-date Fair Value	Total Intrinsic Value of options Exercised (in thousands)	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at January 31, 2023	484,791	$ 42.18				
Exercised	(104,931)	26.06		$ 4,479		
Forfeited	(926)	42.59				
Expired	(5,616)	63.39				
Outstanding at January 31, 2024	373,318	46.39				
Exercised	(144,519)	36.90		$ 3,128		
Forfeited	(71)	102.29				
Expired	(2,112)	70.63				
Outstanding at January 31, 2025	226,616	52.20				
Exercised	(50,085)	43.75		$ 1,715		
Expired	(16,619)	75.00				
Outstanding at January 31, 2026	159,912	52.48			1.98	$ 2,365
Exercisable at January 31, 2026	159,912	$ 52.48			1.98	$ 2,365

The intrinsic value of options outstanding and exercisable is calculated based on the difference between the fair market value of the Company's ordinary shares on the reporting date and the exercise price. The closing price of the Company's stock was $64.04 on January 31, 2026, as reported by The Nasdaq Global Select Market. The intrinsic value of exercised options is calculated based on the difference between the fair market value of the Company's stock on the exercise date and the exercise price.

The following table summarizes restricted stock unit activities for the periods indicated:

	Shares	Weighted-Average Grant-Date Fair Value
Unvested at January 31, 2023	2,573,359	$ 86.81
Granted	1,305,401	70.32
Vested	(1,220,608)	78.62
Forfeited	(225,512)	81.79
Unvested at January 31, 2024	2,432,640	82.54
Granted	1,478,425	62.40
Vested	(1,106,546)	76.43
Forfeited	(159,140)	115.67
Unvested at January 31, 2025	2,645,379	71.84
Granted	1,408,288	74.30
Vested	(1,129,790)	72.85
Forfeited	(301,880)	82.84
Unvested at January 31, 2026	2,621,997	$ 71.46

Total fair value of restricted stock units vested as of the respective vesting dates for the fiscal years ended January 31, 2026, 2025 and 2024 was approximately $72.5 million, $64.0 million, and $88.0 million, respectively. As of January 31, 2026, the aggregate intrinsic value of unvested restricted stock units was $167.9 million.

13. Net Loss Per Ordinary Share

The following table sets forth the computation of basic and diluted net loss per ordinary share for the periods indicated:

	Year Ended January 31,		
	2026	2025	2024
	(in thousands, except share and per share data)		
Numerator:			
Net loss	$ (75,865)	$ (117,126)	$ (169,417)
Denominator:			
Weighted-average ordinary shares - basic	42,704,312	41,303,287	39,878,872
Weighted-average ordinary shares - diluted	42,704,312	41,303,287	39,878,872
Net loss per ordinary share:			
Basic	$ (1.78)	$ (2.84)	$ (4.25)
Diluted	$ (1.78)	$ (2.84)	$ (4.25)

The following weighted-average potentially dilutive securities were excluded from the computation of diluted net loss per ordinary share as their effect would have been antidilutive:

	Year Ended January 31,		
	2026	2025	2024
Options to purchase ordinary shares	76,920	177,340	234,088
Restricted stock units	954,396	1,737,389	1,549,026
Employee stock purchase plan	13,691	14,735	10,483
	1,045,007	1,929,464	1,793,597

14. Income Taxes

Loss before income taxes consisted of the following for the periods indicated:

	Year Ended January 31,		
	2026	2025	2024
	(in thousands)		
U.S. operations	$ (25,108)	$ (35,572)	$ (33,953)
Non-U.S. operations	(48,589)	(82,156)	(114,577)
Loss before income taxes	$ (73,697)	$ (117,728)	$ (148,530)

Income tax provision (benefit) consisted of the following for the periods indicated:

	Year Ended January 31,		
	2026	2025	2024
	(in thousands)		
Current:			
U.S. federal tax	$ 29	$ (2,650)	$ 303
U.S. state taxes	4	4	1
Non-U.S. foreign taxes	2,316	2,395	1,711
	2,349	(251)	2,015
Deferred:			
U.S. federal tax	—	—	18,909
U.S. state taxes	—	—	—
Non-U.S. foreign taxes	(181)	(351)	(37)
	(181)	(351)	18,872
Provision (benefit) for income taxes	$ 2,168	$ (602)	$ 20,887

The Company adopted ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, on a prospective basis, in the fourth quarter of fiscal year 2026. A reconciliation of the Cayman Islands statutory income tax rate of 0% to the effective tax rate pursuant to the disclosure requirements of ASU 2023-09 for the year ended January 31, 2026, was as follows:

	Year Ended January 31, 2026 (dollars in thousands)	
Federal income tax expense (benefit) at statutory rate	$ —	—
State and local income taxes	—	—
Foreign Tax Effects:		
US		
Statutory tax rate difference between U.S. and the Cayman Islands	(5,273)	7.15%
Stock-based compensation	3,333	(4.52)%
Executive compensation	1,560	(2.12)%
Valuation allowance	6,871	(9.32)%
R&D credit	(3,262)	4.43%
Other	64	(0.09)%
Hong Kong		
Statutory tax rate difference between Hong Kong and the Cayman Islands	1,060	(1.44)%
Taiwan		
Statutory tax rate difference between Taiwan and the Cayman Islands	533	(0.72)%
China		
Statutory tax rate difference between China and the Cayman Islands	330	(0.45)%
Other foreign jurisdictions		
Statutory tax rate difference between other foreign jurisdictions and the Cayman Islands	115	(0.15)%
Change in unrecognized tax benefits	(3,163)	4.29%
Total tax expense	$ 2,168	(2.94)%

Pursuant to the disclosure requirements of ASU 2023-09, the following table presents income taxes paid, net of refunds received, for the year ended January 31, 2026:

	Year Ended January 31, 2026 (in thousands)
Income taxes paid (net of refund):	
Cayman Islands - Federal	$ —
Cayman Islands - State	—
Foreign:	
Taiwan	436
Italy	629
China	329
Hong Kong	921
Other foreign jurisdictions	(47)
Total foreign jurisdictions	2,268
Total income taxes paid	$ 2,268

The Company consists of a Cayman Islands parent company with various foreign and U.S. subsidiaries. Under the current laws of the Cayman Islands, the Company is not subject to tax on its income. For purposes of the reconciliation, prior to adoption of ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* between the provision (benefit) for income taxes at the statutory rate and the effective tax rate, a notional U.S. 21% rate is applied to pretax income (loss) as a result of the following for the periods indicated, respectively:

	Year Ended January 31,	
	2025	2024
	(in thousands)	
Provision at U.S. notional statutory rate	$ (24,723)	$ (31,191)
U.S. state taxes	2	6
Non-U.S. foreign tax differential	19,293	25,736
Stock-based compensation	6,985	4,847
U.S. R&D credit	(5,109)	(7,232)
Valuation allowance	5,022	28,311
Interest related to uncertain tax positions	12	45
Uncertain tax position release	(2,766)	—
Other	682	365
Provision (benefit) for income taxes	$ (602)	$ 20,887

Temporary differences that gave rise to significant portions of the Company's deferred tax assets and liabilities at January 31, 2026 and 2025 were as follows:

	As of January 31,	
	2026	2025
	(in thousands)	
Deferred tax assets:		
Federal and state credits	$ 68,077	$ 59,102
Net operating losses	9,516	6,333
Expenses not currently deductible	1,155	3,822
Operating lease liabilities	2,708	611
Stock-based compensation	2,444	2,877
Other deferred tax assets	417	496
Gross deferred tax assets	84,317	73,241
Valuation allowance	(77,336)	(68,047)
Total deferred tax assets	$ 6,981	$ 5,194
Deferred tax liabilities		
Intangible assets	(3,750)	(4,379)
Property and equipment	(929)	(450)
Operating lease assets	(2,432)	(839)
Total deferred tax liabilities	(7,111)	(5,668)
Net deferred tax liabilities	$ (130)	$ (474)

Tax valuation allowance for the periods indicated below were as follows:

	Balance at Beginning of Period	Additions Charged to Expenses	Additions Charged to Other Account	Deductions Charged to Expenses or Other Accounts	Balance at End of Period
			(in thousands)		
Tax Valuation Allowance					
Year ended January 31, 2026	$ 68,047	9,289	—	—	$ 77,336
Year ended January 31, 2025	$ 60,036	8,011	—	—	$ 68,047
Year ended January 31, 2024	$ 28,596	31,440	—	—	$ 60,036

The Company conducts its business in several countries and regions and is subject to taxation in those jurisdictions. The Company is incorporated in the Cayman Islands with foreign subsidiaries in the U.S., China, Taiwan, Italy and other foreign countries and regions. As such, the Company's worldwide operating income is subject to varying tax rates and its effective tax rate is highly dependent upon the geographic distribution of its earnings or losses and the tax laws and regulations in each geographical region. Consequently, the Company has experienced lower effective tax rates as a substantial amount of its operations are conducted in lower-tax jurisdictions. If the Company's operational structure was to change in such a manner that would increase the amount of operating income subject to taxation in higher-tax jurisdictions, or if the Company was to commence operations in jurisdictions assessing relatively higher tax rates, its effective tax rate could fluctuate significantly on a quarterly basis and/or be adversely affected. Dividend distributions received from the Company's U.S. subsidiary and certain other foreign subsidiaries may be subject to local country withholding taxes when, and if, distributed. Deferred tax liabilities have not been recorded on unremitted earnings of certain subsidiaries because management's intent is to indefinitely reinvest any undistributed earnings in those subsidiaries. If dividend distributions from those subsidiaries were to occur, the liability as of January 31, 2026, would be approximately $9.1 million.

As of January 31, 2026, and 2025, the Company had net deferred tax liabilities after valuation allowance of $0.1 million and $0.5 million, respectively. The Company continued to evaluate the need for a valuation allowance by considering among other things, the nature, frequency and severity of current losses, reversal of taxable temporary differences, tax planning strategies, future projections in the U.S. and the duration of statutory carryforward periods. Based on the current projections of the Company's future taxable income, and overall evaluation of other related evidence, management determined it is not more likely than not that the U.S. deferred tax assets will be realized, and therefore, valuation allowance remains necessary.

The Company has Federal and California net operating losses of $45.0 million and $1.0 million, respectively, as of January 31, 2026. The Federal net operating loss can be carried forward indefinitely, if not utilized. The California net operating loss begins to expire in fiscal year 2044, if not utilized. For financial statement purposes these carry forwards are offset by reserves for uncertain tax positions.

The Company also has Federal and California state research and development credit carryforwards of approximately $35.1 million and $41.7 million, respectively, as of January 31, 2026. The Federal credits begin to expire in the fiscal year 2036. The California credits can be carried forward indefinitely.

Utilization of the net operating loss and research credit carryforwards may be subject to an annual limitation due to the ownership percentage change limitations as defined by the U.S. Internal Revenue Code Section 382, as amended, and similar state provisions as well as separate return year limitation which limits the utilization of loss generated before a company joins the consolidated filing group. The annual limitations may result in the expiration of the U.S. Federal and state net operating loss (NOL) and research credit carryforwards before utilization. The Company has a full valuation allowance against all U.S. deferred tax assets due to lack of more likely than not future utilization of these deferred tax assets.

The Company applies the provisions of FASB's guidance on accounting for uncertainty in income taxes. As of January 31, 2026, the Company had approximately $18.4 million in unrecognized tax benefits, $1.1 million of which would affect the Company's effective tax rate if recognized. The remainder of the unrecognized tax benefits would not affect the effective tax rate due to the full valuation recorded for U.S. deferred tax assets. The following table sets forth a reconciliation of the beginning and ending amount of unrecognized tax benefits:

	Year Ended January 31,		
	2026	2025	2024
	(in thousands)		
Beginning balance:	$ 20,496	$ 22,628	$ 21,656
Additions based on tax positions related to the current year	1,418	2,123	997
Additions for tax positions of prior years	—	—	168
Reductions for tax positions in prior years	—	—	(38)
Settlements for prior periods	—	—	—
Lapse of applicable statute of limitations	(3,554)	(4,255)	(155)
Ending balance:	$ 18,360	$ 20,496	$ 22,628

The Company classified $0.9 million and $0.9 million of income tax liabilities as other long-term liabilities as of January 31, 2026, and 2025, respectively, because payment of cash or settlement is not anticipated within one year from the balance sheet date.

The Company recognizes interest and penalties related to uncertain tax positions as a component of income tax expense. The Company recorded an expense of $0.1 million, a benefit of $0.5 million, and an expense of $0.05 million for interest and penalties related to uncertain tax positions for the fiscal years ended January 31, 2026, 2025 and 2024, respectively. The Company recorded noncurrent liabilities of $0.2 million and $0.1 million related to interest and penalties for uncertain tax positions at January 31, 2026, and 2025, respectively.

The primary jurisdiction where our foreign earnings are derived is the Cayman Islands, where the Company is domiciled. The Company files income tax returns in the U.S. federal jurisdiction as well as many U.S. state and foreign jurisdictions. As of January 31, 2026, the Company's fiscal year 2023 through 2026 tax years are generally open and subject to potential examination by U.S. federal tax authorities. The Company's fiscal year 2022 through 2026 tax years are generally open and subject to potential examination by state tax authorities. The Company's fiscal years 2019 to 2026 remain open to examination by foreign tax authorities. Fiscal years outside of the normal statute of limitations remain open to audit by tax authorities due to tax attributes generated in those earlier years, which have been carried forward and may be audited in subsequent years when utilized.

The Company regularly assesses the likelihood of adverse outcomes resulting from potential tax examinations to determine the adequacy of its provision for income taxes. These assessments can require considerable estimates and judgments. During the fiscal year ended January 31, 2026, the gross amount of unrecognized tax benefits decreased by approximately $2.1 million to $18.4 million. The decrease was primarily due to the release of certain reserves for uncertain tax positions where the statute of limitation has lapsed, offset by reserves for uncertain tax positions related to research credits. If the estimates of income tax liabilities prove to be less than the ultimate assessment, then a further charge to expense and balance sheet tax footnote disclosure could be required. If events occur, and the payment of these amounts ultimately proves to be unnecessary, the reversal of the liabilities could result in tax benefits being recognized in the period in which the Company determines the liabilities are no longer necessary.

As of January 31, 2026, the Company's long-term income taxes payable, including estimated interest and penalties, was approximately $1.1 million. The Company was unable to make a reasonably reliable estimate of the timing of payments in individual years due to uncertainties in the timing of tax audits, if any, or their outcomes.

15. Commitments and Contingencies

Contract Manufacturer Commitments

The Company's components and products are procured and built by independent contract manufacturers based on sales forecasts. These forecasts include estimates of future demand, historical trends, analysis of sales and marketing activities, and adjustment of overall market conditions. The Company regularly issues purchase orders to independent contract manufacturers which are cancelable upon agreement between the Company and third-party manufacturers. These manufacturing purchase commitments typically provide the Company with flexibility to cancel, reschedule or adjust requirements based upon business needs but the Company may incur certain costs depending on the production stage of the products. As of January 31, 2026 and 2025, total manufacturing purchase commitments were approximately $80.4 million and $56.4 million, respectively. The Company also reviews and assesses the need for any expected loss liabilities on quarterly basis for all products that it does not expect to sell for which it has committed purchases from suppliers. There were no material loss liabilities recorded in the consolidated balance sheets from adverse purchase commitments as of January 31, 2026 and 2025, respectively.

Other Commitments

From time-to-time, the Company enters into noncancellable service contracts with third-parties for IT infrastructure services and support and maintenance for software licenses. As of January 31, 2026, the total committed payments for these services were approximately $12.4 million.

Indemnification

The Company, from time to time, in the normal course of business, indemnifies certain vendors with whom it enters into contractual relationships. The Company has agreed to hold the other party harmless against third-party claims in connection with the Company's future products. The Company also indemnifies certain customers against third-party claims related to certain intellectual property and product liability matters. It is not possible to determine the maximum potential amount of liability under these indemnification obligations due to the limited history of prior indemnification claims and the unique facts and circumstances that are likely to be involved in each particular claim. The Company has not made payments under these obligations as of January 31, 2026, and no liabilities have been recorded for these obligations in the consolidated balance sheets as of January 31, 2026 and 2025, respectively.

Other Matters

From time to time, the Company is subject to commercial disputes, employment issues, intellectual property claims and litigation, in the ordinary course of its business. Although the ultimate disposition of asserted claims cannot be predicted with certainty, it is the Company's belief that the outcome of any such claims, either individually or on a combined basis, will not have a material adverse effect on its consolidated financial position. The results of any litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors. As of January 31, 2026 and 2025, there were no accruals for contingent liabilities related to such matters recorded in the consolidated balance sheets.

16. Segment Reporting

The Company operates as a single operating and reportable segment and derives substantially all of its revenue from development and sales of low-power AI-based processing and video and image processing SoC solutions. In determination of a reportable segment, the Company considers the research and development deployed, the nature of production process, the distribution channels of SoCs, as well as the Company's management structure. The Chief Executive Officer of the Company has been identified as the Chief Operating Decision Maker (the CODM) and manages the Company's operations as a whole. The CODM uses net loss presented on a consolidated basis to evaluate the financial performance and allocate resources. The CODM also monitors budget versus actual results of the operating segment. The measure of reportable segment assets is reported within the consolidated balance sheets as total assets. The accounting policies for the measurement of net loss and total assets of the reportable segment have been described in the Note 1, *Organization and Summary of Significant Accounting Policies*.

Geographic Revenue

The following table sets forth the Company's revenue by geographic region based on bill-to location for the periods indicated.

	Year Ended January 31,		
	2026	2025	2024
	(in thousands)		
Taiwan	$ 271,928	$ 179,324	$ 119,601
Asia Pacific other than Taiwan	71,032	61,663	58,506
Europe	20,065	22,778	11,949
North America other than United States	21,833	18,074	25,754
United States	5,844	3,026	10,664
Total revenue	$ 390,702	$ 284,865	$ 226,474

Substantially all of the Company's property and equipment were located in the United States, Taiwan, Europe and Asia Pacific region other than Taiwan. As of January 31, 2026, the net amount of these fixed assets located in these regions was approximately $6.6 million, $3.6 million, $1.1 million and $0.3 million, respectively. As of January 31, 2025, the net amount of these fixed assets located in these regions was approximately $3.7 million, $4.0 million, $1.1 million and $0.3 million, respectively.

Additional Segment Information

The following table presents the significant segment expenses included in the consolidated net loss for the periods indicated:

	Year Ended January 31,		
	2026	2025	2024
	(in thousands)		
Total revenue	$ 390,702	$ 284,865	$ 226,474
Less cost and expense:			
Product cost	153,419	106,237	83,221
Employee-related	131,015	115,188	110,601
Stock-based compensation	98,040	108,043	111,316
Semiconductor development cost	33,415	28,049	24,680
Tools & equipment	27,118	26,089	23,202
Professional services	14,785	14,359	13,012
Facilities-related	11,747	10,765	10,983
Other segment items [(a)]	5,917	1,988	26,713
Interest income	(8,889)	(8,727)	(7,837)
Net loss	$ (75,865)	$ (117,126)	$ (169,417)

(a) The other segment items include amortization of intangible assets acquired from business combinations, non-operating (income) expenses, income tax provision (benefit) and other immaterial items.

Major Customers

The customer representing 10% or more of revenue for the fiscal years ended January 31, 2026 and 2025 was WT, which accounted for approximately 70% and 63% of total revenue, respectively. The customers representing 10% or more of revenue for the fiscal year ended January 31, 2024 were WT and Chicony, which accounted for approximately 53% and 14% of total revenue, respectively. Accounts receivable with WT was approximately $24.6 million and $12.3 million as of January 31, 2026 and 2025, respectively.

17. Subsequent Events

From February 1, 2026 to March 20, 2026, the Company repurchased a total of 18,702 shares for approximately $1.0 million in cash. As of March 20, 2026, there was approximately $47.0 million available for repurchases under the repurchase program through June 30, 2026.

ITEM 16. FORM 10-K SUMMARY

None.

EXHIBITS INDEX

Exhibit Number	Description
3.2(1)	Amended and Restated Memorandum of Association and Second Amended and Restated Articles of Association of Ambarella, Inc.
4.1(2)	Description of Share Capital of Ambarella, Inc.
10.2.1(3)*	Amended and Restated 2012 Equity Incentive Plan
10.2.2(1)*	Form of Stock Option Agreement under 2012 Equity Incentive Plan
10.2.3(1)*	Form of Restricted Stock Agreement under 2012 Equity Incentive Plan
10.2.4(1)*	Form of Restricted Stock Unit Agreement under 2012 Equity Incentive Plan
10.2.5(3)*	Form of Performance-Based Restricted Stock Unit Agreement under 2012 Equity Incentive Plan
10.1(4)*	Amended and Restated 2012 Employee Stock Purchase Plan
10.1(5)*	Ambarella, Inc. Amended and Restated 2021 Equity Incentive Plan
4.1.2(6)*	Form of Stock Option Agreement under 2021 Equity Incentive Plan
4.1.3(6)*	Form of Restricted Stock Unit Agreement under 2021 Equity Incentive Plan
4.1.1(7)*	Oculii Corp. 2017 Stock Option Plan
4.1.2(7)*	Form of Stock Option Agreement under Oculii Corp. 2017 Stock Option Plan
10.4(1)*	Form of Indemnification Agreement
10.6.1(8)*	Form of Change of Control and Severance Agreement, entered into by Ambarella, Inc. with the Chief Executive Officer, Chief Financial Officer and Chief Technology Officer
10.1(9)*	Form of Amended and Restated Change of Control and Severance Agreement, entered into by Ambarella, Inc. with its Chief Financial Officer

10.2(9)*	Form of Amended and Restated Change of Control and Severance Agreement, entered into by Ambarella, Inc. with executive officers other than the Chief Executive Officer, Chief Financial Officer and Chief Technology Officer
10.8.1(10)	Sales Representative Agreement dated January 31, 2011 by and between Ambarella, Inc. and WT Microelectronics Co., Ltd.
10.8.2(10)	Amendment No. 1 to Sales Representative Agreement dated February 1, 2012 by and between Ambarella, Inc. and WT Microelectronics Co., Ltd.
10.8.3(11)	Amendment No. 2 to Sales Representative Agreement dated October 1, 2012 by and between Ambarella, Inc. and WT Microelectronics Co., Ltd.
10.2(4)	Amendment to the Sales Representative Agreement dated August 1, 2015 by and between Ambarella, Inc. and WT Microelectronics Co., Ltd.
10.1(12)	Amendment to the Sales Representative Agreement dated June 1, 2019 by and between Ambarella, Inc. and WT Microelectronics Co., Ltd.
10.2(13)	Amendment No. 6 to Sales Representative Agreement dated May 1, 2021 by and between Ambarella, Inc. and WT Microelectronics Co., Ltd.
10.1(14)	Amendment No. 7 to Sales Representative Agreement dated March 15, 2023 by and between Ambarella, Inc. and WT Microelectronics Co., Ltd.
10.1(15)	Standard Lease between Ambarella Corporation and The Realty Associates Fund XI Portfolio, L.P., dated as of August 8, 2019
10.2(16)*	Employment letter entered into by Ambarella Corp. with John Young dated October 17, 2023
10.12(19)	Lease Agreement between Ambarella Corporation and The Quad Santa Clara, LLC dated December 20, 2024
10.13(18)	Description of Executive Bonus Plan for Fiscal Year 2026
19.1(19)	Insider Trading Policy
21.1(17)	List of subsidiaries of Ambarella, Inc.
23.1	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm
24.1	Power of Attorney (included in signature page)
31.1	Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2	Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended
32.1±	Certification of Principal Executive Officer and Principal Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350
97.1(17)	Compensation Recovery Policy
101.INS	Inline XBRL Instance Document – 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 Schema Linkbase Document
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

(1) Incorporated by reference to the Form S-1/A (No. 333-174838) filed on September 13, 2012.
(2) Incorporated by reference to the Form 10-K filed on March 27, 2020.
(3) Incorporated by reference to the Form 10-K filed on March 30, 2017.
(4) Incorporated by reference to the Form 10-Q filed on September 8, 2015.
(5) Incorporated by reference to Form 8-K filed on June 17, 2024.
(6) Incorporated by reference to the Form S-8 (No. 333-261244) filed on November 19, 2021.
(7) Incorporated by reference to the Form S-8 (No. 333-261243) filed on November 19, 2021.
(8) Incorporated by reference to the Form S-1 (No. 333-174838) filed on June 10, 2011.
(9) Incorporated by reference to the Form 10-Q filed on December 4, 2025.
(10) Incorporated by reference to the Form S-1/A (No. 333-174838) filed on September 26, 2012.
(11) Incorporated by reference to the Form S-1/A (No. 333-174838) filed on October 5, 2012.
(12) Incorporated by reference to the Form 10-Q filed on September 6, 2019.
(13) Incorporated by reference to the Form 10-Q filed on September 8, 2021.
(14) Incorporated by reference to the Form 10-Q filed on June 6, 2023.
(15) Incorporated by reference to the Form 10-Q filed on December 6, 2019.
(16) Incorporated by reference to the Form 10-Q filed on December 8, 2023.
(17) Incorporated by reference to the Form 10-K filed on March 29, 2024.
(18) Incorporated by reference to the Form 8-K filed on February 28, 2025.
(19) Incorporated by reference to the Form 10-K filed on March 28, 2025.

* Management contracts or compensation plans or arrangements in which directors or executive officers are eligible to participate.
± In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 hereto are deemed to accompany this Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on March 23, 2026.

AMBARELLA, INC.

By: /s/ John A. Young
John A. Young, Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Feng-Ming Wang and John A. Young as his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to (i) act on, sign, and file with the Securities and Exchange Commission any and all amendments to this Annual Report on Form 10-K, together with all schedules and exhibits thereto, (ii) act on, sign, and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, and (iii) take any and all actions that may be necessary or appropriate to be done, as fully for all intents and purposes as he or she might or could do in person, hereby approving, ratifying and confirming all that such agent, proxy and attorney-in-fact or any of his or her substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on March 23, 2026.

Signature	Title
/s/ Feng-Ming Wang Feng-Ming Wang	President, Chief Executive Officer, Executive Chairman and Director (Principal Executive Officer)
/s/ John A. Young John A. Young	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Chenming C. Hu Chenming C. Hu	Director
/s/ Christopher B. Paisley Christopher B. Paisley	Director
/s/ D. Jeffrey Richardson D. Jeffrey Richardson	Director
/s/ Hsiao-Wuen Hon Hsiao-Wuen Hon	Director
/s/ Elizabeth M. Schwarting Elizabeth M. Schwarting	Director
/s/ Chantelle Breithaupt Chantelle Breithaupt	Director
/s/ Gregory M. Bryant Gregory M. Bryant	Director

AMBARELLA CORPORATE INFORMATION

EXECUTIVE OFFICERS

Feng-Ming (Fermi) Wang
President & Chief Executive Officer

John Young
Chief Financial Officer

Chan Lee
Chief Operating Officer

John Ju
Senior Vice President, Systems

Yun-Lung (Michael) Chen
Vice President, Business Development

DIRECTORS

Chantelle Y. Breithaupt
Chief Financial Officer,
Arista Networks, Inc.

Gregory M. Bryant
Former President of Global Business Units,
Analog Devices, Inc.

Hsiao-Wuen Hon
Former Asia-Pacific R&D Group Chairman,
Microsoft Corporation

Chenming C. Hu
TSMC Distinguished Chair Professor Emeritus,
UC Berkeley

Christopher B. Paisley
Dean's Executive Professor of Accounting,
Leavey School of Business, Santa Clara University

D. Jeffrey Richardson
Former Executive Vice President & COO,
LSI Corporation

Elizabeth M. Schwarting
Former Vice President,
Delphi Corporation (now Aptiv)

Feng-Ming (Fermi) Wang
President & Chief Executive Officer,
Ambarella, Inc.

COMMITTEES OF THE BOARD

Audit Committee
Christopher B. Paisley, Chair
Chantelle Y. Breithaupt
Chenming C. Hu
Elizabeth M. Schwarting

Compensation Committee
D. Jeffrey Richardson, Chair
Gregory M. Bryant
Hsiao-Wuen Hon
Chenming C. Hu

Nominating and Corporate Governance Committee
Elizabeth M. Schwarting, Chair
Christopher B. Paisley
D. Jeffrey Richardson

STOCK INFORMATION

Ambarella's ordinary shares are quoted on the NASDAQ Global Select Market under "AMBA"

TRANSFER AGENT

Ambarella's transfer agent is Computershare Trust Company, N.A. Computershare can be reached by phone at (877) 373-6374 and by mail at
P.O. Box 43006, Providence, RI 02940
www.computershare.com

Registered shareholders should contact Computershare in the event of a name change or a change of address.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP, San Jose, CA

ANNUAL MEETING

The 2026 Annual Meeting of Shareholders will be held at 9:00 a.m. Pacific Time on June 26, 2026 at:
Ambarella
3001 Tasman Drive
Santa Clara, California

3001 Tasman Drive
Santa Clara, CA 95054
Tel: (408) 734-8888

www.ambarella.com