UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2026

☐ **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: 001-37824

IMPINJ, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**91-2041398** **(I.R.S. Employer Identification No.)**
400 Fairview Avenue North, Suite 1200, Seattle, Washington **(Address of principal executive offices)**	**98109** **(Zip Code)**

Registrant's telephone number, including area code: (206) 517-5300

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	PI	The Nasdaq Global Select Market

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of April 17, 2026, 30,459,185 shares of common stock were outstanding.

IMPINJ, INC.
QUARTERLY REPORT ON FORM 10-Q

Table of Contents

Table of Contents

Risk Factor Summary

Our business is subject to numerous risks and uncertainties, including those highlighted in the section of this report captioned “Risk Factors.” These risks include, but are not limited to, the following:

- we operate in a very competitive market;
- RAIN adoption is concentrated in key markets and the extent and pace of RAIN market adoption beyond those markets is uncertain;
- our ability to develop and sell enterprise solutions at scale is nascent;
- poor product quality could result in significant costs to us and impair our ability to sell our products;
- end users and partners must design our products into their products and business processes;
- an inability or limited ability of end user systems to exploit RAIN information may adversely affect the market for our products;
- alternative technologies may enable products and services that compete with ours;
- we obtain the products we sell through a limited number of third parties with whom we do not have long-term supply contracts;
- the availability of silicon wafers and other key inputs to our business can fluctuate and shortages can adversely affect our revenue and/or gross margins;
- changes in global trade policies could have a material adverse effect on us;
- we must attract and retain employees with specialized knowledge and experience to compete effectively;
- we rely on a small number of customers for a large share of our revenue;
- our ability to affect or determine end-user demand is limited in part because we sell and fulfill primarily through partners and rarely directly to end users;
- our growth strategy depends in part on the success of strategic relationships with third parties and their continued performance and alignment;
- if we are unable to protect and enforce our intellectual property, then our business could be adversely affected;
- we have been and may in the future be party to intellectual property disputes which could be time consuming and costly to prosecute, defend or settle, result in the loss of significant rights, and adversely affect RAIN adoption or adoption of our products or platform;
- we have a history of losses and have only achieved profitability periodically and we cannot be certain that we will attain or sustain profitability in the future;
- we have a history of significant fluctuations in our quarterly and annual operating results;
- geopolitical disruptions could impact our product supply, ability to sell and/or customer or market demand;
- our principal stockholders and management beneficially own a significant percentage of our stock and are able to exercise significant influence over matters subject to stockholder approval; and
- we may not have sufficient cash flow or access to cash necessary to satisfy our obligations under the $190.0 million aggregate principal amount 0% convertible senior notes due 2029, or the 2025 Notes and $57.3 million aggregate principal amount 1.125% convertible senior notes due 2027, or the 2021 Notes, and our current and future indebtedness may restrict our business.

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited).

IMPINJ, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except par value, unaudited)

	March 31, 2026	December 31, 2025
Assets:		
Current assets:		
Cash and cash equivalents	$ 32,295	$ 48,206
Short-term investments	99,544	127,130
Accounts receivable, net	72,354	70,785
Inventory	86,300	84,961
Prepaid expenses and other current assets	8,545	8,135
Total current assets	299,038	339,217
Long-term investments	103,385	103,766
Property and equipment, net	49,672	50,290
Intangible assets, net	8,815	9,501
Operating lease right-of-use assets	20,500	20,896
Other non-current assets	671	795
Goodwill	20,443	20,721
Total assets	$ 502,524	$ 545,186
Liabilities and stockholders' equity:		
Current liabilities:		
Accounts payable	$ 15,442	$ 13,614
Accrued compensation and employee related benefits	10,827	9,936
Accrued and other current liabilities	3,352	3,664
Current portion of operating lease liabilities	1,521	776
Current portion of long-term debt	—	96,745
Current portion of deferred revenue	1,358	1,791
Total current liabilities	32,500	126,526
Long-term debt	241,470	184,141
Operating lease liabilities, net of current portion	22,078	22,536
Deferred tax liabilities, net	1,929	2,062
Deferred revenue, net of current portion	641	690
Total liabilities	298,618	335,955
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock, $0.001 par value — 5,000 shares authorized, no shares issued and outstanding at March 31, 2026 and December 31, 2025	—	—
Common stock, $0.001 par value — 495,000 shares authorized, 30,459 and 30,222 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	30	30
Additional paid-in capital	627,840	606,852
Accumulated other comprehensive income	1,457	2,509
Accumulated deficit	(425,421)	(400,160)
Total stockholders' equity	203,906	209,231
Total liabilities and stockholders' equity	$ 502,524	$ 545,186

See accompanying notes to Condensed Consolidated Financial Statements.

IMPINJ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data, unaudited)

	Three Months Ended March 31,	
	2026	**2025**
Revenue	$ 74,250	$ 74,277
Cost of revenue	37,791	37,596
Gross profit	36,459	36,681
Operating expenses:		
Research and development	28,724	25,314
Sales and marketing	9,757	8,055
General and administrative	12,609	12,396
Amortization of intangibles	537	485
Total operating expenses	51,627	46,250
Loss from operations	(15,168)	(9,569)
Other income, net	2,666	2,060
Induced conversion expense	(11,938)	—
Interest expense	(773)	(1,223)
Loss before income taxes	(25,213)	(8,732)
Income tax benefit (expense)	(48)	281
Net loss	$ (25,261)	$ (8,451)
Net loss per share — basic	$ (0.83)	$ (0.30)
Net loss per share — diluted	$ (0.83)	$ (0.30)
Weighted-average shares outstanding — basic	30,292	28,639
Weighted-average shares outstanding — diluted	30,292	28,639

See accompanying notes to Condensed Consolidated Financial Statements.

IMPINJ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands, unaudited)

	Three Months Ended March 31,	
	2026	**2025**
Net loss	$ (25,261)	$ (8,451)
Other comprehensive income (loss), net of tax:		
Unrealized gain (loss) on investments	(586)	394
Foreign currency translation adjustment	(466)	1,175
Total other comprehensive income (loss)	(1,052)	1,569
Comprehensive loss	$ (26,313)	$ (6,882)

See accompanying notes to Condensed Consolidated Financial Statements.

IMPINJ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Three Months Ended March 31,	
	2026	**2025**
Operating activities:		
Net loss	$ (25,261)	$ (8,451)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,845	3,521
Stock-based compensation	14,691	12,522
Accretion of discount or amortization of premium on investments	(188)	(590)
Amortization of debt issuance costs	517	414
Induced conversion expense related to convertible notes	11,938	—
Deferred tax expense	(103)	(93)
Changes in operating assets and liabilities:		
Accounts receivable	(1,601)	(220)
Inventory	(1,355)	896
Prepaid expenses and other assets	(202)	870
Accounts payable	1,402	(6,623)
Accrued compensation and employee related benefits	913	(13,401)
Accrued and other liabilities	(832)	405
Operating lease right-of-use assets	390	653
Operating lease liabilities	292	(887)
Deferred revenue	(466)	(159)
Net cash provided by (used in) operating activities	3,980	(11,143)
Investing activities:		
Purchases of investments	(21,223)	(25,910)
Proceeds from maturities of investments	48,700	49,000
Purchases of property and equipment	(1,747)	(1,863)
Net cash provided by investing activities	25,730	21,227
Financing activities:		
Payment of 2021 Notes	(47,031)	—
Proceeds from exercise of stock options and employee stock purchase plan	3,010	5,847
Payments of taxes on restricted stock units	(1,553)	(787)
Net cash provided by (used in) financing activities	(45,574)	5,060
Effect of exchange rate changes on cash and cash equivalents	(47)	120
Net increase (decrease) in cash and cash equivalents	(15,911)	15,264
Cash and cash equivalents		
Beginning of period	48,206	46,053
End of period	$ 32,295	$ 61,317

Supplemental disclosure of cashflow information:		
Cash paid for interest	152	—
Purchases of property and equipment not yet paid	1,403	940

See accompanying notes to Condensed Consolidated Financial Statements.

Table of Contents

IMPINJ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2025	30,222	$ 30	$ 606,852	$ (400,160)	$ 2,509	$ 209,231
Issuance of common stock	237	—	3,010	—	—	3,010
Stock-based compensation	—	—	14,691	—	—	14,691
RSU tax withholding	—	—	(1,553)	—	—	(1,553)
Induced conversion on 2021 Notes (Note 7)			4,840			4,840
Net loss	—	—	—	(25,261)	—	(25,261)
Other comprehensive loss	—	—	—	—	(1,052)	(1,052)
Balance at March 31, 2026	30,459	$ 30	$ 627,840	$ (425,421)	$ 1,457	$ 203,906

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2024	28,504	$ 29	$ 541,090	$ (389,313)	$ (1,942)	$ 149,864
Issuance of common stock	423		5,847	—	—	5,847
Stock-based compensation	—	—	12,522	—	—	12,522
RSU tax withholding	—	—	(787)	—	—	(787)
Net loss	—	—	—	(8,451)	—	(8,451)
Other comprehensive income	—	—	—	—	1,569	1,569
Balance at March 31, 2025	28,927	$ 29	$ 558,672	$ (397,764)	$ (373)	$ 160,564

See accompanying notes to Condensed Consolidated Financial Statements.

IMPINJ, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Condensed Consolidated Financial Statements include Impinj, Inc. and its wholly owned subsidiaries. We have eliminated intercompany balances and transactions in consolidation. We have prepared these Condensed Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles, or GAAP, and applicable rules and regulations of the Securities and Exchange Commission, or the SEC, regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Accordingly, these interim Condensed Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2025 included in Impinj, Inc.'s Annual Report on Form 10-K, which was filed with the SEC on February 9, 2026.

The unaudited condensed consolidated interim financial statements, in the opinion of management, reflect all adjustments, comprising normal recurring adjustments, necessary to state fairly our financial position, results of operations and our cash flows for the periods presented. Interim results are not necessarily indicative of the results for a full year or for any other future period.

Use of Estimates

Preparing financial statements in conformity with GAAP requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and related disclosures as of the date of the financial statements, as well as the reported revenue and expenses during the periods presented. We evaluate our estimates on an ongoing basis, including those related to revenue recognition, sales incentives, the fair value of assets acquired, liabilities assumed, contingent consideration in business combinations, inventory excess and obsolescence and income taxes. To the extent there are material differences between our estimates, judgments or assumptions and our actual results, our financial statements will be affected.

Recently Adopted Accounting Standards

In December 2023, the FASB released Accounting Standard Update, or ASU, 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which amends income tax disclosure requirements to enhance the transparency and decision usefulness for users of the financial statements. The standard is effective for fiscal years beginning after December 31, 2024. We adopted ASU 2023-09 on January 1, 2025 using the retrospective transition method. We have adjusted the financial statements to reflect the application of the new accounting guidance for all periods presented (See Note 7 of our Notes to Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2025).

In November 2024, the FASB released ASU 2024-04, Debt - Debt with Conversion and Other Options (Subtopic 470-20), which improves the relevance and consistency in application of the induced conversion guidance in Subtopic 470-20, Debt - Debt with Conversion and Other Options. The standard is effective for fiscal years beginning after December 31, 2025, and early adoption is permitted. We early adopted ASU 2024-04 on January 1, 2025, using the prospective transition approach. As a result of our adoption, we accounted for the exchange of the 2021 Notes in September 2025 described below, as an induced conversion. See Note 7 for additional details of this exchange transaction.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB released ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which amends disclosure requirements related to the disaggregation of income statement expenses in the notes to financial statements. In January 2025, the FASB released ASU 2025-01, clarifying that the standard is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. We are currently evaluating any impact of this standard on our financial statement disclosures.

Note 2. Fair Value Measurements

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The standards also establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Assets and liabilities valued based on observable market data for similar instruments, such as quoted prices for similar assets or liabilities.
- Level 3 — Unobservable inputs that are supported by little or no market activity; instruments valued based on the best available data, some of which is internally developed, and considers risk premiums that a market participant would require.

We did not have any financial assets or liabilities in Level 3 as of March 31, 2026 or December 31, 2025.

We applied the following methods and assumptions in estimating our fair value measurements:

Cash Equivalents — Cash equivalents comprise highly liquid investments, including money market funds with original maturities of less than three months at the acquisition date. We record the fair value measurement of these assets based on quoted market prices in active markets.

Investments — Our investments comprise fixed income securities, which include U.S. government agency securities, corporate notes and bonds, commercial paper and treasury bills. The fair value measurement of these assets is based on observable market-based inputs or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Long-term Debt — See Note 7 for the carrying amount and estimated fair value of the 2021 Notes and 2025 Notes.

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis, by level within the fair value hierarchy, as of the dates presented (in thousands):

	March 31, 2026			December 31, 2025		
	Level 1	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Cash equivalents:						
Money market funds	$ 1,022	$ —	$ 1,022	$ 21,209	$ —	$ 21,209
Total cash equivalents	1,022	—	1,022	21,209	—	21,209
Short-term investments:						
U.S. Government agency securities	—	7,480	7,480	—	7,480	7,480
U.S. Treasury securities	—	15,864	15,864	—	25,390	25,390
Corporate notes and bonds	—	65,805	65,805	—	67,962	67,962
Commercial paper	—	10,395	10,395	—	26,298	26,298
Total short-term investments	—	99,544	99,544	—	127,130	127,130
Long-term investments:						
U.S. Government agency securities	—	5,850	5,850	—	6,851	6,851
Corporate notes and bonds	—	97,535	97,535	—	96,915	96,915
Total long-term investments	—	103,385	103,385	—	103,766	103,766
Total	$ 1,022	$ 202,929	$ 203,951	$ 21,209	$ 230,896	$ 252,105

We expect short-term investments to mature within 1 year and long-term investments within 1 to 3 years of the reporting date.

Table of Contents

Investments

The following tables present the cost or amortized cost, gross unrealized gains, gross unrealized losses and total estimated fair value of our financial assets as of the dates presented (in thousands):

	March 31, 2026			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Estimated Fair Value
Description:				
Money market funds	$ 1,022	$ —	$ —	$ 1,022
U.S. Government agency securities	13,344	—	(14)	13,330
U.S. Treasury securities	15,864	3	(3)	15,864
Corporate notes and bonds	163,580	124	(364)	163,340
Commercial paper	10,396	2	(3)	10,395
Total	$ 204,206	$ 129	$ (384)	$ 203,951

	December 31, 2025			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Estimated Fair Value
Description:				
Money market funds	$ 21,209	$ —	$ —	$ 21,209
U.S. Government agency securities	14,339	2	(10)	14,331
U.S. Treasury securities	25,378	17	(5)	25,390
Corporate notes and bonds	164,563	383	(69)	164,877
Commercial paper	26,285	14	(1)	26,298
Total	$ 251,774	$ 416	$ (85)	$ 252,105

Marketable securities in a continuous loss position for less than 12 months had an estimated fair value of $150.3 million and $0.4 million in unrealized losses as of March 31, 2026, and an estimated fair value of $74.9 million and $0.1 million in unrealized losses as of December 31, 2025. There were no marketable securities in a continuous loss position for greater than 12 months as of March 31, 2026. Marketable securities in a continuous loss position for greater than 12 months had an estimated fair value of $8.5 million and immaterial unrealized losses as of December 31, 2025.

Note 3. Inventory

The following table presents the detail of inventories as of the dates presented (in thousands):

	March 31, 2026	December 31, 2025
Raw materials	$ 25,303	$ 19,721
Work-in-process	26,418	24,648
Finished goods	34,579	40,592
Total inventory	$ 86,300	$ 84,961

Note 4. Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in business combinations accounted for under the purchase method of accounting. The following table presents goodwill as of March 31, 2026 (in thousands):

	Three Months Ended March 31,	
	2026	2025
Balance at beginning of period	$ 20,721	$ 18,723
Foreign currency translation adjustment	(278)	654
Total	$ 20,443	$ 19,377

As of March 31, 2026, intangible assets comprised the following (in thousands):

	Estimated Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net
Definite-lived intangible assets:				
Developed Technology	7.25	$ 13,640	$ (5,644)	$ 7,996
Patent	3	$ 250	$ (226)	24
Tradename	8	$ 1,272	$ (477)	795
Total definite-lived intangible assets (1)		$ 15,162	$ (6,347)	$ 8,815

(1) Foreign intangible asset carrying amounts are affected by foreign currency translation

We amortize identifiable intangible assets with finite lives over their useful lives on a straight-line basis. Amortization of intangible assets was $0.5 million for the three months ended March 31, 2026 and $0.5 million for the three months ended March 31, 2025.

As of March 31, 2026, the estimated intangible asset amortization expense for the next five years and thereafter is as follows:

	Estimated Amortization (in thousands)
2026	1,555
2027	2,040
2028	2,040
2029	2,040
2030	1,100
Thereafter	40
Total	$ 8,815

Note 5. Stock-Based Awards

Restricted Stock Units

We grant restricted stock units, or RSUs, with a service condition, and RSUs with market and service conditions, or MSUs.

The following table summarizes activity for RSUs and MSUs for the three months ended March 31, 2026 (in thousands):

	Number of Underlying Shares	
	RSUs	MSUs
Outstanding at December 31, 2025	771	219
Granted	414	94
Vested	(137)	(60)
Forfeited	(23)	(3)
Outstanding at March 31, 2026	1,025	250

Stock-Based Compensation Expense

The following table presents the detail of stock-based compensation expense amounts included in our Condensed Consolidated Statements of Operations for the periods presented (in thousands):

	Three Months Ended March 31,	
	2026	2025
Cost of revenue	$ 387	$ 526
Research and development expense	7,173	7,019
Sales and marketing expense	2,368	270
General and administrative expense	4,763	4,707
Total stock-based compensation expense	$ 14,691	$ 12,522

Note 6. Commitments and Contingencies

For information on our commitments and contingencies, see Note 12 of our Notes to Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to our commitments and contingencies as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, except for “Obligations with Third Parties” and “Litigation” as discussed below.

Obligations with Third Parties

We manufacture products with third-party manufacturers. We are committed to purchase $33.9 million of inventory as of March 31, 2026.

Litigation

From time to time, we are subject to various legal proceedings or claims that arise in the ordinary course of business. We accrue a liability when management believes that it is both probable that we have incurred a liability and we can reasonably estimate the amount of loss. As of March 31, 2026 and December 31, 2025, we did not have accrued contingency liabilities. The following is a description of our significant legal proceedings.

Patent Infringement Claims and Counterclaims

Impinj Patent Infringement Claims Against NXP

From 2019 to 2023, we engaged in active patent litigation against our primary endpoint IC competitor, NXP Semiconductors N.V., or NXP. During this time, we filed three patent infringement lawsuits against subsidiaries of NXP in federal courts in California and Texas, and in response NXP filed lawsuits against us in the U.S. and our subsidiary in China.

In three U.S. trials held in 2023, juries in California and Texas returned verdicts that NXP endpoint ICs infringed five of our patents that made it to trial, and juries in Washington and Texas ruled that we did not infringe any of the three patents NXP accused us in court of infringing.

On March 13, 2024, while additional trials were pending in the U.S., we and NXP entered into a settlement agreement, or the Settlement Agreement. Subject to the terms of the Settlement Agreement, we and NXP granted each other non-exclusive, worldwide patent licenses to make, have made, import, use, offer for sale and sell our respective products and services. NXP agreed to pay us a one-time amount of $45.0 million and agreed to make annual license fee payments until a specified set of Indicator Patents expire (in about 2034) or until NXP earlier terminates the agreement. NXP can terminate the license on any April 1 during the term of the agreement if by that date it has successfully designed out all valid claims of the Indicator Patents. The annual license fee is to increase by a fixed percentage each year after 2024 for the remaining term of the Settlement Agreement. We have no obligation to pay NXP under the Settlement Agreement.

We will recognize the license fee, which relates to annual usage of the license from April 1 to March 31 of each applicable year, as revenue in the second quarter of each year until the Settlement Agreement terminates.

Note 7. Long-term debt

Convertible Senior Notes

In November 2021, we issued $287.5 million aggregate principal amount of convertible promissory notes due May 15, 2027, or the 2021 Notes, and in September 2025, we issued $190.0 million aggregate principal amount of convertible promissory notes due September 15, 2029, or the 2025 Notes, and collectively, the Notes.

The following table presents the outstanding principal amount and carrying value of the Notes as of the dates indicated (in thousands):

	March 31, 2026			December 31, 2025		
	Principal Amount	**Unamortized debt issuance costs**	**Net Carrying Amount**	**Principal Amount**	**Unamortized debt issuance costs**	**Net Carrying Amount**
2021 Notes	$ 57,302	$ (363)	$ 56,939	$ 97,498	$ (753)	$ 96,745
2025 Notes	190,000	(5,469)	184,531	190,000	(5,859)	184,141
Total Debt	$ 247,302	$ (5,832)	$ 241,470	$ 287,498	$ (6,612)	$ 280,886
Short-term Debt	—	—	—	97,498	(753)	96,745
Long-term Debt	$ 247,302	$ (5,832)	$ 241,470	190,000	(5,859)	184,141

Further details of the Notes are as follows:

Issuance	Maturity Date	Interest Rate	First Interest Payment Date	Effective Interest Rate	Semi-Annual Interest Payment Dates	Initial Conversion Rate per $1,000 Principal	Initial Conversion Price	Number of Shares (in millions)
2021 Notes	May 15, 2027	1.125%	May 15, 2022	1.72%	May 15; November 15	9.0061	$ 111.04	0.5
2025 Notes	September 15, 2029	0%	N/A	0.84%	N/A	3.7398	$ 267.39	0.7

The Notes are senior unsecured obligations and do not contain any financial covenants. Each series of Notes is governed by an indenture (collectively, the "Indentures"). The 2025 Notes do not bear regular interest and the principal amount of the 2025 Notes does not accrete. The total net proceeds from the 2021 Notes and the 2025 Notes, after deducting initial debt issuance costs, fees and expenses, were $278.4 million and $183.6 million, respectively. We used approximately $183.6 million of the 2021 Notes net proceeds, excluding accrued interest, to repurchase approximately $76.4 million aggregate principal amount of convertible notes due 2026, or the 2019 Notes, through individual privately negotiated transactions concurrent with us offering the 2021 Notes. We used approximately $17.6 million, excluding accrued interest, to repurchase the remaining $9.9 million aggregate principal amount of the 2019 Notes in June 2022. We used the remainder of the net proceeds from the 2021 Notes for general corporate purposes. We used the 2025 Notes net proceeds, and cash on hand to exchange $190.0 million aggregate principal amount of the 2021 Notes for approximately $190.0 million in cash, representing the principal amount exchanged, and approximately 811,000 shares of our common stock, representing the exchange value in excess thereof, and also paid accrued and unpaid interest thereon, in privately negotiated transactions concurrently with the 2025 Notes offering.

Terms of the Notes

The holders of each series of Notes may convert their respective Notes at their option at any time prior to the close of business on the business day immediately preceding the respective conversion dates under the following circumstances:

- during any fiscal quarter (and only during such fiscal quarter), if the last reported sale price of our common stock, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period in which the trading price per $1,000 principal amount of the applicable series of Notes for each trading day was less than 98% of the product of the last reported sale price of our common stock and the conversion rate for such series of Notes on each such trading day;
- prior to the close of business on the second scheduled trading day immediately preceding the redemption date if we call the applicable series of Notes for redemption; or
- upon the occurrence of specified corporate events, as described in the Indenture governing the applicable series of Notes.

None of the circumstances in the above paragraphs were met during the three months ended March 31, 2026.

Regardless of the foregoing circumstances, holders may convert all or any portion of the 2021 Notes, in increments of $1,000 principal amount, on or after February 15, 2027, and may convert all or any portion of the 2025 Notes, in increments of $1,000 principal amount, on or after June 15, 2029, until the close of business on the second scheduled trading day immediately preceding the maturity date for the applicable series of Notes.

We may redeem all or any portion of the 2021 Notes for cash, at our option, on or after November 20, 2024, and all or any portion of the 2025 Notes for cash, at our option, on or after March 20, 2028, if the last reported sale price of our common stock has been at least 130% of the conversion price for the applicable series of Notes for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date for such Notes.

Holders who convert their Notes in connection with certain corporate events that constitute a make-whole fundamental change (as defined in the Indenture governing each series of Notes) are, under certain circumstances, entitled to an increase in the conversion rate for such Notes. Additionally in the event of a corporate event constituting a fundamental change (as defined in the Indenture governing each series of Notes), holders of the Notes may require us to repurchase all or a portion of their Notes of such series at a repurchase price equal to 100% of the principal amount of the Notes of such series being repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date.

Accounting for the Notes

We account for each series of Notes as a single liability measured at its amortized cost. We presented the unamortized issuance costs as a direct deduction from the face amount of the Notes. We amortize the issuance costs to interest expense over the respective term of each series of Notes using the effective interest rate method.

Interest expense related to the Notes was as follows (in thousands):

	Three Months Ended March 31, 2026		Three Months Ended March 31, 2025
	2025 Notes	2021 Notes	2021 Notes
Amortization of debt issuance costs	$ 389	$ 127	$ 414
Cash interest expense	—	257	809
Total interest expense	$ 389	$ 384	$ 1,223

Accrued interest related to the 2021 Notes as of March 31, 2026 and December 31, 2025 was $0.2 million and $0.1 million, respectively. There is no accrued interest for the 2025 Notes. We record accrued interest in accrued liabilities in our consolidated balance sheet.

We estimate the fair value of the 2021 Notes to be $69.4 million and $159.1 million as of March 31, 2026 and December 31, 2025, respectively, which we determined through consideration of quoted market prices. We estimate the fair value of the 2025 Notes to be $164.5 million and $195.6 million as of March 31, 2026 and December 31, 2025, respectively, which we determined through consideration of quoted market prices. The fair value for the Notes is classified as Level 2, as defined in Note 2.

Capped Call Transactions

In connection with issuing the 2019 Notes and the 2025 Notes, we entered into privately negotiated capped call transactions with certain financial counterparties. The capped call transactions are generally expected to reduce the potential dilution to our common stock upon any conversion of the 2019 Notes or the 2025 Notes, and/or offset any cash payments we would be required to make in excess of the principal amount of converted 2019 Notes or 2025 Notes, as the case may be, with such reduction and/or offset subject to a cap based on the cap price. If, however, the market price per share of our common stock exceeds the cap price of the respective capped call transactions, then our stock would experience some dilution and/or such capped call transactions would not fully offset the potential cash payments, in each case, to the extent the then-market price per share of our common stock exceeds the cap price.

The capped call transactions we entered into in connection with the 2019 Notes remain outstanding even though we have repurchased the 2019 Notes, to reduce the potential dilution of the remaining 2021 Notes. The initial cap price of these capped call transactions is $54.20 per share, subject to certain adjustments under the terms of these capped call transactions. These capped call transactions expire over 40 consecutive scheduled trading days ending on December 11, 2026.

The initial cap price of the capped call transactions, entered into in connection with the 2025 Notes, is $340.32 per share, subject to certain adjustments under the terms of these capped call transactions. These capped call transactions expire on September 15, 2029. We recorded the cost of $11.2 million incurred in connection with the 2025 capped call as a reduction to additional paid-in capital.

The capped call transactions are separate transactions, and not part of the terms of the 2019 Notes or the 2025 Notes. These transactions meet the criteria for classification in equity, are not accounted for as derivatives and are not remeasured each reporting period.

Partial Exchange of the 2021 Notes

In September 2025, we entered into privately-negotiated exchanges with certain holders of our outstanding 2021 Notes with respect to the exchange of $190.0 million principal amount of the 2021 Notes, or the 2021 Note Exchange. We accounted for the 2021 Note Exchange transaction as an induced conversion in accordance with Accounting Standards Codification 470-20, Debt with Conversion and Other Options (ASC 470-20), as amended for ASU 2024-04, or ASC 470-20, as amended, which we early adopted on January 1, 2025, using the prospective transition approach. In connection with the induced conversion, we paid approximately $190.0 million in cash, representing the principal amount exchanged, issued approximately 811,000 shares of our common stock, representing the exchange value in excess thereof, and also paid accrued and unpaid interest thereon. As a result of the induced conversion, we recorded $15.0 million in induced conversion expense, which is included in the Consolidated Statements of Operations. We did not receive any cash proceeds from issuing the shares of common stock but recognized additional paid-in-capital of $13.1 million representing the induced conversion expense, net of approximately $2.0 million of unamortized debt issuance costs related to the converted 2021 Notes.

Partial Repurchase of the 2021 Notes

In March 2026, we entered into separate, privately-negotiated repurchase agreements with certain holders of our outstanding 2021 Notes to repurchase approximately $40.2 million principal amount of the 2021 Notes, or the 2021 Note Repurchase. We accounted for the 2021 Note Repurchase as an induced conversion in accordance with ASC 470-20, as amended. In connection with the induced conversion, we paid approximately $47.2 million in cash (including accrued and unpaid interest). As a result of the induced conversion, we recorded $11.9 million in induced conversion expense, which is included in the Condensed Consolidated Statements of Operations. The induced conversion expense represents the fair value of the consideration issued upon conversion in excess of the fair value of the securities issuable under the original terms of the 2021 Notes. We accounted for the remaining cash consideration under the original terms of the 2021 Notes under the general conversion accounting guidance, where the difference between the carrying amount of the 2021 Notes retired, including unamortized debt issuance costs of $0.3 million, and the cash consideration paid, was recorded in additional paid-in capital.

Note 8. Net Loss Per Share

For the periods presented, the following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net loss per share (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2026	**2025**
Numerator:		
Net loss	$ (25,261)	$ (8,451)
Denominator:		
Weighted average common shares outstanding, basic	30,292	28,639
Dilutive effect of:		
Stock plans	—	—
Convertible notes	—	—
Weighted average common shares outstanding, diluted	30,292	28,639
Net loss per share — basic	$ (0.83)	$ (0.30)
Net loss per share — diluted	$ (0.83)	$ (0.30)

Basic net loss per share is calculated using our net loss and our weighted average outstanding common shares.

Diluted net loss per share is calculated using our net loss attributable to common stockholders with interest charges applicable to our convertible debt added back under the if converted method, if dilutive, and our weighted average outstanding common shares including the dilutive effect of stock awards and employee stock purchase plan shares as determined under the treasury stock method and of our convertible notes using the if converted method, if dilutive. In periods when we recognize a net loss, we exclude the impact of outstanding stock awards and the potential share settlement impact related to our convertible notes from the diluted loss per share calculation as their inclusion would have an antidilutive effect.

The following table presents the outstanding shares of our common stock equivalents excluded from the computation of diluted net loss per share as of the dates presented because their effect would have been antidilutive (in thousands):

	Three months ended March 31,	
	2026	**2025**
Stock options	404	632
RSUs, MSUs and PSUs	1,275	1,164
Employee stock purchase plan shares	19	18
2021 Notes	516	2,589
2025 Notes	711	—

Note 9. Segment Information

We have one reportable and operating segment: Developing and selling our RAIN products and services. We identified our operating segment based on how our chief operating decision-maker, or CODM, manages our business, makes operating decisions and evaluates our operating performance. Our chief executive officer acts as the CODM and reviews financial and operational information on an entity-wide basis. Accordingly, we have determined we have a single reportable and operating segment.

Our CODM reviews information about our revenue categories: Endpoint ICs, including licensing revenue, and systems, defined as reader ICs, readers, gateways, tag production systems and software. The following table presents our revenue categories for the indicated periods (in thousands):

	Three Months Ended March 31,	
	2026	2025
Endpoint ICs	$ 63,209	$ 61,218
Systems	11,041	13,059
Total revenue	$ 74,250	$ 74,277

Significant Segment Expenses

As our CODM manages operations on a consolidated basis, consolidated net loss as reported in our Statement of Operations is the GAAP measure that we use to make operating decisions and evaluate operating performance. The significant expense categories which we use to manage operations are those reflected in our Condensed Consolidated Statement of Operations.

Note 10. Deferred Revenue

Deferred revenue, comprising individually immaterial amounts for extended warranty, enhanced product maintenance and advance payments on nonrecurring engineering, or NRE, services contracts, represents contracted revenue that has not yet been recognized. We recognized $0.8 million of revenue related to amounts included in deferred revenue as of December 31, 2025 for the three months ended March 31, 2026. We recognized $0.6 million of revenue related to amounts included in deferred revenue as of December 31, 2024 for the three months ended March 31, 2025.

The following table presents the changes in deferred revenue for the indicated periods (in thousands):

	Three Months Ended March 31,	
	2026	2025
Balance at beginning of period	$ 2,481	$ 1,968
Deferral of revenue	304	505
Recognition of deferred revenue	(786)	(617)
Balance at end of period	$ 1,999	$ 1,856

Note 11. Related-Party Transactions

On December 22, 2025, we signed a goods and services agreement with Microchip Technology Incorporated, of which a member of our board of directors holds both an executive leadership and board of directors position. As of March 31, 2026, we have prepaid $2.0 million for goods and services related to this agreement. No amounts have been recorded in the Condensed Consolidated Statements of Operations.

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

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "projections," "business outlook," "estimate," or similar expressions constitute forward-looking statements. You should read these statements carefully because they discuss future expectations, contain projections of future results of operations or financial condition or state other "forward-looking" information. These statements relate to our future plans, objectives, expectations, intentions and financial performance and the assumptions that underlie these statements. They include, but are not limited to, statements about:

- *our market opportunity;*
- *the adoption of RAIN technology and solutions;*
- *our ability to compete effectively against competitors and competing technologies;*
- *our market share and product leadership;*
- *our business model, strategic plans and product-development plans;*
- *the impact of tariffs, trade measures, geopolitical, inflationary and other macroeconomic conditions;*
- *our future financial performance, including our average selling prices, or ASPs, gross margins and the dependency of our future financial performance on macroeconomic conditions or industry trends, including tariffs;*
- *the performance of third parties on which we rely for product development, manufacturing, assembly and testing; and our relationship with other third parties on which we rely for product distribution, sales, integration and deployment;*
- *our ability to adequately protect our intellectual property;*
- *the regulatory environment for our products and services; and*
- *our leadership in industry and standards-setting bodies.*

Our actual results may differ materially from those contained in or implied by any forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this report, including those factors discussed in Part II, Item 1A (Risk Factors).

Considering the significant uncertainties and risks inherent in these forward-looking statements, you should not regard these statements as a representation or warranty by us or anyone else that we will achieve our objectives and plans in any specified time frame, or at all, or as predictions of future events. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Our Business

Our vision is a world in which every item that enterprises manufacture, transport and sell, and that people own, use and recycle, is wirelessly and ubiquitously connected to the cloud. And a world in which the ownership, history and linked information for every one of those items is seamlessly available to enterprises and people. We call our expansive vision a Boundless Internet of Things, or IoT. We design and sell a platform that enables that wireless item-to-cloud connectivity and with which we and our partners innovate IoT solutions.

Our mission is to connect every thing. We have enabled connectivity for more than 150 billion items to date, delivering item visibility, traceability and improved operational efficiencies for retailers, supply chain and logistics, or SC&L providers, restaurants and food-service providers, airlines, automobile manufacturers, healthcare companies and many more.

We are today focused on extending item connectivity from tens of billions to trillions of items and delivering item data not just to enterprises but to people, so they too can benefit from their connected items. We believe the Boundless IoT we are enabling will, in the not-too-distant future, give people ubiquitous access to cloud-based digital twins of every item, each storing the item's history, location and linked information and helping people explore and learn about the item. We believe that that connectivity will transform the world.

We and our partner ecosystem build item-visibility solutions using products that we design and either sell or license, including silicon radios, reading systems, tag production systems and intellectual property. We also offer software and cloud services, and while nascent from a standalone revenue perspective, they enable our other product offerings and we intend to expand them as a part of our growth strategy. We sell two types of silicon radios. The first are endpoint ICs that store a serialized number to wirelessly identify an item. Our partners embed endpoint ICs into an item or its packaging. These ICs may also contain a cryptographic key to authenticate the item. The second are reader ICs that our partners use in embedded or finished readers to wirelessly discover, inventory and engage the endpoint ICs. Those readers may also protect an item or consumer, for example by authenticating the item as genuine or privatizing the item by rendering the endpoint IC unresponsive without the consumer first providing a password. Our reading systems comprise high-performance finished readers and gateways used primarily in autonomous reading solutions. Our tag production systems enable partner products and facilitate enterprise deployments. Our software and cloud service offerings focus on solutions enablement, particularly for key enterprise customers.

We sell our products, individually or as a whole platform offering, primarily with or through our partner ecosystem. That ecosystem comprises original equipment manufacturers, or OEMs, tag service bureaus, original device manufacturers, or ODMs, systems integrators, or SIs, value-added resellers, or VARs, independent software vendors, or ISVs, and other solution partners.

Our radios follow the RAIN industry's air-interface standard for their core reading functionality. We create partner and enterprise preference for our radios and solutions by adding differentiated features into them, supporting those features across our platform and licensing them where appropriate, to deliver solutions capabilities and performance that surpasses mix-and-match solutions built from competitor products. We have also introduced a set of compatible extensions to the RAIN industry's air-interface standard, which we call Gen2X, that enhance the performance and protection of our solutions. The RAIN industry, on both the reader and solutions side, has broadly embraced Gen2X.

Factors Affecting Our Performance

Macroeconomic Factors

We are subject to impacts from the evolving macroeconomic environment, including uncertainty and volatility in trade measures and tariffs, as well as military conflicts or blockades, inflation and geopolitical tensions. Because most of our revenue derives from endpoint ICs that our partners embed into or onto items, to the extent that those items are impacted, positively or negatively, by trade measures, tariffs and inflation, we are impacted as well. While the impact that recent trade measures, military conflicts or blockades, inflation and geopolitical tensions will have on our business and financial results is difficult to predict, they could negatively affect our business and financial results. We continue to monitor the broader impacts of these measures on our business, our supply chain and our results of operations. See risk factors "Changes in global trade policies could have a material adverse effect on us." and "Instability or deterioration in the political, legal, social, business or economic conditions in the U.S. or in key jurisdictions could harm our business." in Part II, Item 1A. of this report for further information.

Inventory Supply

We sell most of our products, both endpoint ICs and systems, through partners and distributors, limiting our visibility to actual enterprise demand. Although we work closely with those partners and distributors to gain as accurate a view as possible, correctly forecasting demand for our products and identifying market shifts in a timely manner remains a challenge. This challenge can be exacerbated when major end users adjust the mix of inlay providers from which they procure inlays incorporating our endpoint ICs.

We also sometimes experience inventory overages or shortages. Inventory overages can increase expenses, expose us to product obsolescence and/or increased reserves and negatively affect our business. Inventory shortages can cause long lead times, missed opportunities, market-share losses and/or damaged customer relationships, also negatively affecting our business.

In 2021 and 2022, demand for our endpoint ICs increased while worldwide wafer demand also increased, leading to wafer shortfalls for many semiconductor companies, including us. These wafer shortfalls prevented us from fully meeting customer demand and, in some cases, caused customers to cancel orders, qualify alternative suppliers or purchase from our competitors. In 2023, macroeconomic conditions led to softness in demand and inventory overages.

Product Adoption and Unit Growth Rates

Enterprises have significantly adopted RAIN in retail apparel, our largest market, and SC&L, but the rate of adoption and unit growth rates have been uneven and unpredictable. From 2010 to 2025, our overall endpoint IC sales volumes increased at a 26% compounded annual growth rate; however, we have experienced declines in endpoint IC sales volumes during various periods.

Regardless of the uneven pace of retail, SC&L and other industry adoption and growth rates, we believe the long-term trend is continued RAIN adoption and growth and we intend to continue investing in developing new products and expanding our product offerings for the foreseeable future. However, we cannot predict whether historical annual growth rates are indicative of the pace of future growth.

Our systems business, at least for readers and gateways, depends significantly on large-scale deployments at discrete end users, and deployment timing causes large yearly variability in our systems revenue. For example, we generated 14% of total 2019 revenue from a gateway deployment at a large North American SC&L provider. We did not have comparable project-based revenue in 2020. Similarly, in second-quarter 2021, we generated 13% of our revenue from a project-based gateway deployment for RAIN-based self-checkout and loss prevention at a large Europe-based global retailer. While we continue generating project-based revenue, we did not see it at a comparable percentage in 2022 to 2025, or in the first quarter of fiscal year 2026.

Seasonality and Pricing

We typically negotiate pricing with most of our endpoint IC OEMs with an effective date of the first quarter of the calendar year. In the past, this negotiation typically resulted in reduced revenue and gross margins in the first quarter compared to prior periods, which then normalized in subsequent quarters as we reduced costs and adjust product mix by migrating those OEMs and end users to newer, lower-cost products.

Endpoint IC volumes tend to be lower in the fourth quarter than in the third quarter. System sales tend to be higher in the fourth quarter and lower in the first quarter, we believe due to the availability of residual funding for capital expenditures prior to the end of many end users' fiscal years.

We saw these seasonal trends in second-half 2024 and in 2025. We expect continued quarter-to-quarter revenue and gross margin variability due to macroeconomic conditions, program-launch timing and our ability to migrate OEMs and end users to newer, lower cost products. These factors, among others, may impact seasonal trends.

Results of Operations

The following table presents our results of operations for the periods indicated:

	Three Months Ended March 31,		
(in thousands, except percentages)	**2026**	**2025**	**Change**
Revenue	$ 74,250	$ 74,277	$ (27)
Gross profit	$ 36,459	$ 36,681	$ (222)
Gross margin	*49.1%*	*49.4%*	*(0.3)%*
Loss from operations	$ (15,168)	$ (9,569)	$ (5,599)

Three months ended March 31, 2026 compared with three months ended March 31, 2025

Revenue and gross profit decreased, due primarily to decreased systems revenue partially offset by higher endpoint IC revenue. The systems revenue decrease was driven primarily by decreased shipment volumes while the endpoint IC revenue increase was driven primarily by increased shipment volumes. Gross margin decreased due to high indirect costs in the period partially offset by higher endpoint IC gross margin due to product mix. Loss from operations increased, due primarily to decreased revenue and increased operating expenses. The operating expense increase was due primarily to higher research and development and sales and marketing costs.

Revenue

	Three Months Ended March 31,		
(in thousands)	**2026**	**2025**	**Change**
Endpoint ICs	$ 63,209	$ 61,218	$ 1,991
Systems	11,041	13,059	(2,018)
Total revenue	$ 74,250	$ 74,277	$ (27)

We currently derive substantially all our revenue from sales of endpoint ICs, reader ICs, readers, gateways, tag production systems and licensing. We sell our endpoint ICs and tag production systems primarily to inlay manufacturers; our reader ICs primarily to OEMs and ODMs through distributors; and our readers and gateways to solutions providers, VARs and SIs, also primarily through distributors. We expect endpoint IC sales to represent the majority of our revenue for the foreseeable future.

Three months ended March 31, 2026 compared with three months ended March 31, 2025

Endpoint IC revenue increased $2.0 million, due to a $7.9 million increase in shipment volumes offset by a $5.9 million decrease from lower ASP due to product mix and new customer pricing that went into effect at the beginning of the year.

Systems revenue decreased $2.0 million due primarily to a decrease in shipment volumes. Reader IC revenue decreased $2.6 million and gateway revenue decreased $1.1 million. These decreases were partially offset by an increase of $0.8 million in reader revenue and $0.6 million in tag production systems revenue.

Gross Profit and Gross Margin

(in thousands, except percentages)	Three Months Ended March 31, 2026	2025	Change
Cost of revenue	$ 37,791	$ 37,596	$ 195
Gross profit	36,459	36,681	(222)
Gross margin	49.1%	49.4%	(0.3)%

Cost of revenue includes costs associated with manufacturing our endpoint ICs, reader ICs, readers, gateways and tag production systems, including direct materials and outsourced manufacturing costs as well as associated overhead costs such as logistics, quality control, planning and procurement. Cost of revenue also includes charges for excess and obsolescence and warranty costs. Our gross margin varies from period to period based on the mix of endpoint IC and systems; underlying product margins driven by changes in mix, ASPs or costs; as well as from inventory excess and obsolescence charges.

Three months ended March 31, 2026 compared with three months ended March 31, 2025

Gross profit and gross margin decreased, due primarily to higher indirect costs in the current year compared to the prior-year period and revenue mix, partially offset by higher endpoint IC gross margin due to product mix.

Operating Expenses

Research and Development

(in thousands)	Three Months Ended March 31, 2026	2025	Change
Research and development	$ 28,724	$ 25,314	$ 3,410

Research and development expense comprises primarily personnel expenses (salaries, benefits and other employee related costs) and stock-based compensation expense for our product-development personnel; product development costs which include external consulting and service costs, prototype materials and other new-product development costs; and an allocated portion of infrastructure costs which include occupancy, depreciation and software costs. We expect research and development expense to increase in absolute dollars in future periods as we continue to focus on new product development and introductions.

Three months ended March 31, 2026 compared with three months ended March 31, 2025

Research and development expense increased $3.4 million, due primarily to increases of $2.6 million in personnel expenses due to higher headcount, an increase of $0.6 million in infrastructure costs and an increase of $0.2 million in stock-based compensation expense, primarily related to increased outstanding equity grants.

Sales and Marketing

(in thousands)	Three Months Ended March 31, 2026	2025	Change
Sales and marketing	$ 9,757	$ 8,055	$ 1,702

Sales and marketing expense comprises primarily personnel expenses (salaries, incentive sales compensation, or commission, benefits and other employee-related costs) and stock-based compensation expense for our sales and marketing personnel; travel, advertising and promotional expenses; and an allocated portion of infrastructure costs which include occupancy, depreciation and software costs.

Three months ended March 31, 2026 compared with three months ended March 31, 2025

Sales and marketing expense increased $1.7 million, due primarily to an increase of $2.1 million in stock-based compensation expense related to lower expense in the prior-year period from the retirement of our Chief Revenue Officer. This increase is partially offset by a decrease of $0.4 million in personnel expenses.

General and Administrative

(in thousands)	Three Months Ended March 31, 2026	2025	Change
General and administrative	$ 12,609	$ 12,396	$ 213

General and administrative expense comprises primarily personnel expenses (salaries, benefits and other employee related costs) and stock-based compensation expense for our executive, finance, human resources and information technology personnel; legal, accounting and other professional service fees; travel and insurance expense; and an allocated portion of infrastructure costs which include occupancy, depreciation and software costs.

Three months ended March 31, 2026 compared with three months ended March 31, 2025

General and administrative expense was comparable for the periods.

Amortization of Intangibles

	Three Months Ended March 31,		
(in thousands)	**2026**	**2025**	**Change**
Amortization of intangibles	$ 537	$ 485	$ 52

Three months ended March 31, 2026 compared with three months ended March 31, 2025

Amortization of intangibles was comparable for the periods.

Other Income, Net

	Three Months Ended March 31,		
(in thousands)	**2026**	**2025**	**Change**
Other income, net	$ 2,666	$ 2,060	$ 606

Other income, net, comprises primarily interest income on our short-term investments.

Three months ended March 31, 2026 compared with three months ended March 31, 2025

Other income, net, increased $0.6 million, due to increased interest income given higher invested balances.

Induced Conversion Expense

	Three Months Ended March 31,		
(in thousands)	**2026**	**2025**	**Change**
Induced conversion expense	$ 11,938	$ —	$ 11,938

Three months ended March 31, 2026 compared with three months ended March 31, 2025

In March 2026, we completed a privately negotiated induced conversion of $40.2 million principal amount of the 2021 Notes. We accounted for the 2021 Note Repurchase as an induced conversion in accordance with Accounting Standards Codification 470-20, Debt with Conversion and Other Options (ASC 470-20) as amended for ASU 2024-04. As a result of the induced conversion, we recorded $11.9 million in induced conversion expense, which is included in the Condensed Consolidated Statements of Operations. The induced conversion expense represents the fair value of the consideration issued upon conversion in excess of the fair value of the securities issuable under the original terms of the 2021 Notes. See Note 7 to our Condensed Consolidated financial statements included elsewhere in this report for further information.

Interest Expense

	Three Months Ended March 31,		
(in thousands)	**2026**	**2025**	**Change**
Interest expense	$ 773	$ 1,223	$ (450)

Interest expense comprises primarily cash interest and amortization of debt issuance costs on our debt.

Three months ended March 31, 2026 compared with three months ended March 31, 2025

Interest expense decreased by $0.5 million, due primarily to decreased interest on our convertible debt, primarily from the 2021 Note Exchange transaction, which was completed in September 2025.

Income Tax Expense

(in thousands)	Three Months Ended March 31, 2026	2025	Change
Income tax benefit (expense)	$ (48)	$ 281	$ (329)

We are subject to federal and state income taxes in the United States and foreign jurisdictions. Income tax expense increased $0.3 million for the three months ended March 31, 2026, compared to the prior-year period, due to changes in effective tax rates for each period.

On July 4, 2025, President Trump signed Public Law No. 119-21 - An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, or "H.R.1", into law. One key provision, applicable to us, is the treatment of domestic research and experimental expenditures, which can now be capitalized or expensed. As previously required under the Tax Cuts and Jobs Act, we capitalized research and development expenditures in the years ended December 31, 2022 through December 31, 2024. With the enactment of H.R.1, we began deducting domestic Section 174 costs in 2025.

Liquidity and Capital Resources

As of March 31, 2026, we had cash, cash equivalents and short-term investments of $131.8 million, comprising cash deposits held at major financial institutions and short-term investments in a variety of securities, including U.S. government securities, treasury bills, corporate notes and bonds, commercial paper and money market funds. As of March 31, 2026, we had working capital of $266.5 million.

Historically, we have funded our operations primarily through cash generated from operations and by issuing equity securities, convertible-debt offerings and/or borrowing under our prior senior credit facility.

We believe, based on our current operating plan, that our existing cash, cash equivalents and short-term investments will be sufficient to meet our anticipated cash needs for at least the next 12 months. Over the longer term, we plan to continue investing to enhance and extend our platform. If our available funds are insufficient to fund our future activities or execute our strategy, then we may raise additional capital through equity, equity-linked or debt financing, to the extent such funding sources are available. Alternatively, we may need to reduce expenses to manage liquidity; however, any such reductions could adversely impact our business and competitive position.

Sources of Funds

From time to time, we may explore additional financing sources and ways to reduce our cost of capital, including equity, equity-linked and debt financing. In addition, in connection with any future acquisitions, we may pursue additional financing which may be debt, equity or equity-linked financing or a combination thereof. We can provide no assurance that any additional financing will be available to us on acceptable terms.

2021 Notes

In November 2021, we issued convertible notes due 2027 in an aggregate principal amount of $287.5 million, or the 2021 Notes. The 2021 Notes are our senior unsecured obligation, bearing interest at a fixed rate of 1.125% per year, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2022. The 2021 Notes are convertible into cash, shares of our common stock or a combination thereof, at our election, and will mature on May 15, 2027 unless earlier repurchased, redeemed or converted in accordance with the terms of the Indenture governing the 2021 Notes. The net proceeds from the 2021 Notes were approximately $278.4 million after initial debt issuance costs, fees and expenses.

In September 2025, we completed the 2021 Note Exchange, and in March 2026, we completed the 2021 Note Repurchase. We accounted for the 2021 Note Exchange and the 2021 Note Repurchase as induced conversions in accordance with Accounting Standards Codification 470-20, Debt with Conversion and Other Options (ASC 470-20) and in accordance with ASU 2024-04: Debt—Debt with Conversion and Other Options (Subtopic 470-20) - Induced Conversions of Convertible Debt Instruments, which we early adopted as of January 1, 2025. Refer to below discussion of 2025 Notes for further information.

For further information on the terms of this debt, please refer to Note 7 to our Condensed Consolidated Financial Statements included elsewhere in this report.

2025 Notes

In September 2025, we issued convertible notes due 2029 in an aggregate principal amount of $190.0 million, or the 2025 Notes. The 2025 Notes are our senior unsecured obligation, bearing no regular interest. The 2025 Notes are convertible into cash, shares of our common stock or a combination thereof, at our election, and will mature on September 15, 2029 unless earlier repurchased, redeemed or converted in accordance with the terms of the Indenture governing the 2025 Notes.

The net proceeds from the 2025 Notes were approximately $183.6 million after initial debt issuance costs, fees and expenses. We used the net proceeds and cash on hand to exchange $190.0 million aggregate principal amount of the 2021 Notes for approximately $190.0 million in cash, representing the principal amount exchanged, and approximately 811,000 shares of our common stock, representing the exchange value in excess thereof, and also paid accrued and unpaid interest thereon, in individual privately negotiated transactions concurrent with the 2025 Notes offering. In addition, we used approximately $11.2 million of cash on hand to pay the cost of the capped call transactions entered into in connection with the issuance of the 2025 Notes.

For further information on the terms of this debt, please refer to Note 7 to our Condensed Consolidated Financial Statements included elsewhere in this report.

Cash Flows

The following table shows a summary of our cash flows for the periods indicated:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Net cash provided by (used in) operating activities	$ 3,980	$ (11,143)
Net cash provided by investing activities	25,730	21,227
Net cash provided by (used in) financing activities	(45,574)	5,060

Operating Cash Flows

For the three months ended March 31, 2026, we generated $4.0 million of net cash proceeds from operating activities. These net cash proceeds were due primarily to $5.4 million of net income adjusted for non-cash items, partially offset by a $1.5 million decrease in working capital due primarily to higher inventory and accounts receivable, partially offset by higher accounts payable.

Investing Cash Flows

For the three months ended March 31, 2026, we generated $25.7 million of net cash proceeds from investing activities. These net cash proceeds were due to investment maturities of $48.7 million, partially offset by investment purchases of $21.2 million and equipment purchases of $1.7 million.

Financing Cash Flows

For the three months ended March 31, 2026, we used $45.6 million of net cash from financing activities to purchase a portion of our 2021 Notes for $47.0 million and pay $1.6 million in taxes to cover RSU vesting, partially offset by proceeds of $3.0 million from stock-option exercises and our employee stock purchase plan.

Cash Requirements and Contractual Obligations

Our primary cash requirements are for operating expenses and capital expenditures. Our operating expenses have generally increased as we invest in developing products and technologies that we believe have the potential to drive long-term business growth.

Convertible Notes – As of March 31, 2026, the principal balance outstanding on the 2021 Notes and 2025 Notes is $57.3 million and $190.0 million, respectively. Refer to Note 7 to our Condensed Consolidated Financial Statements included elsewhere in this report for maturity date, stated interest rate and additional information on the Notes.

Operating Lease Obligations – Our lease portfolio comprises primarily operating leases for our office space. For additional information regarding our operating leases, see Note 11 of our Notes to Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2025.

Purchase Commitments – Purchase commitments as of March 31, 2026 total $41.7 million and consist primarily of noncancelable commitments to purchase inventory.

Off-Balance-Sheet Arrangements

Since inception, we have not had any relationships with unconsolidated entities, such as entities often referred to as structured finance or special-purpose entities, or financial partnerships that would have been established for the purpose of facilitating off-balance-sheet arrangements or for another contractually narrow or limited purpose.

Critical Accounting Policies and Significant Estimates

We have prepared our Condensed Consolidated Financial Statements in accordance with GAAP. Our preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates and assumptions. For information on our critical accounting policies and estimates, see Part II, Item 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations) of our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business.

Interest Rate Risk

Under our current investment policy, we invest our excess cash in money market funds, U.S. government securities, corporate bonds and notes and commercial paper. Our current investment policy seeks first to preserve principal, second to provide liquidity for our operating and capital needs and third to maximize yield without putting our principal at risk. We do not enter into investments for trading or speculative purposes.

We had cash, cash equivalents and short-term investments of $131.8 million as of March 31, 2026. Our investments are exposed to market risk due to fluctuations in prevailing interest rates, which may reduce the yield on our investments or their fair value. Because most of our investment portfolio is short-term in nature, we do not believe an immediate 10% increase in interest rates would have a material effect on the fair market value of our portfolio, and therefore we do not expect our results of operations or cash flows to be materially affected by a sudden change in market interest rates.

Our convertible notes have fixed interest rates, thus a hypothetical 100 basis point increase in interest rates would not impact interest expense.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. To date, we have been able to substantially offset higher product costs by increasing our product selling prices. If our product costs became subject to significant future inflationary pressures, then we may not be able to fully offset these higher costs through price increases. Our inability or failure to do so could adversely affect our business, financial condition and results of operations.

Foreign Currency Exchange Risk

We are subject to risks associated with transactions that are denominated in currencies other than our functional currency and the effects of translating amounts denominated in a foreign currency to the U.S. dollar as a normal part of our reporting process. The functional currency of the majority of our foreign subsidiaries is the U.S. dollar. Accordingly, gains and losses resulting from remeasuring transactions denominated in currencies other than U.S. dollars are included in other income, net, on the Condensed Consolidated Statements of Operations. Our Voyantic subsidiary uses Euros as their functional currency, which results in a translation adjustment that we include as a component of accumulated other comprehensive income. For any of the periods presented, we did not have material impact from exposure to foreign currency fluctuation. As we grow operations, our exposure to foreign currency risk will likely become more significant.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, including our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2026. Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, 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 (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of March 31, 2026.

Changes in Internal Control over Financial Reporting

There were no changes that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the three months ended March 31, 2026.

Limitations on Controls

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving the desired control objectives. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions and cannot provide absolute assurance that its objectives will be met. Similarly, an evaluation of controls cannot provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

In the normal course of business, we may be named as a party to various legal claims, actions and complaints. We cannot predict whether any resulting liability will have a material adverse effect on our financial position, results of operations, cash flows, market position or stock price.

Item 1A. Risk Factors.

You should carefully consider the following risk factors, in addition to the other information contained in this report, including the section of this report captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes. If any of the events described in the following risk factors and the risks described elsewhere in this report occur, then our business, operating results and financial condition could be materially impacted. This report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements due to factors that are described below and elsewhere in this report.

Risks Relating to Our Platform, Products and Technologies

We operate in a very competitive market.

Our primary competitors are:

- Endpoint ICs: NXP, Kiloway, Quanray, Shanghai Fudan Microelectronics Group, Alibaba and Alien.
- Reader ICs: Phychips Inc and Shanghai Fudan Microelectronics Group.
- Readers and gateways: Most major reader and gateway suppliers leverage, or have a stated intent to leverage, our platform.
- Tag production systems: CISC.

These competitors include companies that have much greater financial, operating, research and development, marketing and other resources than us. To gain market share, they could discount their products and accept lower margins, or they could maintain margins by achieving cost savings through better, more efficient designs or production methods. They could devote more resources than we can to product development, promotion, sales and support. They could also bundle other technologies, including those we do not have in our product portfolio, with their RAIN products.

Our partners, including our OEMs, ODMs, distributors, SIs, VARs and solution partners, may compete with us rather than purchase our products, which could reduce our customer base and increase competition. Companies in adjacent markets or newly formed companies may decide to enter our market, particularly as RAIN adoption grows. Further, the Chinese government has made developing the Chinese semiconductor industry a priority, potentially increasing competition for us globally while possibly restricting our ability to participate in the Chinese market.

RAIN adoption is concentrated in key markets and the extent and pace of RAIN market adoption beyond those markets is uncertain.

Our financial performance depends on the pace of end-user RAIN adoption in key markets, such as retail apparel (our largest market), retail general merchandise, SC&L and food. Although RAIN has been adopted to some degree by end users in those markets, those end users as well as the markets themselves are subject to business cycles and macroeconomic trends. Continued RAIN adoption by those end users and in those markets may be at risk if and when negative business, geopolitical or economic conditions arise.

The RAIN opportunity is still developing. RAIN adoption, as well as adoption of our platform and products, including our Gen2X features, depends on many factors, including the extent to which end users understand and embrace the benefits that RAIN and our platforms and products offer; whether their benefits outweigh the cost and time to replace or modify end users' existing systems and processes; and whether they meet end users' current or anticipated needs.

We have, at times, anticipated and forecasted a pace of end-user adoption that exceeded the actual pace of adoption. We expect continued difficulty forecasting the pace of adoption. As a result, we may be unable to accurately forecast our future operating results including revenue, gross margins, cash flows and profitability, any or all of which could negatively impact our financial performance.

We must introduce new products, services and solutions to compete effectively.

We introduce new products and services to advance our business, satisfy increasingly demanding end-user requirements and grow RAIN market adoption. We commit significant resources developing and introducing these new products and services, and to improving the performance and reliability of, and reducing the costs of, our existing products and services. We are also increasingly focused on providing enterprise solutions to partners and end users.

Whether our new or enhanced products, services and solutions will succeed is uncertain. For example, our software and cloud services offerings have not yet grown into a material source of revenue, and whether or when our investment in these areas will be successful is uncertain. Our success developing the technologies, processes or capabilities necessary or desired for new or enhanced products, services and solutions, or licensing or otherwise acquiring them from third parties, and our ability to introduce new or enhanced products, services and solutions before our competition, depends on many factors, including:

- our ability to identify new product capabilities, services or solutions that end users will widely adopt;
- timely and efficiently completing the design process;
- timely and efficiently implementing manufacturing, assembly and testing procedures;
- attaining appropriate performance levels and certifications;
- partnering successfully with others to deliver complementary products or services;
- the quality, reliability and selling price of our products, services or solutions; and
- marketing, sales and support effectiveness.

When we introduce new products, services and solutions, our success in ramping adoption depends, in part, on us making those products, services and solutions easy for our partners and end users to deploy and use. For example, when we launched our M800-family endpoint ICs, we supported our inlay partners in producing high-performing, high-quality M800-based inlays. Without this support, M800 adoption would have been delayed and our operating results would have suffered. We cannot guarantee we will be able to provide sufficient support for future products, in which case our operating results could suffer.

Our ability to develop and sell enterprise solutions at scale is nascent.

We are still developing our ability to build and sell enterprise solutions. If we do not succeed in identifying, developing, selling, deploying and maintaining enterprise solutions with top-tier partners and key end users across various markets and use cases, then our business prospects will suffer.

We have developed, and continue developing, solutions for retail self-checkout and loss prevention and SC&L package routing that have been, or that we expect to be, deployed by industry-leading enterprise end users. We have also launched features in Gen2X that we believe will improve our ability to deliver cost-effective enterprise solutions. If we do not make our offerings repeatable across multiple enterprises and in various market segments, we may fail to capitalize on our platform's potential. We may not gain access to and address challenging new use cases, such as health and beauty, cosmetics, pharmaceuticals and food if we do not succeed in developing relationships with top-tier solution partners who know about and believe in our solutions.

We and our partners may be unable to successfully acquire customers for our enterprise solutions, or to successfully address our market opportunity. Delivering enterprise solutions requires a partner products and services network that complements our own and that together addresses enterprise needs. Convincing enterprises to partner with us to solve their business problems—including evaluation, design, deployment, operations and services, as well as integrating RAIN data into the enterprise's information systems—requires tight coordination among our and our partners' sales, marketing, operations and engineering teams. If we do not build our enterprise solutions platform and our partner network to deliver these solutions effectively, our business prospects will suffer.

We rely on endpoint IC sales to generate most of our revenue.

We derive, and expect to continue to derive for some time, most of our revenue from our endpoint ICs. If demand declines, or if we are unable to procure enough wafers to meet the demand we have, or if we are unable to raise prices to offset cost increases, then our business and operating results will suffer. In addition, the continued adoption of, and demand for, our endpoint ICs derives in part from us demonstrating their benefits using our platform. If we fail to establish those benefits then we may be unsuccessful in countering competitive endpoint IC price pressures and our business and operating results could be adversely affected.

We compete aggressively in the endpoint IC market, and we have grown our endpoint IC volumes as the market itself has grown. Whereas we believe the endpoint IC market and our opportunity will continue growing, the fact that our historically largest market segment, retail apparel, is now in mainstream adoption means significant new growth will be increasingly reliant on new market segments or product categories such as SC&L, retail general merchandise and food. Increasing our market share is also key to our endpoint IC volume growth. Our ability to consistently grow our endpoint IC volumes, particularly on a year-over-year basis, is not assured, and any failure to do so could negatively affect our financial results and stock price.

Average selling prices of our products could fluctuate substantially.

The average selling price, or ASP, of our products has historically decreased with time or to meet end-user demands, encourage adoption, address macroeconomic conditions or respond to competitive pressure. ASPs can decline quickly for a number of reasons such as demand for older products declining, competition increasing, or during times of oversupply or overcapacity.

To compete profitably, we must continually improve our technology and processes, reduce unit costs in line with lower selling prices, and introduce new, higher margin products. If we are unable to offset ASP reductions with increased sales volumes or reduced costs, or if we are unable to introduce new products that command higher prices and better margins, then our financial results could suffer.

Though less common, we have also increased prices from time to time, especially during times of increasing wafer and/or post-processing costs. For example, we raised prices in 2021, 2022 and 2023 to accommodate higher costs. We may be required to raise prices again if macroeconomic conditions, including inflation, or other causes, such as geopolitical instability, create upward pressure on our product costs. Higher prices could reduce our market share and/or dampen adoption and market growth.

Pricing commitments and other restrictive provisions in our customer agreements could adversely affect our operating results.

In the ordinary course of our business, we enter into agreements containing pricing terms that could, in some instances, adversely affect our operating results and gross margins. For example, some contracts specify future reader or gateway pricing or contain most-favored-customer pricing for certain products. Other agreements may contain exclusivity terms that prevent us from pursuing certain business with other customers during the exclusivity period. Reducing prices or offering favorable terms to one customer could adversely affect our ability to negotiate favorable terms with other customers.

Changes in our product mix could adversely affect our overall gross margin.

Our overall product gross margins are affected by product mix, which can fluctuate based on supply and demand, competitive pressures and end-user needs and demand. Endpoint IC sales comprise and likely will continue to comprise the majority of our product revenue. For the most part, our endpoint ICs have historically had lower gross margins than our systems products. A shift in sales mix away from our higher margin products to lower margin products, either within our endpoint IC product portfolio or between our systems business and our endpoint ICs, or a change in product costs, could negatively affect our overall gross margins.

Poor product quality could result in significant costs to us and impair our ability to sell our products.

Our products must meet increasingly demanding specifications for quality, reliability and performance. Our products are both highly technical and deployed in large, complex systems in which errors, defects or incompatibilities can be problematic for our partners and end users.

If we are unable to identify or correct errors, defects, incompatibilities or other problems in our products, we could experience a number of negative consequences, including lost or delayed sales or market acceptance (either of our products and solutions or RAIN generally), loss of market share and damage to our brand and reputation, increased service, warranty and replacement costs and legal actions by our partners or end users.

Moreover, if we encounter product quality issues, then we may be required to incur significant time and costs to diagnose, test and fix the issues. There can be no assurance that such remediation efforts would be successful. Even if successful, these efforts could further constrain our ability to supply our partners and end users with new products until we have resolved the issues.

End users and partners must design our products into their products and business processes.

Persuading end users or partners to design our products into their business processes or products requires educating them about RAIN's and our products' value. They may use other technologies or products and may not be receptive to introducing RAIN into their business processes or products. Even when convinced, they often undertake long pilot programs and qualifications prior to placing orders. These pilot programs and qualifications can be time-consuming and expensive, and there is no assurance they will result in an order for our products. If we fail to develop new products that adequately or competitively address end users' or our partners' needs, then we may not receive product orders, which could adversely affect our business, prospects and operating results.

Our visibility into the length of the sales and deployment cycles for our products is limited.

We have limited visibility into end-user sales and deployment cycles, and these cycles are often longer than we anticipate. Many factors contribute to our limited visibility, including the time our partners and end users spend evaluating our products, the time educating them on RAIN's benefits and the time integrating our products with end users' systems. The length and uncertain timing of the sales and deployment cycles can lead to delayed product orders. In anticipation of those orders, we may incur substantial costs before the sales cycle is complete and before we receive any customer orders or payments, if we receive them at all.

An inability or limited ability of end user systems to exploit RAIN information may adversely affect the market for our products.

A successful end-user deployment requires not only tags, readers or gateways and operating software, but RAIN integration with information systems and applications that create business value from the RAIN data. Unless end users have access to effective analytical tools that extract business value, and enable their information systems to use these tools, RAIN deployments could stall. Our efforts to foster development and deployment of these tools could fail. In addition, our guidance to business-analytics providers for integrating our products with their tools could prove ineffective.

Solution providers and SIs are essential to the RAIN market. They provide deployment know-how to enable end users to successfully deploy RAIN solutions. Integrating our products with end-user information systems could prove more difficult or time-consuming than we or they anticipate, which could delay deployments.

Alternative technologies may enable products and services that compete with ours.

Technology developments may affect our business negatively. Breakthroughs in legacy RFID or markets, including those using low- or high-frequency RFID, or in other radio technologies such as Bluetooth, UWB, LoRa or others, could adversely affect RAIN market growth and demand for our products. Likewise, new technologies may enable lower-cost ICs than our products. If we are unable to innovate using new or enhanced technologies or are slow to react to changes in existing technologies or in the market, or if we have difficulty competing with advances in new or legacy technologies, then our development of new or enhanced products could be impacted and result in product obsolescence, decreased revenue and reduced market share.

Significant changes in RAIN standards bodies, standards or qualification processes, or their failure to meet or to keep up with RAIN market needs, could impede our ability to sell our products and services.

We have historically taken a leadership position in developing RAIN industry standards, including with GS1 and ISO, and have designed our products to comply with those standards. We could lose that leadership position or our influence in standards development, or we could choose not to participate in certain standards activities.

If industry standards were to diverge from, or fail to meet or keep up with, our or the RAIN market's needs, then our products and services could fail in the market. End users could delay their deployments and slow sales of our existing products or services, or limit our ability to implement new features. The lost opportunities as well as time and expense to develop new products or change our existing products could be substantial, and we may not ultimately succeed.

Certain organizations develop requirements for RAIN tags and test tags against those requirements. For example, the ARC Program at Auburn University develops tag performance and quality requirements for end users that engage them. Some participants in the RAIN market are ARC sponsors, but we are not among them. If ARC or a similar organization fails to certify or delays certifying tags incorporating our endpoint ICs, adoption and sales could suffer.

Changes in government spectrum regulations or in their enforcement could adversely affect our ability to sell our products.

Our readers and gateways are collectively certified for use in more than 40 countries worldwide, including the United States, Canada, Mexico, China, Japan, South Korea and every country in the European Union, or the EU.

Our products operate in spectrum bands where they are certified to transmit. If the spectrum regulations were to change, or if our products were found to be noncompliant despite being certified to operate, then we would need to redesign our products, potentially resulting in significant costs, including costs associated with obsolete inventory. Regulatory changes may also cause us to forego opportunities, adversely affecting our business.

In April 2024, NextNav, Inc. asked the Federal Communications Commission, or FCC, to initiate a proceeding to reconfigure the 902–928 MHz ISM band, or Lower 900 MHz Band, in which we and other unlicensed services operate, to create a terrestrial backup to the U.S. Global Positioning System to provide positing, navigation and timing, or PNT, data. To pay for their proposed system, NextNav also asked to be able to license certain spectral bands, including parts of the Lower 900 MHz Band, to others to deliver 5G broadband services.

We and other RAIN providers and end users, as well as other Lower 900 MHz Band users, registered opposition to NextNav's petition and asked the FCC to reject it. In early 2025, the FCC launched a Notice of Inquiry to explore ways in which the FCC could support alternative PNT technologies and solutions. Comments and reply comments were due in April and May 2025, respectively.

The FCC has not yet acted on NextNav's petition or on the PNT Notice of Inquiry and the fate of NextNav's petition is uncertain. If NextNav's petition is approved as proposed, the consequent ISM band reconfiguration could negatively impact us and our industry. If the FCC were to take material steps toward considering, or ultimately adopting, NextNav's proposal, our business could be negatively affected.

Some of our partners offer competitive products or services.

Some of our partners promote certain of our products and services while competing with our other products and services. For example, some of our OEM partners use our reader ICs to build and sell readers and gateways that compete with our readers and gateways. Similarly, some of our partners use our readers to build and sell gateways that compete with our gateways. If we fail to manage such conflicts successfully, then our business and operating results could be negatively affected.

Our licensing program is nascent and limited.

While we believe we have valuable RAIN intellectual property and aspire to monetize that intellectual property by licensing it to third parties, including third parties who compete with us to some extent, our experience in doing so is nascent, and our ability to grow licensing revenue remains subject to numerous risks and uncertainties. These risks and uncertainties include our ability to maintain and grow our intellectual property portfolio and to research and develop RAIN innovations that will generate and maintain demand for licenses to our technology and features, and our ability to monitor infringement of our intellectual property rights by others and possibly seek enforcement action against those who attempt to infringe our intellectual property rights.

Our licensing program is also not singly focused on generating licensing revenue. Our desire to maintain close, strategic relationships with important partners or end users and to encourage them to use innovations such as Gen2X may cause us to license our intellectual property for reasons that go beyond simply deriving licensing revenue.

We currently derive a substantial share of our licensing revenue from NXP, our primary endpoint IC competitor, based on our Settlement Agreement with them. For more information regarding the terms of our Settlement Agreement with NXP, please refer to Note 6 of our Condensed Consolidated Financial Statements included elsewhere in this report. If NXP were to breach its license payment obligations, or if NXP were to design around our intellectual property rights and exercise its right to terminate our license before the end of the agreement's 10-year term, our licensing revenue would decline and our overall results of operations and cash flows would suffer.

Risks Relating to Our Personnel and Business Operations

We obtain the products we sell through a limited number of third parties with whom we do not have long-term supply contracts.

Our ability to secure cost-effective, quality products in a timely manner could be adversely affected by many factors, including:

- third-party supply or manufacturing-capacity constraints or availability, particularly for our foundry partners from whom we procure silicon wafers;
- not successfully diversifying our supplier base;
- inaccurately forecasting customer demand; and
- demand distortions caused by partners or end users canceling orders, qualifying alternative suppliers or purchasing from our competitors.

If our suppliers fail to manufacture our products at a reasonable cost and within our quality specifications, then our ability to bring those products to market and our reputation could suffer. Capacity could be diminished for any number of reasons including equipment failures, closures, bankruptcy, capacity allocation, geopolitical disruption, in response to macroeconomic conditions or public health events, catastrophic loss of facilities or otherwise. Transitioning our product manufacturing to new providers would take many months and, in the case of ICs, could take years. Any transition would require a requalification by our customers or end users.

The semiconductor and semiconductor-products industry is experiencing significant product-supply shortfalls and cost increases from AI demand. Prices for semiconductor memory, processors, components and peripherals as well as for related technologies are rising and lead times are lengthening. AI demand could also affect our wafer pricing or availability. Any or all of these shortfalls or price increases could reduce our product availability, sales, revenue or gross margins, adversely affecting our business.

The availability of silicon wafers and other key inputs to our business can fluctuate and shortages can adversely affect our revenue and/or gross margins.

Wafer availability is cyclical and shortfalls can limit sales and cause market-share losses. Our wafer supply is not guaranteed, and we may not receive adequate supply from our foundry partners when industry demand for wafers is high, as it frequently is in the process nodes we use. Our IC supply can also be limited by post-processing constraints, such as in testing, thinning, bumping, dicing and packaging. We may also experience shortfalls and price increases for components we use in our readers and gateways.

Wafer shortfalls can also artificially increase bookings as customers over-order our products and then cause sales declines as those customers consume their accumulated inventory. Additionally, if our suppliers charge us more but we are unable to raise our prices to cover those higher costs, our gross margins and other financial results could suffer. Any product shortfalls or cost increases will negatively impact our product availability and our financial results will suffer.

We bear inventory risks because our products have relatively long lead times, demand for them is hard to accurately forecast, and we rely on partners to sell and distribute them.

We maintain inventory to meet customer demand forecasts, to guard against product shortages, and to allow for production and delivery risks given the relatively long lead times for many of our products. When we introduce new products, we may initially carry higher inventory or allow for slower inventory turns.

We typically order products from our suppliers based on sales forecasts before we receive purchase orders. Many of our partners have difficulty accurately forecasting the amount and timing of their sales, and sometimes cancel orders or reschedule product shipments with little or no advance notice to us. Partners will also sometimes give us soft commitments for large orders that do not materialize. Competition and unanticipated external events, such as macroeconomic or regulatory changes, can also adversely affect demand and consequently our inventory levels, sales and operating results.

High inventory levels can increase expenses and expose us to a higher risk of product obsolescence especially when we introduce new products and technologies. If we are unable to sell our inventory as and when we expect to, we may have to discount or expense the excess inventory and our business and financial results will be negatively impacted as a result.

We must attract and retain employees with specialized knowledge and experience to compete effectively.

Hiring and retaining employees with RAIN technical and business knowledge and experience are critical to our success. We have been fortunate to have hired and retained many such employees in our history, but as employees depart or retire we must recruit and train their successors to remain competitive. We must also adapt to changes in our executive team from time to time. Our business could be significantly harmed if we were not able to attract and retain key talent, or if we were not able to effectively manage transitions in personnel and leadership as they arise.

Acquisitions could result in operating difficulties, dilution and other harmful consequences.

We regularly evaluate potential strategic transactions, and we may pursue them if complementary to our business. For example, in April 2023 we acquired Voyantic Oy, a global provider of RFID (primarily RAIN and NFC) inlay and label design, manufacturing and test systems. Strategic transactions could be material to our financial condition and operating results. We have limited experience executing acquisitions. Integrating an acquired company, business or technology may create unforeseen operating difficulties and expenditures. Acquisition-related risks include:

- difficulties integrating acquired products or lines of business into our strategy and product plans;
- customers switching from us to new suppliers because of the acquisition;
- inability to retain employees from the business we acquire;
- challenges associated with integrating employees from the acquired company into our organization;
- difficulties integrating accounting, management information, human resource, legal and other administrative systems to permit effective management of the business we acquire;
- potential requirements for remediating controls, procedures and policies appropriate for a public company in the acquired business that, prior to the acquisition, lacked these controls, procedures and policies;
- potential liability for past or present environmental, hazardous substance or contamination concerns associated with the acquired business or its predecessors;
- possible write-offs or impairment charges resulting from the acquisition; and
- unanticipated or unknown liabilities relating to the acquired business.

Foreign acquisitions involve additional risks beyond those above, including those related to integrating operations across different cultures and languages, currency risks and the economic, political and regulatory risks associated with other countries. Also, the anticipated benefit of any acquisition, domestic or foreign, may not materialize. Future acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, debt incurrence, contingent liabilities or amortization expenses or goodwill write-offs, any of which could harm our financial condition. Future acquisitions may require us to obtain additional equity or debt financing, which may not be available on favorable terms or at all.

Changes in global trade policies could have a material adverse effect on us.

The state of tariffs and other trade measures worldwide remains very uncertain. Trade is a focus of the current U.S. administration, and the administration has been very active in this area. A full understanding of the amount, scope, and nature of any tariffs and other trade restrictions that the U.S. may implement as well as how other countries may respond is unclear.

In February 2026, the U.S. Supreme Court invalidated the use of the International Emergency Economic Powers Act to impose significant tariffs the administration announced and implemented beginning in 2025. Following that decision, the administration replaced those tariffs with a 10% import surcharge on nearly all U.S. imports under a different legal authority, which is set to expire in July 2026 unless Congress extends it. Under separate authority, the U.S. also imposed tariffs on imports of steel, aluminum and copper; on certain semiconductor products including still-higher tariffs on Chinese-origin semiconductors; and on certain additional items. Based on trade actions undertaken and/or threatened by the U.S. since 2025, significant trade partners such as Mexico, Canada, China and the European Union have at times imposed, or announced plans to impose, retaliatory tariffs.

Given this dynamic environment, it is not possible to know with any degree of certainty what the negative direct and indirect consequences of tariffs and other trade restrictions could be on our business and financial results. We believe the direct impact of U.S. tariffs on our endpoint IC business is likely to be manageable because we import only a small portion of our wafers into the United States. However, the indirect effects of U.S. tariffs on products containing our endpoint ICs could be significant. China remains a key producer of the goods our endpoint ICs connect, and a key producer of readers using our reader ICs, so the imposition of high U.S. tariffs on imports from China could significantly and negatively affect our business and financial results.

We are subject to risks inherent in operating abroad and may not be able to successfully maintain or expand our international operations.

In 2025, we derived 79% of our total revenue from sales outside the United States. We anticipate growing our business, in part, by growing our international operations, which presents a variety of risks, including:

- changes, some unexpected or unanticipated, in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions;
- lack of established, clear or fairly implemented standards or regulations with which our products must comply;
- greater difficulty in enforcing contracts, judgments and arbitration awards in international courts, and in collecting accounts receivable as well as longer payment and collection periods;
- limited or unfavorable intellectual property protection;
- misappropriation of our intellectual property;
- inflation and fluctuations in foreign currency exchange and interest rates;
- restrictions, or changes thereof, on foreign trade or investment, including trade wars and currency-exchange controls, including as a result of sanctions against Russia;
- changes in a country’s or region’s political, regulatory, legal or economic conditions, including, for example, global and regional economic disruptions caused by any future public health outbreaks or pandemics;
- political, social and economic instability abroad; wars and other armed conflicts, such as those in Ukraine and Iran; geopolitical tensions, such as those between the United States, China and Taiwan; and terrorist attacks and security concerns in general;
- differing regulations with regard to maintaining operations, products and public information;
- inequities or difficulties obtaining or maintaining export and import licenses;
- differing labor regulations, including where labor laws may be more advantageous to employees outside the United States;
- restrictions on earnings repatriation;
- corrupt or unethical practices in foreign jurisdictions that may subject us to exposure under applicable anti-corruption and anti-bribery laws such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the United Kingdom Bribery Act of 2010; and
- regulations, and changes thereof, relating to data privacy, cybersecurity and the unauthorized use of, or access to, commercial and personal information, particularly in Europe.

We are subject to governmental export and import controls, and trade and economic sanctions that could impair our ability to compete in international markets and subject us to liability if we fail to comply.

We must export and import our products and conduct our business activities in compliance with U.S. export controls and trade and economic sanctions, including the Commerce Department's Export Administration Regulations and economic and trade sanctions established by the Treasury Department's Office of Foreign Assets Controls, as well as similar controls established in the countries in which we do business. For example, the U.S. government has continued to expand controls restricting the ability to send certain products and technology related to semiconductors and semiconductor manufacturing to and within China and additional destinations. These expanded controls include imposing additional licensing requirements on exports, re-exports and transfers of certain ICs and products containing those ICs to and within China and additional destinations. In addition, the United States and other countries continue to expand the economic sanctions and export control restrictions imposed against Russia and Belarus and certain Russian nationals and entities after Russia invaded Ukraine. We must undertake additional diligence efforts to comply with these and other rules, which may be time-consuming and result in delayed or lost opportunities. We may not always be successful in obtaining necessary export or import licenses, and our failure to obtain required export or import approval for our products or limitations on our ability to export or sell our products may harm our domestic and international sales and negatively affect our revenue.

Tariffs could also have a material impact on our product costs and decrease our ability to sell our products to existing or potential customers as well as harm our ability to compete internationally. For more information, see "Changes in global trade policies could have a material adverse effect on us." Any changes in our product or in export or import regulations or legislation; shifts or changes in enforcement; or changes in the countries, persons or technologies targeted by these regulations could delay us introducing new products in international markets, decrease use of our products by, or decrease our ability to export or sell our products to, existing or potential customers with international operations, adversely affecting our business and results of operations.

Geopolitical disruptions could impact our product supply, ability to sell and/or customer or market demand.

Political, legal, social, business or economic instability in the United States could negatively affect our business. For example, more restrictive immigration laws or more restrictive enforcement of existing laws in the United States where we are headquartered could negatively affect our ability to hire and retain qualified personnel in vital roles.

Deterioration in the political, social, business or economic conditions in any jurisdictions in which we have significant suppliers, distributors or end users—including as a result of natural disasters, labor strikes, public health crises, geopolitical events, military conflicts, blockades or other developments—could slow or halt product shipments or disrupt our ability to procure, manufacture or post-process our products, as well as our ability to effectively and timely execute on end-user deployments. Consequent shortages of energy, jet fuel, purified water, raw materials as diverse as polymers or helium and other items that underpin the global economy can likewise disrupt our ability to procure, manufacture or post-process, and ship our products.

We outsource our manufacturing and production to suppliers in a small number of Asian jurisdictions including Thailand, Malaysia, Taiwan and China. These jurisdictions have experienced significant changes in political, social, business or economic conditions in the past and may experience them in the future. Disruptions could force us to transfer our manufacturing, testing and post-processing activities to more stable, and potentially more costly, regions or find alternative suppliers.

We source a significant portion of our wafers from suppliers in Taiwan, and our supply of wafers and other critical components may be materially and adversely affected by diplomatic, geopolitical and other developments between China and Taiwan. Notably, China has refused to renounce the use of military force against Taiwan, and there can be no assurance that relations between China and Taiwan will not deteriorate further, particularly in light of ongoing tensions between the United States and China. Any such developments could materially and adversely affect our business, financial condition and results of operations.

Our business operations could be adversely affected by natural disasters or public health outbreaks and pandemics.

Natural disasters, whether natural or manmade, could decrease demand for our products, disable our facilities, disrupt operations or cause catastrophic losses. We have facilities in areas with known seismic activity, such as our headquarters in Seattle, Washington. We have a wafer post-processing subcontractor in Thailand, a region with a known, and recent, history of flooding. A loss at any of these or other of our or our suppliers' facilities could disrupt operations, delay production and shipments, reduce revenue and engender potentially large expenses.

Further, the COVID-19 global health emergency, which officially ended in 2023, highlights the significant negative impacts a public health outbreak or pandemic could impose on future market demand and our business results. We do not carry insurance covering potential losses caused by pandemics, earthquakes, floods or other disasters.

Using emerging technologies such as artificial intelligence, or AI, and machine learning, or ML, could expose us to business, financial, legal or reputational risks.

Rapid advancements in AI and ML offer great potential for improving our solutions performance, operating efficiency and engineering development, but employing them can also increase our business, financial, legal and other risks. As we introduce more AI and ML tools into our products and operations, we must guard against risks in using them. These risks include improper product operation, potential security breaches or incidents, inadvertently disclosing confidential or sensitive data, inaccuracies or improper bias in our operations or in data derived from using our products or services, legal claims, noncompliance with industry standards, complications establishing or asserting intellectual property ownership and reputational harm. In addition, increased adoption of AI by us and third-party partners may also increase the risks of cybersecurity incidents.

Risks Relating to Our Relationships with Partners and End Users

We rely on a small number of customers for a large share of our revenue.

We sell our endpoint ICs directly to inlay and tag OEMs and ODMs. We sell our reader ICs to OEMs and ODMs and our readers and gateways to solution providers, VARs and SIs, all primarily through distribution. If we fail to retain our endpoint IC, reader IC, reader or gateway partners or distributors or fail to establish relationships with new partners, then our business, financial condition or operating results could be harmed.

In 2025, sales to three major customers accounted for 61% of our total revenue. Sales concentration to a small number of OEMs decreases our bargaining power and increases the risk that our pricing or sales could decline based on actions taken by our competitors or our own failure to compete effectively.

Our competitors' relationships with, or acquisitions of, these partners or distributors could interfere with our relationships with them. Any such interference could impair or delay our product sales or increase our cost of sales.

We engage directly with some end users. Their projects, often involving large purchases of our readers and gateways and use of our software and cloud services, may be discrete deployments that result in significant sales for periods of time, increasing the volatility of our revenue and operating results. If we are unable to replace project-based revenue with new revenue streams, or if end users with large projects change or delay those projects without providing us with adequate notice, then our sales could decline from period to period and negatively affect our stock price.

Our ability to affect or determine end-user demand is limited in part because we sell and fulfill primarily through partners and rarely directly to end users.

End users drive demand for our products but because we sell our products primarily through partners, we are one step removed from those end users and are often unable to directly assess and affect their demand. Our partners may choose to prioritize selling our competitors' products over ours, or they may offer products that compete with our products or limit sales of our products. If our partners do not sell enough of our products or if they choose to decrease their inventories of our products, then our sales to those partners and our revenue will decline.

Our partners may not properly forecast end users' demand for our products.

Our reserve estimates for products stocked by our distributors are based primarily on reports provided to us by those distributors, typically monthly. If the inventory and resale information our partners and distributors provide is inaccurate, or if we do not receive it in a timely manner, then we may not have a reliable view of products we expect to be sold to end users which could ultimately have a negative impact on our operating results. If our partners overestimate demand, they may overinvest in production capacity, which could reduce market prices and negatively affect our selling prices. In the short term, our partners might purchase more of our products than they need, increasing their inventory and reducing our future sales to them, and distributors may, subject to time and quality limitations, seek to return products in exchange for other products. If our partners underestimate demand, we may not be able to satisfy their needs and that of their customers, and adoption might suffer. In either case, our business and operating results could be negatively affected.

Our growth strategy depends in part on the success of strategic relationships with third parties and their continued performance and alignment.

We invest in relationships with solution providers, SIs, VARs and software providers whose product and/or solution offerings complement ours and through which we often fulfill our product sales. Our business will be harmed if we fail to develop and grow these partner relationships. For example, our operating results may suffer if our efforts developing partner relationships increase our costs but do not increase revenue. Partner relationships may also include exclusivity provisions, multiple levels of distribution, discounted pricing or investments in other companies. The cost of developing and maintaining these partner relationships may go unrecovered and our efforts may not generate a corresponding revenue increase.

Occasionally we also engage directly with end users, often at their request, to help them develop solutions for challenging use cases. Such direct engagements could cause, or could be perceived to cause, conflicts with partners that could harm our partner relationships and our business, results of operations or financial condition.

If we fail to maintain or enhance our brand recognition or reputation on which our business depends, then our business could be harmed.

We believe that building our brand and reputation is key to our relationships with partners and end users and our ability to attract new partners and end users. We also believe that our brand and reputation will be increasingly important as market competition increases. Our success depends on a range of factors, including:

- continuing to deliver high-quality, innovative and defect-free products;
- maintaining high partner and end-user satisfaction;
- successfully differentiating our products from those of our competitors; and
- managing both positive and negative publicity.

From time to time, product supply shortages have challenged our ability to meet market needs and we have increased prices in response to our suppliers increasing their prices to us. Our inability to supply partners and end users with products they need, and/or our need to increase our prices could result in long-lasting, negative consequences to our relationships with those partners and end users, to RAIN adoption and to our business overall.

Increasing attention to environmental, social and governance and regulatory matters may cause us to incur additional costs or expose us to additional risks.

Investors, governmental and nongovernmental organizations, partners and end users monitor our environmental, social and governance, or ESG, practices. Our failure, or perceived failure, to adequately respond to concerns raised about our ESG practices could harm our business and reputation, and increased costs related to our ongoing or enhanced ESG practices and to reporting and disclosure requirements could negatively affect our operating results and stock price. We are also subject to disclosure and reporting requirements for companies that use “conflict” minerals mined from the Democratic Republic of Congo and adjoining countries in their products even if these products are manufactured by third parties. These requirements could affect the sourcing and availability of minerals used in manufacturing our products, and we could face reputational challenges if we are unable to sufficiently verify the origins of all minerals we use in our products. We may also face challenges with government regulators and our customers and suppliers if we are unable to sufficiently verify that the metals used in our products are conflict free.

Risks Relating to Our Intellectual Property

If we are unable to protect and enforce our intellectual property, then our business could be adversely affected.

Our success depends in part upon our ability to obtain, maintain and enforce our patents, copyrights, trade secrets, trademarks and other intellectual property rights and prevent third parties from infringing, misappropriating or circumventing those rights. We have historically focused on filing U.S. patent applications, for many reasons, including the fact that a significant portion of RAIN products are sold for use in the United States. We have only a small number of foreign patents and applications. We also only have registered trademarks and domain names in select countries where we believe filing for such protection is appropriate. By focusing our intellectual property protection on the United States and a small number of foreign countries, we have a limited ability to assert intellectual property rights outside the United States, including in some significant foreign markets such as China or Europe. Moreover, the global manufacturing and distribution systems for tags or labels incorporating our endpoint IC products could complicate our efforts to enforce our U.S. patents.

As we increasingly work with third parties, possibly including parties that compete with us to an extent, to advance our technical innovations and features, we cannot guarantee that our efforts to protect our intellectual property will be completely effective.

We cannot guarantee that:

- any of the patents, trademarks, copyrights, trade secrets or other intellectual property rights we presently employ in our business will not lapse or be invalidated, circumvented, challenged or abandoned;
- our intellectual property rights will provide competitive advantages to us;
- our ability to assert our intellectual property rights against potential competitors or to settle current or future disputes successfully;
- any of our pending or future patent applications will issue or have the coverage we originally sought;

- our intellectual property rights can or will be enforced, particularly in jurisdictions where competition may be intense or where legal protections may be weak;
- we will not lose the ability to assert our intellectual property rights against, or to license our technology to, others and collect royalties or other payments; or
- we will retain the right to ask for a royalty-bearing license to an industry standard if we fail to file an intellectual property declaration pursuant to the standards process.

Monitoring and addressing unauthorized use of our intellectual property is difficult and costly, and litigation to enforce our intellectual property rights is time consuming, distracting, expensive and uncertain. Our failure to identify unauthorized use of, or otherwise adequately protect, our intellectual property could adversely affect our business.

We have been and may in the future be party to intellectual property disputes which could be time consuming and costly to prosecute, defend or settle, result in the loss of significant rights, and adversely affect RAIN adoption or adoption of our products or platform.

Patent litigation is complex and uncertain. We may or may not prevail in patent-related proceedings and such proceedings may result in increased legal expenses, additional demands on our management's time and attention, and negative effects on our relationships with partners or end users. If any pending or future proceedings result in an adverse outcome, our intellectual property rights could be weakened and we could be required to:

- cease manufacturing, using or selling the infringing products, processes or technology;
- pay substantial damages for infringement;
- expend significant resources to develop noninfringing products, processes or technology;
- license technology from the party claiming infringement, which license may not be available on commercially reasonable terms or at all;
- cross-license our technology to a competitor to resolve an infringement claim, which could weaken our ability to compete with that competitor; or
- pay substantial damages to our partners or end users for them to discontinue using, or replace, infringing products with noninfringing products.

Even if we do prevail in patent-related proceedings, verdicts and judgments can be modified or even reversed by trial or appellate courts. License agreements entered in settlement of patent litigation, particularly any entered into with our competition, may not be as effective over the long term in providing us with all the benefits we bargained for when we entered into them.

Many companies in our industry, as well as nonpracticing entities, hold patents and other intellectual property rights and may pursue, protect and enforce those intellectual property rights. We receive invitations to license patent and other intellectual property rights to technologies that could be important to our business. We also receive assertions against us, our partners and end users claiming we or they infringe patent or other intellectual property rights. If we decline to accept an invitation to license or if we refute an asserted claim, then the offering or claiming party may pursue litigation against us.

Intellectual property disputes have adversely affected RAIN adoption in the past and could disrupt growth prospects in the future. In 2011, Round Rock Research filed lawsuits against 11 end users, including Walmart and Macy's, for RAIN-related patent infringement. Despite the subsequent availability of an industry-wide license, we believe those lawsuits adversely affected demand for our products from 2011 to 2019. Subsequent litigation, including our patent litigation against NXP between 2019 and early 2024, may not have had as pronounced effects on demand as the Round Rock litigation, but could have dampened RAIN growth particularly in categories beyond those where RAIN use is already established. We, our partners, suppliers or end users could continue to be involved in intellectual property disputes in the future which could adversely affect our operating results and growth prospects.

Many of our agreements require us to indemnify and defend partners and end users from third-party infringement claims and pay damages in the case of adverse rulings. These damages could be sizable and disproportionate to the business we derive from those partners or end users. Moreover, we may not know whether we are infringing a third party's intellectual property rights due to the large number of RAIN-related patents or to other systemic factors. For example, patent applications in the United States are maintained in confidence for up to 18 months after filing or, in some instances, for the entire time prior to patent issuance. Consequently, we may not be able to account for such rights until after a patent issues.

Intellectual property policies of industry standards organizations in whose working groups we participate could require us to provide royalty-free licenses of some to our intellectual property.

When participating in GS1, ISO, RAIN and other industry-standards organizations, it has been a general policy that those who participate in developing a protocol or standard must license, either royalty-free or under reasonable and nondiscriminatory, or RAND, terms, intellectual property that is necessary to implement all or part of the protocol or standard. The standards body could require that the license be granted to members, as in the case of GS1, or to all parties, as in the case of ISO, that implement the protocol or standard.

As a participant in developing GS1 EPCglobal UHF Gen2, UHF Gen2 V2, UHF Gen2 V3, tag data standards, low-level reader protocol and other GS1 EPCglobal protocols, we agreed to license to other GS1 EPCglobal members, on a royalty-free basis, those of our patents necessary to practice those protocols, subject to us receiving reciprocal royalty-free rights from the other GS1 EPCglobal member practicing the protocol. As a participant in developing ISO standards, we agreed to license on a RAND basis those of our patents necessary to practice those standards, subject to us receiving a reciprocal RAND license from the other entity practicing the standard.

Although the policies themselves seek to advance protocol or standards development, disputes can arise because it may not be clear whether certain intellectual property is covered. Such uncertainty could complicate us asserting our patents against others, or to use those patents in our own defense, thereby devaluing our intellectual property. Further, some GS1 EPCglobal members declined to license their intellectual property on royalty-free terms, instead retaining the right to license their technology on RAND terms. These members may choose to assert their intellectual property, in which case we will need to defend ourselves within the confines of the GS1 and ISO intellectual property policies.

We rely on third-party license agreements which, if impaired or terminated, could cause production or shipment delays that could harm our business.

We have license agreements with third parties for patents, software and technology we use in our operations and in our products. For example, we license tools from design-automation software vendors to design our silicon ICs. Third-party licenses for patents, software and other technology important to our business may not continue to be available on commercially reasonable terms or may not be available at all. Loss of any such licenses could cause manufacturing interruptions or delays or reductions in product shipments until we can develop, license, integrate and deploy alternative technologies which, if even possible, could harm our business and operating results.

Our use of open-source software and AI tools may expose us to additional risks and weaken our intellectual property rights.

Our products, processes and technology sometimes use or incorporate software that is subject to an open-source license. Certain open-source licenses 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 user’s source code. In addition, certain open-source software licenses require the user of such software to make derivative works of the open-source software available to others at low or no cost. Open-source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of their code, opening us to business risks that could materially harm our operating results.

We cannot guarantee that we have incorporated open-source software in a manner that is consistent with our policies and procedures relative to such open-source software, or in a manner that will not subject us to liability.

AI tools could also expose us to intellectual property claims being brought against us or make it more difficult to establish or assert ownership of intellectual property we develop.

Risks Relating to Privacy and Cybersecurity

Privacy and security concerns relating to RAIN could damage our reputation and deter current or potential customers from using our products.

Privacy advocates and others have raised, and may continue raising, concerns about RAIN compromising consumer privacy or facilitating theft. These concerns include concerns about the risks of incidents involving unauthorized parties potentially collecting personal information or personal data, tracking consumers, stealing identities or causing other issues relating to privacy or data protection.

Any such incident could cause our or our partners’ or end users’ operations to be disrupted and subject any of us to regulatory investigations or proceedings and claims, demands or litigation. Consequently, we could face potential liability and significant costs and expenses to remediate or otherwise respond to the incident. Any failure or perceived failure to comply with any privacy- or security-related laws, regulations or contractual or other obligations to which we are or may be subject may result in regulatory actions, claims or litigation; legal and other costs; substantial time and resources; and fines, penalties or other liabilities. Any actions or concerns about security and privacy may be expensive to defend, cause us to expend substantial time and resources and damage our reputation and operating results and/or negatively impact overall RAIN industry development, even if unfounded.

We cannot be sure that any limitation-of-liability provisions in our agreements with customers, contracts with third-party vendors and service providers or other contracts will protect us from liabilities or damages against claims relating to a security breach or incident or other privacy- or security-related issue.

Government regulations and guidelines and other standards relating to consumer privacy and cybersecurity may adversely impact adoption of our products, require us to make design changes or constrain our ability to implement new and desired product features, and actual or alleged violations of laws relating to privacy or cyber security may result in claims, proceedings and liability.

Our partners and end users are subject to laws and regulations related to collecting, storing, transmitting and using personal information and personal data, as well as to additional laws and regulations that address privacy and cybersecurity related to RFID in general. Because RAIN is a type of RFID, we believe these laws and regulations apply to RAIN.

The European Commission, or the EC, has issued guidance to address privacy concerns about RFID. In May 2009, the EC issued a recommendation that retailers in the EU inform their customers when RFID tags are either on or embedded within products. In April 2011, the EC signed a voluntary agreement with private and public entities to develop privacy guidelines for companies using RFID in the EU. Whereas compliance is voluntary, our partners and end users that do business in the EU prefer products that comply with the guidelines. If our products do not comply or enable compliance with the guidelines, then our business may suffer.

More generally, the data security and privacy legislative and regulatory landscape in the United States, EU and other jurisdictions continues evolving. Aspects of key laws and regulations addressing data security and privacy—including, for example, the California Consumer Privacy Act of 2018, the California Privacy Rights Act, similar laws enacted in other states and the EU General Data Protection Regulation—remain unclear as of the date of this report and continue evolving, potentially with far-reaching implications. Laws and regulations relating to privacy, data protection and security; related industry standards and guidelines; and continued evolution of these laws, regulations, standards, guidelines and other actual and asserted obligations, as well as their interpretation and enforcement, may require us to modify our products, practices and policies, which we may not be able to do on commercially reasonable terms or at all, and otherwise could cause us to incur substantial costs and expenses. Any failure or perceived failure by us or any third parties with which we do business to comply with these laws and regulations or other actual or asserted obligations relating to privacy, data protection or security may result in claims or litigation; actions against us by governmental entities; legal and other costs; substantial time and resources and fines, penalties or other liabilities. Any such actions may be expensive to defend, may incur substantial legal and other costs and substantial time and resources and likely would damage our reputation and adversely affect our business, financial condition and results of operations.

Additionally, if we fail to develop products that meet end-user privacy requirements, then end users may choose not to use our products.

The RAIN radio protocol includes features addressing consumer privacy and authentication, and we have incorporated additional features in our products that further protect consumer privacy. Nevertheless, a third party could still breach these features and, if such breach occurs, our reputation could be damaged and our business and prospects could suffer.

A breach of security or other security incident impacting our systems or others used in our business could have an adverse effect on our business.

We face risks of security breaches and other security incidents from a variety of sources including viruses, ransomware, hacking, malicious code, technological errors, supply-chain attacks as well as social engineering or other employee or contractor negligence, malfeasance or unintentional acts. Accidental or willful security breaches or incidents, or unauthorized access to our facilities or information systems, or to others used in our business, could compromise the security of those facilities or information systems and the confidentiality, integrity and availability of confidential, personal or proprietary information. These risks may be heightened in connection with geopolitical tensions and events.

The consequences of actual or perceived loss, unavailability, misuse, corruption or other unauthorized processing of confidential, personal or proprietary information could include, among other things, unfavorable publicity, reputational damage, difficulty marketing or selling our products, customer allegations of breach of contract, loss or theft of intellectual property, claims and litigation, governmental and regulatory investigations and other proceedings and fines, penalties and other damages and liabilities. Any of these consequences could have a material adverse effect on our business, financial condition, reputation and business relationships.

We rely on third-party services to store and process data on our behalf, and on third-party security systems in a variety of applications. Our platform operates in conjunction with, and depends on, third-party products, services and components for security. The cybersecurity threat environment continues evolving, especially with heightened activity by state-sponsored actors. If we, our platform, or any of the third parties on which we rely suffers or is believed to have suffered a security breach or other security incident, vulnerability, error, outage, ransomware or malicious event, then we could face increased costs, claims, liability, reduced revenue and harm to our reputation.

We devote resources to detect and prevent security breaches and other security-related incidents. In the event of an actual or perceived security breach or incident we may need to expend significant resources to mitigate, notify third parties of, and otherwise address the breach or incident, its root cause and take steps to prevent further breaches or incidents. Our insurance may not adequately cover claims relating to an actual or perceived security breach or incident and any breach or incident may increase our insurance costs as well as reduce or eliminate the future availability of such insurance, harming our business and reputation.

Risks Relating to Our Financial Position and Capital Needs

We have a history of losses and have only achieved profitability periodically. We cannot be certain that we will attain or sustain profitability in the future.

We incurred losses each year from our inception in 2000 to 2024. Our ability to achieve or sustain profitability depends on numerous factors, many of which are not entirely in our control, including continued RAIN industry adoption and us maintaining or growing our market share. Our costs of operations, product development and business and personnel expansion in sales, engineering and marketing are significant and are likely to increase as we invest in growing the market and our market share, reducing our costs and improving operations. If we fail to increase our revenue or manage our expenses, or if our investment in growing the market or our market share fail, we may not remain profitable.

We have a history of significant fluctuations in our quarterly and annual operating results.

Our history shows significant sales volatility and a limited ability to forecast sales. We anticipate that, for the foreseeable future, our visibility to future sales, including volumes and prices, will continue to be limited. That limited visibility may cause fluctuations in our operating results and differences between actual and expected quarterly or annual operating results.

Many factors, some outside our control, may cause or contribute to fluctuations in our quarterly and annual operating results. These fluctuations make financial planning and forecasting difficult. These fluctuations may also cause unanticipated decreases in our available cash, which could negatively affect our business and prospects. Material factors that contribute to fluctuations in our operating results include:

- macroeconomic conditions, including tariffs and trade wars, inflation, military conflicts, blockades, recession or economic slowdown, and their impact on our business and that of our suppliers, partners and end users;
- fluctuations or delays in RAIN adoption and deployment by end users;
- changes in the pace or direction of major deployments, whether due to macroeconomic conditions or enterprise-specific events or circumstances, and our, or our partners', ability to win business from these deployments;
- fluctuations in demand for our products or platform, including by tag OEMs and other significant partners and end users on whom we rely for a substantial portion of our revenue;
- fluctuations in the pricing and availability or supply of our products or key elements or components of those products, especially semiconductor wafers;
- degradations in product quality, whether due to us or our suppliers, including quality claims or product returns;
- delays in new-product introductions and in the maturity of our new-product technologies;
- decreases in selling prices for our products;
- delays in our product-shipment timing, customer or end-user sales or deployment cycles, or work performed under development contracts;
- intellectual property disputes involving us, our partners, end users or other participants in our industry, or the timing of license payments for our intellectual property;
- adverse outcomes of litigation or governmental proceedings;
- timing variability in product introductions, enhancements, services and technologies by us and our competitors as well as market acceptance of new or enhanced products, services and technologies;
- unanticipated excess or obsolete inventory as a result of significant demand fluctuations, supply-chain mismanagement, new-product introduction, quality issues or otherwise;

- changes in the amount and timing of our operating costs, including those related to expanding our business, operations and infrastructure;
- changes in business cycles or seasonal fluctuations that affect the markets in which we sell;
- changes in industry standards or specifications, or changes in government regulations, relating to our products or our platform;
- late, delayed or cancelled payments from our partners or end users; and
- unanticipated impairment of long-lived assets and goodwill.

A substantial portion of our operating expenses are fixed in the short term, and as a result, fluctuations in revenue or unanticipated expenses can have a material and immediate impact on our profitability and negatively affect our operating results, which could cause the price of our common stock to decline.

We may need to raise additional capital, which may not be available on favorable terms or at all.

In the future, we may need to raise additional capital, including pursuant to shelf registration statements we may file from time to time with the SEC, potentially diluting our stockholders, restricting our operations or otherwise adversely affecting our business.

Debt financing, if available, may include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, expending capital or declaring dividends, or may impose financial covenants that limit our ability to achieve our business objectives.

Our management has broad discretion in how to invest and spend our cash and cash equivalents and the proceeds from financings, including on capital expenditures, product development, working capital and other general corporate purposes. We may spend our cash and cash equivalents in ways that our stockholders may not agree with or that do not yield favorable returns.

If we need additional capital but cannot raise it on acceptable terms, if at all, then we may not be able to meet our business objectives, financial obligations or both. If we raise additional capital but do not deploy it effectively then our business, financial condition, results of operations and prospects could be harmed and the market price of our common stock could suffer.

Risks Relating to U.S. Federal Income Tax

Our ability to use net operating losses and research and development credits to offset future taxable income and income taxes may be limited.

As of December 31, 2025, we had federal U.S. net operating loss carryforwards, or NOLs, of $275.8 million and U.S. federal research and development credit carryforwards of $43.7 million, which we may use to reduce future taxable income or income taxes. We have established a valuation allowance against the carrying value of these deferred tax assets. Our U.S. federal NOLs arising in taxable years beginning before January 1, 2018 and our U.S. federal research and development credit carryforwards expire following the 20th taxable year after the taxable year such carryforward arose, while our U.S. federal NOLs arising in taxable years beginning after December 31, 2017 do not expire.

Under Sections 382 and 383 of the U.S. Internal Revenue Code, or the Code, a corporation that experiences a more-than 50% ownership change by one or more stockholders or groups of stockholders who own at least 5% of a company's stock over a three-year testing period is limited in its ability to use its pre-change NOLs and other tax assets to offset future taxable income or income taxes. If we undergo a future ownership change then our ability to use our NOLs and credit carryforwards could be limited by Sections 382 and 383 of the Code. Our NOLs may also be limited under state law. As a result of these limitations, we may not be able to utilize a material portion of, or possibly any of, our NOLs and/or credit carryforwards to reduce future taxable income or income taxes.

We could be subject to additional income tax liabilities.

We are subject to income taxes in the United States and certain foreign jurisdictions. During the ordinary course of business, we use significant judgment in evaluating our worldwide income tax obligations and we conduct many transactions for which the ultimate tax determination is uncertain. Although we believe our tax determinations are proper, the final determination of any tax audits and any possible litigation could be materially different from our historical income tax provisions and accruals. The results of an audit or litigation could have a material effect on our operating results or cash flows in the period or periods for which that determination is made.

Changes in tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions.

We are subject to tax laws, regulations and policies of several taxing jurisdictions. Changes in tax laws, as well as other factors, could cause us to experience fluctuations in our tax obligations and effective tax rates and otherwise adversely affect our tax positions and results of our operations. Recent examples include the 1% excise tax imposed on stock buybacks and a 15% alternative minimum tax imposed on adjusted financial statement income enacted in 2022, and rules governing the treatment of U.S. and foreign research and development expenditures enacted in 2017 and amended in 2025. We have accounted for these changes in accordance with our understanding of the guidance available as of the date of this filing. The CHIPS and Science Act, enacted August 9, 2022, provides tax credits for semiconductor manufacturing activities within the United States, but because we outsource our semiconductor manufacturing we do not expect to be entitled to these tax credits.

Many countries, as well as organizations such as the Organization for Economic Cooperation and Development, or the OECD, have implemented or proposed changes to existing tax laws, including a 15% global minimum tax for multinational companies with annual global revenue exceeding certain thresholds. We continue to monitor these developments, including the impact of the joint statement issued by the G7 in June 2025 related to the interplay between the U.S. international tax system and global rules and a January 2026 agreement to a "side-by-side" safe harbor that would generally exempt U.S. parented multinational groups from certain of the global minimum tax rules. Any of these developments or changes in U.S. federal, state or international tax laws or tax rulings could adversely affect our effective tax rate and our operating results. There can be no assurance that our effective tax rates, tax payments or tax credits and incentives will not be adversely affected by these or other developments or changes in law.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value-added or similar taxes.

We do not collect sales and use, value-added or similar taxes in all jurisdictions in which we have sales, based on our belief that such taxes are either not applicable or an exemption from such taxes applies. Certain jurisdictions may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect such taxes in the future, including as a result of a change in law. Such tax assessments, penalties and interest or future requirements may negatively affect our operating results.

Risks Relating to Our Financial Reporting and Disclosure

Any failure to maintain an effective system of disclosure and internal controls over financial reporting, or our ability to produce timely and accurate financial statements, could adversely affect investor confidence in us.

As a public company, we must maintain effective disclosure controls and procedures and internal control over financial reporting. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud.

Any failure to implement and maintain effective disclosure controls and procedures and internal control over financial reporting, including identifying material weaknesses, could cause investors to lose confidence in the accuracy and completeness of our financial statements and reports, which could adversely affect the market price of our common stock. We could also be subject to sanctions or investigations by The Nasdaq Stock Market, the SEC and other regulatory authorities.

Risks Relating to Owning or Trading Our Securities

The market price of our common stock has been and will likely continue to be volatile, and the value of your investment could decline significantly.

The trading price of our common stock has fluctuated and is likely to continue to fluctuate substantially. The following factors, in addition to general risks and other risks described in this report, may have a material effect on the trading price of our common stock:

- price and volume fluctuations in the overall stock market;
- changes in operating performance, stock market valuations and volatility in the market prices of other technology companies generally, and of those in our industry in particular;
- actual or anticipated quarterly variations in our results of operations or those of our competitors;
- actual or anticipated changes in our growth rate relative to our competitors;
- delays in end-user deployments of RAIN solutions;
- announcements by us or our competitors of acquisitions, new products, significant contracts, commercial relationships or capital commitments;
- supply interruptions, including semiconductor wafer or other product or component shortfalls;

- developments relating to intellectual property rights or in disputes relating to those rights;
- our ability to develop and market new and enhanced products on a timely basis;
- commencement of, or our involvement in, litigation;
- changes in our board of directors or management;
- changes in governmental regulations or in the status of our regulatory approvals;
- unstable political and economic conditions, including instability resulting from tariffs and trade wars, wars and other armed conflicts, such as those in Ukraine, Gaza, Lebanon or Iran, or geopolitical tensions, such as those between the United States, China and Taiwan;
- the trading volume of our stock;
- actual or perceived security breaches or incidents;
- limited public float;
- any future sales of our common stock or other securities;
- financial analysts dropping or reducing their coverage of us; changes in financial estimates by analysts who do cover us; or our failure to meet analyst estimates or investor expectations;
- fluctuations in the values of companies that investors perceive to be comparable to us;
- the financial projections we may provide to the public, as well as any changes in those projections or our failure to meet those projections; and
- general economic conditions and slow or negative growth in the markets in which we operate.

Technology stocks like ours have experienced extreme price and volume fluctuations, often unrelated or disproportionate to our underlying operating performance. Stock price volatility can cause stockholders to institute securities class-action litigation or stockholder derivative litigation, as occurred to us between 2018 and 2020. If any of our stockholders were to sue us, the defense and disposition of the lawsuit could be costly and divert the time and attention of our management, harm our operating results and negatively impact the trading price of our common stock.

Transactions relating to the 2021 or the 2025 Notes may affect our stock's value.

If the 2021 Notes or the 2025 Notes are converted by holders, then we are required to deliver cash, stock or any combination of cash or stock, at our election. If we elect to deliver stock, the ownership interests of our existing stockholders will be diluted, and public market sales of stock issued upon a conversion could decrease our stock price. Anticipated future conversions of the 2021 Notes or the 2025 Notes into stock could also decrease our stock price, as could short selling by holders of the 2021 Notes or the 2025 Notes to hedge their positions.

In December 2019 and in September 2025, we issued the 2019 and 2025 Notes, respectively. At the time of each issuance, we entered into privately negotiated capped call transactions with financial counterparties to mitigate the dilutive impact above a given stock price. We left the capped call transactions related to the 2019 Notes issuance intact after we acquired the remainder of the outstanding 2019 Notes in June 2022. From time to time, the financial counterparties to the capped call transactions may modify their hedge positions by entering into or unwinding various derivative transactions involving our stock or by purchasing or selling our stock or other securities of ours in secondary market transactions prior to the maturity of the capped call transactions. This activity could cause a decrease in our stock price.

For more information on the 2019 Notes, the 2021 Notes, the 2025 Notes and the capped call transactions, see Note 7 to our Condensed Consolidated Financial Statements included elsewhere in this report.

We are subject to counterparty risk with respect to the capped call transactions.

The financial counterparties to the capped call transactions are financial institutions, and we will be subject to the risk that one or more of the financial counterparties may default under the capped call transactions. Our exposure to the credit risk of the financial counterparties to the capped call transactions is not secured by any collateral.

Global economic conditions have in the past resulted in the actual or perceived failure and/or financial difficulties of many financial institutions. If a financial counterparty to the capped call transactions becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under the capped call transactions with such financial counterparty. Our exposure will depend on many factors but, generally, our exposure will increase if the market price or the volatility of our common stock increases. In addition, upon a default by a financial counterparty to the capped call transactions, we may suffer adverse tax consequences and experience more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the financial counterparties to the capped call transactions.

Our principal stockholders and management beneficially own a significant percentage of our stock and are able to exercise significant influence over matters subject to stockholder approval.

As of March 31, 2026, our executive officers, directors and principal stockholders, together with their respective affiliates, beneficially owned approximately 37.3% of our stock. As a result, our executive officers, directors and principal stockholders may be able to significantly influence, in their capacity as stockholders, matters requiring approval by our stockholders, including electing directors and approving mergers, acquisitions or other transactions. They may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This ownership concentration could have the effect of delaying or preventing a change in our control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which in turn could have a material adverse effect on our stock price. This ownership concentration could also prevent attempts by our stockholders to replace or remove our board of directors or management.

We may not have sufficient cash flow or access to cash necessary to satisfy our obligations under the 2021 Notes and the 2025 Notes, and our current and future indebtedness may restrict our business.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance any current or future indebtedness, including the 2021 Notes and the 2025 Notes, or to make cash payments in connection with any conversion of the 2021 Notes or the 2025 Notes or upon any fundamental change if holders require us to repurchase their 2021 Notes or 2025 Notes for cash, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate sufficient future cash from operations to service our indebtedness and make necessary capital expenditures. If we are unable to generate sufficient cash flow, then we may be required to pursue other alternatives, such as selling assets, restructuring indebtedness or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any of our indebtedness, including the 2021 Notes and the 2025 Notes, will depend on the capital markets and our financial condition at that time. We may not be able to pursue these alternatives on favorable terms or at all, which could result in us defaulting on our debt obligations.

Our existing and future indebtedness could have important consequences to our stockholders and significant effects on our business. For example, it could:

- make it more difficult for us to satisfy our debt obligations, including the 2021 Notes and the 2025 Notes;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the cash available to run our business;
- limit our flexibility in planning for, or reacting to, changes in our business or in our industry;
- restrict us from exploiting business opportunities;
- place us at a competitive disadvantage compared to our competitors that have less indebtedness; and
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, executing our business strategy or for other purposes.

Anti-takeover provisions in our charter documents and under Delaware or Washington law could prevent, delay or impede an acquisition of us and constrain our stock price.

Provisions of our certificate of incorporation and our bylaws may delay or discourage transactions involving an actual or potential change in our control or in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. These provisions could, therefore, adversely affect our stock price. Among other things, our certificate of incorporation and bylaws:

- permit our board of directors to issue up to 5,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate;
- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;

- restrict the forum for certain litigation against us to Delaware;
- require that any action taken by our stockholders be effected at a duly called annual or special meeting of stockholders and not by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any uncontested election of directors to elect all of the directors standing for election, if they should so choose); and
- provide that special meetings of our stockholders may be called only by the chair of the board, our chief executive officer or the board of directors.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder. Likewise, because our principal executive offices are located in Washington, the anti-takeover provisions of the Washington Business Corporation Act may apply to us under certain circumstances now or in the future. These provisions prohibit a "target corporation" from engaging in any of a broad range of business combinations with any stockholder constituting an "acquiring person" for a period of five years following the date on which the stockholder became an "acquiring person."

Our bylaws include provisions that could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our bylaws provide that, unless we otherwise consent in writing, the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our certificate of incorporation or our bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. The choice of forum provision may limit stockholders' ability to bring a claim in a judicial forum favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, no 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 Item 408 of Regulation S-K, except as follows:

Name and Title	Character of Trading Arrangement [1]	Date Adopted	Date Terminated	Duration [2]	Aggregate Number of Shares of Common Stock to be Purchased or Sold Pursuant to Trading Arrangement[3]
Chris Diorio, Ph.D., Director, Chief Executive Officer and Vice Chair	Rule 10b5-1 Trading Arrangement	February 23, 2026	-	February 5, 2027	Up to 30,000

(1) Except as indicated by footnote, each trading arrangement marked as a "Rule 10b5-1 Trading Arrangement" is intended to satisfy the affirmative defense of Rule 10b5-1(c), as amended, or the Rule.
(2) Except as indicated by footnote, each trading arrangement permits transactions through and including the earlier of (a) the execution or expiration of all trades specified under the trading arrangement or (b) the date listed in the table. Each trading arrangement marked as a "Rule 10b5-1 Trading Arrangement" only permits transactions upon expiration of the applicable mandatory cooling-off period under the Rule.
(3) Aggregate number of shares of common stock to be purchased or sold pursuant to the trading arrangement includes 30,000 shares to trade. In addition, included within the terms of the 10b5-1 Trading Plan, 50,000 shares may be donated and 180,000 shares may be swapped.

Table of Contents

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporation by Reference			Filed Herewith
		Form	Date	Number	
3.1(a)	Amended and Restated Certificate of Incorporation of Impinj, Inc., as filed with the Secretary of State of the State of Delaware on June 10, 2020	8-K	6/12/2020	3.1	
3.1(b)	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Impinj, Inc., as filed with the Secretary of State of the State of Delaware on June 6, 2024	8-K	6/7/2024	3.1	
3.2	Amended and Restated Bylaws of Impinj, Inc. adopted as of February 23, 2023	8-K	2/23/2023	3.1	
10.1	Outside Director Compensation Policy (as amended April 15, 2026)				X
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				X
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				X
32.1*	Certification of Principal Executive Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350				X
32.2*	Certification of Principal Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350				X
101	Inline XBRL Document Set for the Condensed Consolidated Financial Statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q.				X
104	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set.				X

* The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Impinj, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

Impinj, Inc.

Date: April 29, 2026

By: */s/ Cary Baker*
Cary Baker
Chief Financial Officer (principal financial officer and duly authorized signatory)

IMPINJ, INC.

OUTSIDE DIRECTOR COMPENSATION POLICY

(as amended and restated April 15, 2026 and effective April 15, 2026 (the “**Effective Date**”))

Impinj, Inc. (the “**Company**”) believes that the granting of cash compensation and equity to members of its Board of Directors (the “**Board**,” and members of the Board, the “**Directors**”) represents an effective tool to attract, retain, and reward Directors who are not employees of the Company (the “**Outside Directors**”). This Outside Director Compensation Policy (the “**Policy**”) is intended to formalize the Company’s policy regarding grants of cash compensation and equity to its Outside Directors. Unless defined in this Policy, capitalized terms are defined in the equity incentive plan under which Awards referenced in this Policy are granted, including the Company’s 2016 Equity Incentive Plan, 2026 Equity Incentive Plan (the “**2026 Plan**”), or any successor equity plan or other equity plan adopted by the Company (each, a “**Plan**”). Unless otherwise determined by the Administrator, Automatic Director Awards granted following the Effective Date will be granted under the 2026 Plan. Each Outside Director is solely responsible for any tax obligations he or she incurs from the receipt of any compensation under this Policy.

1. CASH RETAINERS

Annual Cash Retainer

Each Outside Director will be paid an annual cash retainer of $50,000. There are no per-meeting attendance fees for attending Board meetings. This cash compensation will be paid quarterly in arrears on a prorated basis.

Chair Annual Cash Retainer

Each Outside Director who serves as chair of the Board or chair of a committee of the Board will be eligible to earn additional annual fees as follows:

Chair of the Board:	$25,000
Chair of Audit and Risk Committee:	$25,000
Chair of Nominating and Corporate Governance Committee:	$15,000
Chair of Compensation Committee	$17,500

This additional cash compensation will be paid quarterly in arrears on a prorated basis.

Committee Member Annual Cash Retainer

Each Outside Director who serves as a member of a committee of the Board (other than the chair of such committee) will be eligible to earn additional annual fees as follows:

Member of Audit and Risk Committee:	$12,500
Member of Nominating and Corporate Governance Committee:	$10,000
Member of Compensation Committee	$10,000

This additional cash compensation will be paid quarterly in arrears on a prorated basis.

2. EQUITY COMPENSATION

Outside Directors may be granted all types of equity awards (except incentive stock options) under a Plan or any other Company equity plan in place at the time of grant, including discretionary Awards not covered under this Policy. All grants of Awards to Outside Directors under this Policy will be made in accordance with this Section 2 and no Awards may be made if they would exceed any limitations under the applicable Plan.

(a) Automatic Outside Director Awards.

(i) No Discretion. All grants of Initial Awards (defined below), Annual Awards (defined below) and Board Chair Awards (defined below and, together with Initial Awards and Annual Awards, "**Automatic Outside Director Awards**") to Outside Directors pursuant to this Section 2(a) will be automatic and nondiscretionary. No person will have any discretion to select which Outside Directors will be granted any Automatic Outside Director Awards under this Section 2(a) or to determine the number of Shares to be covered by such Automatic Outside Director Awards.

(ii) Initial Award. Upon the date of an Outside Director's initial appointment to the Board (such date, the "**Start Date**") (other than by appointment on the date of each annual meeting of the Company's stockholders (the "**Annual Meeting**") following the adoption of this Policy), such Outside Director shall automatically be granted an Award of Restricted Stock Units as set forth in this Section 2(a)(ii) (the "**Initial Award**"). The number of Restricted Stock Units subject to the Initial Award shall equal the quotient of (A) $250,000 *multiplied by* a fraction (1) the numerator of which is (x) 12 *minus* (y) the number of months between the date of the last Annual Meeting and the Start Date and (2) the denominator of which is 12; divided by (B) the Per Share Value. Subject to the terms of the applicable Plan and this Policy, unless otherwise determined by the Administrator, each Initial Award will fully vest upon the first anniversary of the grant date, subject to the Outside Director continuing to be a Service Provider through the vesting date. For the avoidance of doubt, if a member of the Board is an Employee (an "**Inside Director**") and becomes an Outside Director by reason of no longer continuing as an Employee, such a transition from an Inside Director to an Outside Director will not result in a grant under this Section 2(a)(ii).

(iii) Annual Award. On the date of each Annual Meeting, each Outside Director automatically will be granted an Award of Restricted Stock Units (an "**Annual Award**"). The number of Restricted Stock Units subject to the Annual Award shall equal (A) $250,000 divided by (B) the Per Share Value. With respect to Annual Awards granted prior to the Effective Date, subject to the terms of the applicable Plan and this Policy, each such Annual Award will fully vest upon the earlier of (i) the first anniversary of the grant date and (ii) the date of the next Annual Meeting following the grant date, in each case subject to the Outside Director continuing to be a Service Provider through the vesting date. With respect to Annual Awards granted following the Effective Date, subject to the terms of the applicable Plan and this Policy, unless otherwise determined by the Administrator, each such Annual Award will fully vest upon the first anniversary of the grant date, in each case subject to the Outside Director continuing to be a Service Provider through the vesting date.

(iv) Board Chair Award. On the date of each Annual Meeting following the Effective Date, each Outside Director who is serving as Chair of the Board and is eligible for an Annual Award automatically will be granted an additional Award of Restricted Stock Units (a "**Board Chair Annual Award**"). The number of Restricted Stock Units subject to the Board Chair Annual Award shall equal (A) $25,000 divided by (B) the Per Share Value. With respect to Board Chair Annual Awards granted prior to the Effective Date, subject to the terms of the applicable Plan and this Policy, each such Board Chair Annual Award will fully vest upon the earlier of (i) the first anniversary of the grant date and (ii) the date of the next Annual Meeting following the grant date, in each case subject to the Outside Director continuing to be a Service Provider through the vesting date. With respect to Board Chair Annual Awards granted following the Effective Date, subject to the terms of the applicable Plan and this Policy, unless otherwise determined by the Administrator, each such Board Chair Annual Award will fully vest upon the first anniversary of the grant date, in each case subject to the Outside Director continuing to be a Service Provider through the vesting date. In the event that an Outside Director who is serving or is appointed as Chair of the Board is eligible for an Initial Award, such Outside Director will also be eligible to receive a Board Chair Annual Award, pro-rated in the same manner as the Initial Award in Section 2(a)(ii) (a "**Board Chair Initial Award**" and, together with Board Chair Annual Awards, "**Board Chair Awards**").

(v) Deferred Payment Alternative. Notwithstanding the provisions set forth herein, Outside Directors may be permitted, in the sole discretion of the Administrator, to defer the delivery of the Shares subject to the Automatic Outside Director Award upon vesting in accordance with the terms and conditions of a deferral program approved by the Administrator. Any such deferral election shall be subject to such rules, conditions and procedures as shall be determined by the Administrator, in its sole discretion, which rules, conditions and procedures shall at all times comply with the requirements of Section 409A of the Code, unless otherwise specifically determined by Administrator. If an Outside Director elects to defer the settlement of any vested Automatic Outside Director Award in accordance with this Section, payment of the deferred vested Automatic Outside Director Award shall be made in accordance with the terms of the deferral election.

(vi) Per Share Value. "**Per Share Value**" means the average trading price for a share of the Company's Common Stock over the period (i) beginning on the date that is 10 trading days prior to the announcement of its quarterly earnings for the fiscal quarter immediately prior to the grant date of such Award (an "**Earnings Announcement**") and (ii) ending on the date that is nine trading days after such Earnings Announcement.

(vii) Change in Control. In the event of a Change in Control, each Outside Director will fully vest in his or her Automatic Outside Director Awards granted in accordance with this Policy.

(b) Share Holding Requirements. An Outside Director shall not sell, pledge, assign, hypothecate, transfer, or dispose of in any manner other than by will or by the laws of descent or distribution Shares issued pursuant to an Automatic Outside Director Award while the Outside

Director continues to serve as a Director. Notwithstanding the foregoing, an Outside Director may sell Shares issued pursuant to an Automatic Outside Director Award in order to pay for any tax obligations he or she incurs from the vesting and/or settlement of such Award.

3. TRAVEL EXPENSES

Each Outside Director’s reasonable, customary and documented travel expenses to Board and Board committee meetings will be reimbursed by the Company.

4. ADDITIONAL PROVISIONS

All provisions of any Plan applicable to any Automatic Outside Director Award contemplated hereunder that are not inconsistent with this Policy will apply to such Automatic Outside Director Award granted to an Outside Director, including for clarity, Section 5.1 of the 2026 Plan.

5. REVISIONS

The Board, in its discretion, may at any time change and otherwise revise the terms of the cash compensation granted under this Policy, including, without limitation, the amount or timing of payment of any future grants of cash compensation. The Board, in its discretion, may at any time change and otherwise revise the terms of Automatic Outside Director Awards to be granted in accordance with this Policy, including, without limitation, the number of Shares subject thereto. The Board, in its discretion, may at any time suspend or terminate the Policy.

Exhibit 31.1

CERTIFICATIONS

I, Chris Diorio, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Impinj, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29,2026

/s/ Chris Diorio

Chris Diorio, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Cary Baker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Impinj, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 29,2026

/s/ Cary Baker

Cary Baker

Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

IMPINJ, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Impinj, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Chris Diorio, Ph.D., Chief Executive Officer *(Principal Executive Officer)* of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Chris Diorio
Chris Diorio, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

Date: April 29,2026

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Impinj, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

IMPINJ, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Impinj, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cary Baker, Chief Financial Officer *(Principal Financial Officer)* of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Cary Baker
Cary Baker
Chief Financial Officer
(Principal Financial Officer)

Date: April 29,2026

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Impinj, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.