



INNOVATING TODAY, EMPOWERING TOMORROW™

2024 ANNUAL REPORT





A message to our Shareholders

Throughout InterDigital's history, we have been powered by a mission to change the way that people connect. From the earliest days of digital telephony, through every generation of cellular communication, and to a future of more immersive experiences, driven by wireless, video and AI in combination, we power the way that people connect with colleagues, speak with loved ones, and laugh and cry at their favorite movies and shows.

It is clear that the more the world becomes interconnected, the more the world comes to depend on our engineering leadership and, ultimately, our innovation. It is this that drives our engineers every day, and it is this that leads us to deliver ever more value to our shareholders.

In 2024, revenue reached an all-time high of \$869 million, an increase of 58% year-over-year. Our adjusted EBITDA was \$551 million, up 60% year-over-year, and our non-GAAP earnings per share was \$14.97, up 62% year-over-year.

Through increased execution across the business, through even greater collaboration among our teams, and through an unrelenting commitment to excellence in innovation, we believe that we have put InterDigital in as strong a position as it has ever been.

In 2024, we drove top-line revenue to an all-time high, increased our profitability on the bottom line, maintained our strong balance sheet to support growth, and delivered more capital to shareholders.

In our consumer electronics and IoT/Auto program, we reported revenues of \$269 million, another all-time high and up more than 230% year-over-year.

With almost \$1 billion in cash, we have maintained our ability to invest and protect our innovation, while building on our formidable track record of returning capital to shareholders. In 2024, we increased our dividend from 40 cents to 45 cents per share and then increased it again in the first quarter of 2025 to 60 cents per share. In total, over the last four years, we have returned almost \$680 million through buybacks and dividends.

At our 2024 investor day, we announced a new annual recurring revenue target of \$1 billion-plus and \$600 million-plus of adjusted EBITDA by 2030.

As we explained at our investor day, we see significant opportunities to grow in our core smartphone program, in our consumer electronics and IoT/Auto program, and in our greenfield opportunity in video services.

2024 SNAPSHOT

**\$869M
Revenue**

All-time record high for the company

**\$269M
Revenue**

Consumer electronics & IoT/Auto – an all-time record

**50%
Increase**

Dividend raised by 50% to 60 cents per share

**Top
100**

Named top 100 innovator in the world

To achieve these goals, we will continue to marry the power of our research and our leadership in standards development, with the quality of our patent portfolio and the strength of our execution across our licensing programs.

Our momentum in licensing has accelerated across all of our programs. In 2024 we signed 14 new license agreements, including a new license with OPPO, the world's fourth largest smartphone vendor, a new agreement with Google, covering a range of devices including Pixel smartphones and wearables, and we agreed to enter into a new license agreement with Lenovo with the final terms to be decided in arbitration. These steps ended all litigation between us and Lenovo and OPPO.

Then, in the first quarter of 2025, we closed another license with a major Chinese handset manufacturer, meaning that we now have seven of the top ten smartphone vendors under license.

In consumer electronics and IoT/Auto, our performance in 2024 was a clear demonstration of our success in diversifying our key revenue drivers. This included both our agreement with Samsung, the world's largest manufacturer of smart TVs, and our agreement with TPV, a Chinese manufacturer which is rapidly taking market share and which sells TVs under a range of brands including Envision and Philips.

Since 2021, we have now signed more than 40 new agreements worth more than \$3.6 billion in total contract value.

At the heart of our video innovation story is both smarter compression and new capabilities for consumers which improve picture quality and enhance the user experience. Our innovation underpins the viability of the entire streaming industry which is forecast to generate more than \$400 billion in revenue in 2025 across subscription and advertising supported platforms, and on social media.



**40+ New
Agreements**

Since 2021

Total Contract
Value more than
\$3.6 Billion



Early in 2025, we also took a significant step in our new video services program by starting enforcement proceedings in multiple jurisdictions against The Walt Disney Company including Disney+, Hulu and ESPN+ .

As we have said many times, we always prefer to sign new licenses through amicable negotiation and most of our agreements are signed without any litigation. However, we are also committed to receiving fair value for our innovation so that we can continue to invest in our foundational research.

The growing convergence of the three key pillars of our research – wireless, video and AI – into new devices and services, underlines the value we believe our patented innovation will continue to drive well into the future.

Through the excellence of our engineers and through even greater collaboration across our teams, we made more than 5,000 new patent filings in 2024, and our portfolio now stands at almost 34,000 assets worldwide.

Our engineers also continued to make their mark on their respective industries through their leadership of key industry bodies. We hold more than 100 leadership positions across standards development organizations including 3GPP, the European Telecommunications Standards Institute (ETSI) and the International Telecommunications Union (ITU).

For the fourth year in succession, we were named as one of the world's top 100 innovators by LexisNexis and, for the second year in a row, we were named by Forbes as one of America's most successful mid-cap companies.

It is not only within our engineering communities where success is recognized. For the fourth year in succession, we were named as one of the world's top 100 innovators by LexisNexis and, for the second year in a row, we were named by Forbes as one of America's most successful mid-cap companies.

The quality of our innovation continues to be recognized by third parties with LexisNexis ranking us among the top five companies, when judged on both the size and the quality of our patent portfolio, in advanced video compression and one of the latest Wi-Fi standards. Lexis also recognized InterDigital among the leaders in 5G, meaning that we are one of just a handful of companies to be ranked as one of the leaders across technologies that drive so many of today's connected experiences.

Through 2024, we also picked up awards from industry publications for outstanding innovation in wireless-related AI, in video processing solutions, and in the delivery of immersive video experiences.

These accolades are products of our success across the business in translating our research, our patenting, and our licensing efforts into meaningful results. We know that by driving growth through every pillar of the business we can place InterDigital in an even more formidable position.

And we know that by innovating today, we can shape the technology of tomorrow.



**S. Douglas
Hutcheson**
Chairman of
the Board

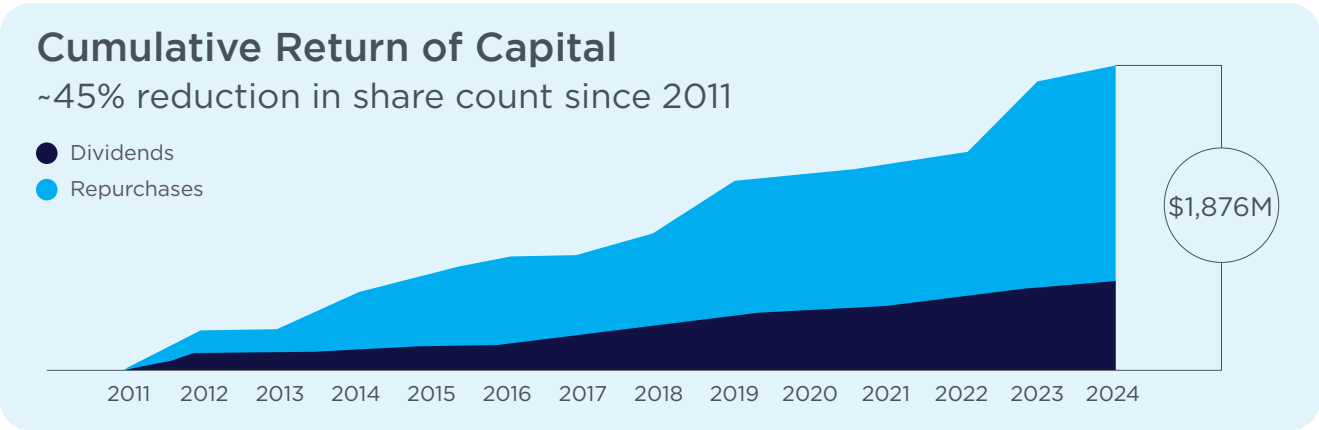
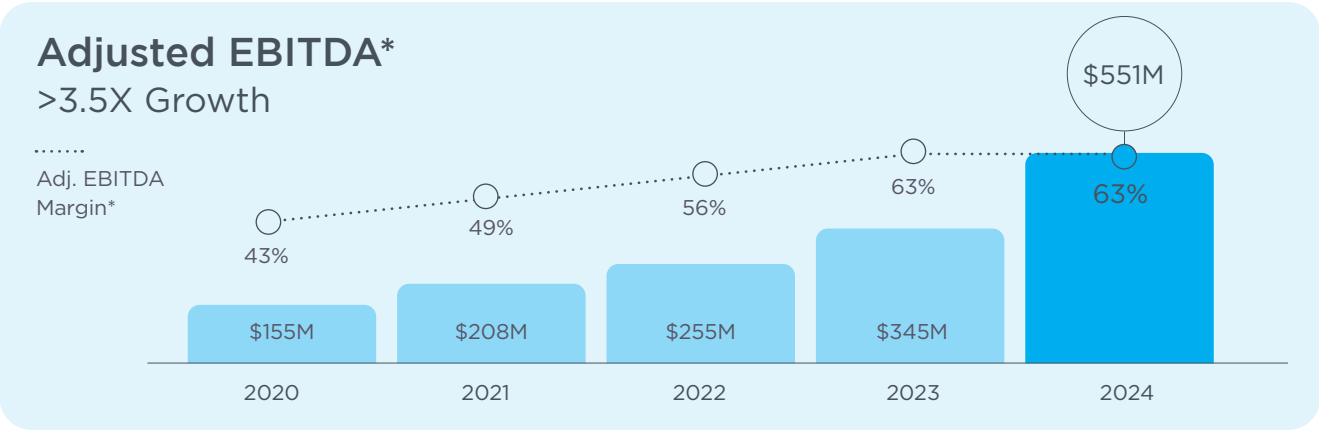
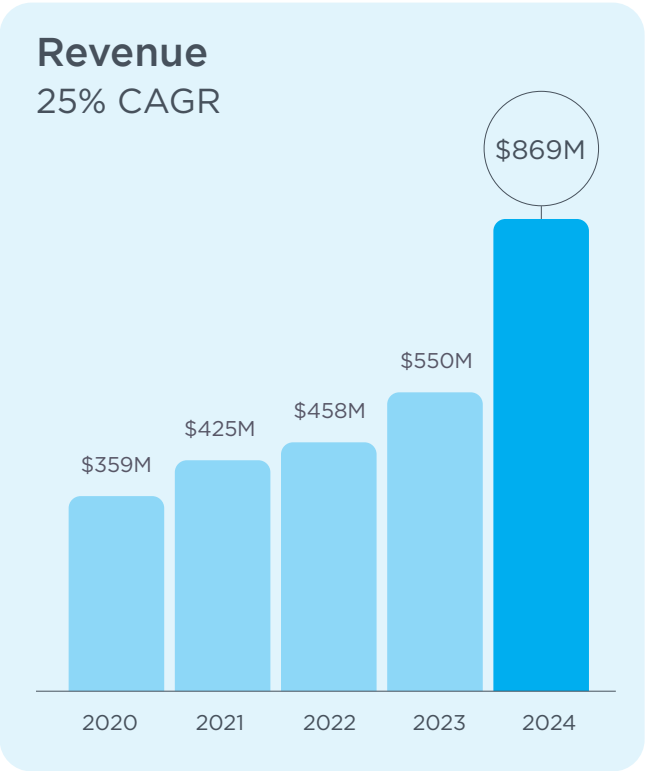


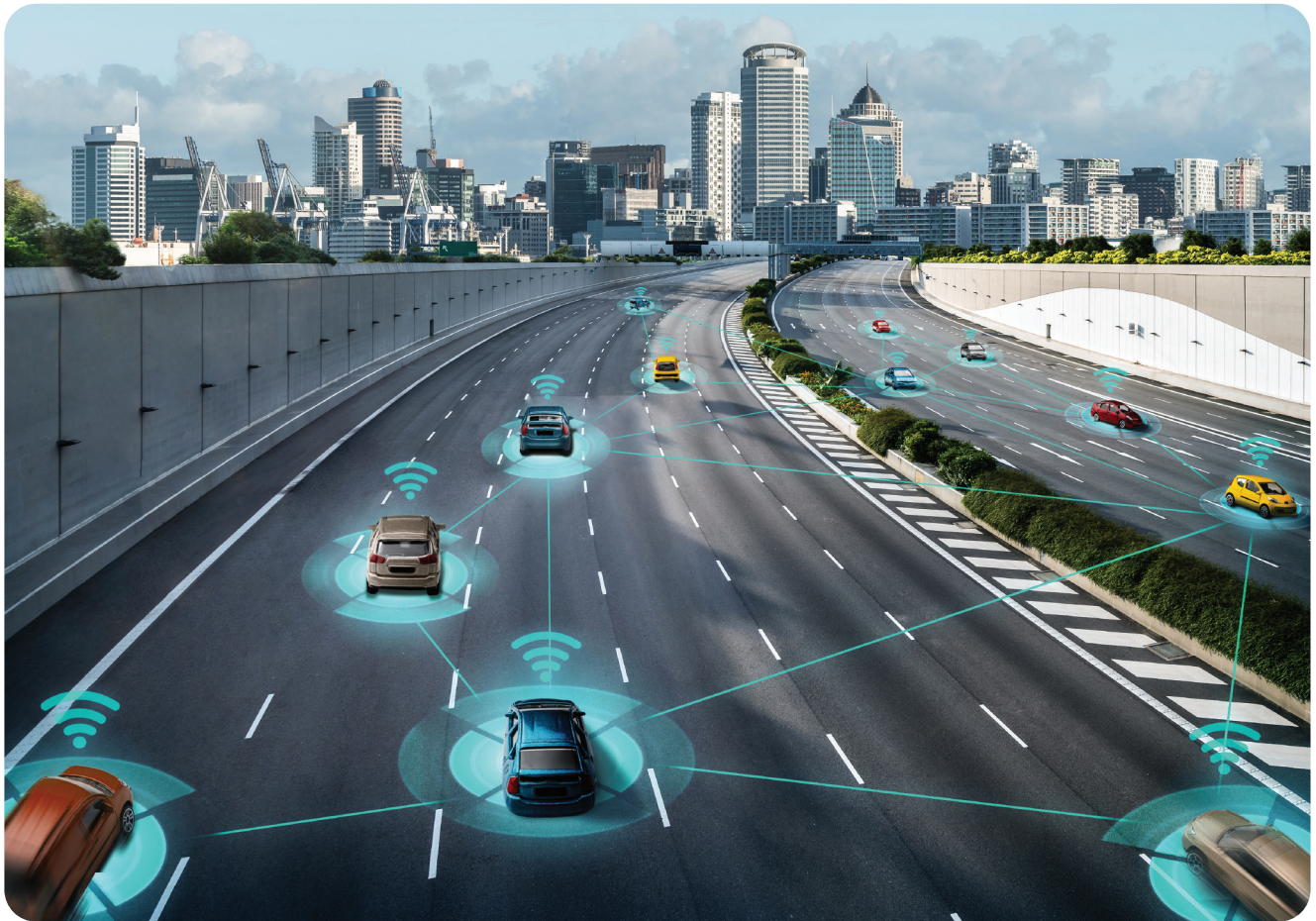
Liren Chen
President and
CEO

Financial Highlights

Fiscal Year 2024

*Non-GAAP financial measure. For more information and a reconciliation to GAAP, see the financial metrics tracker on the investor relations section of InterDigital's corporate website.





Forward Looking Statements

Statements made in the letter to shareholders and the introduction to this annual report that relate to our future plans, innovations, financial results or targets, including without limitation, statements relating to our beliefs that we are well positioned to expand our licensing opportunities and derive value from cloud-based services, the expected monetization and market adaption of our research and development efforts, and our expected long-term strength and value of our portfolio and our innovations, are forward looking statements as defined under Private Securities Litigation Reform Act of 1995.

These statements are based upon current goals, estimates, information, and expectations. Actual results might differ materially from those anticipated as a result of certain risks and uncertainties including delays, difficulties, changed strategies, or unanticipated factors affecting the implication of the company's plans. You should carefully consider the risks and uncertainties outlined in greater detail in the accompanying Form 10-K, including "Item 1A. Risk Factors," before making any investment decisions with respect to our common stock. We undertake no obligation to revise or publicly update any forward-looking statement for any reason except as otherwise required by the law.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission file number 1-33579

INTERDIGITAL, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
*(State or other jurisdiction
of incorporation or organization)*

82-4936666
*(IRS Employer
Identification No.)*

200 Bellevue Parkway, Suite 300, Wilmington, DE 19809-3727

(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code (302) 281-3600

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 \$0.01 per share)	IDCC	Nasdaq Stock Market LLC

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

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

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: \$2,892,976,073 as of June 30, 2024.

The number of shares outstanding of the registrant's common stock was 25,684,041 as of February 4, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed pursuant to Regulation 14A in connection with the registrant's 2025 annual meeting of shareholders are incorporated by reference into Items 10, 11, 12, 13 and 14 of Part III of this Form 10-K.

TABLE OF CONTENTS

	<u>Page</u>
Part I	
Item 1. Business	3
Item 1A. Risk Factors	14
Item 1B. Unresolved Staff Comments	28
Item 1C. Cybersecurity	28
Item 2. Properties	29
Item 3. Legal Proceedings	29
Item 4. Mine Safety Disclosures	29
Part II	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	30
Item 6. Reserved	32
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	32
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	51
Item 8. Financial Statements and Supplementary Data	53
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	101
Item 9A. Controls and Procedures	102
Item 9B. Other Information	103
Item 9C. Disclosures Regarding Foreign Jurisdictions that Prevent Inspections	103
Part III	
Item 10. Directors, Executive Officers and Corporate Governance	103
Item 11. Executive Compensation	103
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	103
Item 13. Certain Relationships and Related Transactions, and Directors Independence	103
Item 14. Principal Accountant Fees and Services	104
Part IV	
Item 15. Exhibits and Financial Statement Schedules	104
Item 16. Form 10-K Summary	107
Signatures	108

In this Form 10-K, the words “we,” “our,” “us,” “the Company” and “InterDigital” refer to InterDigital, Inc. and/or its subsidiaries, individually and/or collectively, unless otherwise indicated or the context otherwise requires. InterDigital® is a registered trademark of InterDigital, Inc. All other trademarks, service marks and/or trade names appearing in this Form 10-K are the property of their respective holders.

PART I

Item 1. BUSINESS.

Overview

InterDigital, Inc. (“InterDigital”) is a global research and development company focused primarily on wireless, video, artificial intelligence (“AI”), and related technologies. We design and develop foundational technologies that enable connected, immersive experiences in a broad range of communications and entertainment products and services. We license our innovations worldwide to companies providing such products and services, including makers of wireless communications devices, consumer electronics, internet of things (“IoT”) devices, cars and other motor vehicles and providers of cloud-based services such as video streaming. As a leader in wireless technology, our engineers have designed and developed a wide range of innovations that are used in wireless products and networks, from the earliest digital cellular systems to 5G and today’s most advanced Wi-Fi technologies. We are also a leader in video processing and video encoding/decoding technology used in video-enabled products and services. Our AI research effort is focused on the intersection of AI with both wireless and video technologies.

InterDigital is one of the largest pure research and development and licensing companies in the world, with one of the most significant patent portfolios of fundamental wireless and video technologies. As of December 31, 2024, InterDigital’s wholly owned subsidiaries held a portfolio of more than 33,000 patents and patent applications related to wireless communications, video coding, display technology, and other areas relevant to communications and entertainment products and services. Our portfolio includes numerous patents and patent applications that we believe are or may be essential to existing standards, or may become essential to future standards, established by many Standards Development Organizations (“SDOs”). We have contributed technology to wireless standards including the 3G, 4G, and 5G cellular standards and the IEEE 802 suite of standards. We have contributed technology to video standards including standards established by ISO/IEC Moving Picture Expert Group (MPEG), the ITU-T Video Coding Expert Group (VCEG), the Joint Collaborative Team on Video Coding (JCT-VC) and the Joint Video Expert Team (JVET), among others.

Our wireless portfolio has largely been built through internal investment in a world-class research team, supplemented by joint development projects with other companies, and select acquisitions of patents and companies. Our video technology portfolio combines patents and applications that InterDigital obtained through the acquisitions of the research and innovation unit and patent licensing business of visual technology industry leader Technicolor SA and patents and applications created by internal development. Our patented inventions have been implemented in a wide variety of products, including smartphones, tablets, base stations, televisions, laptops, gaming consoles, set-top boxes, streaming devices, connected automobiles, and other consumer electronics and IoT products. Our patented inventions have also been implemented in a wide variety of services, such as video streaming, user generated content sharing, video conferencing, video gaming, and other cloud-based services.

InterDigital derives revenues primarily from licensing our patented innovations. In 2024 and 2023, our total revenues were \$868.5 million and \$549.6 million, respectively. Additional information about our revenues, profits, and assets, as well as additional financial data, is provided in the Consolidated Financial Statements and accompanying Notes in Part II, Item 8, of this Form 10-K.

Our Strategy

Our strategy is to continue to be a leading innovator, designer and developer of fundamental, horizontal technologies and to receive fair compensation for this research by licensing our technology to the companies that benefit from including our patented innovations in their products and services.

To execute our strategy, we intend to:

- ***Continue to invest in advanced research to grow and enhance our patent portfolio.*** We intend to grow and enhance our worldwide patent portfolio in advanced wireless technology, video coding, AI, and other related technology areas by growing our investment in our industry-leading research and development organization, actively participating in SDOs and other industry consortia, and partnering with leading inventors and industry players to source and develop new technologies. We intend to protect our investment in this innovation by seeking patent coverage in countries around the world for the technologies we develop.
- ***Maintain a collaborative relationship with key industry players and worldwide standards bodies.*** We intend to continue contributing to the ongoing process of defining wireless, video and other standards and other industry-wide efforts and incorporating our inventions into those technology areas. Those efforts, and the knowledge gained through them, provide direction for internal development efforts and help guide technology and intellectual property sourcing through partners and other external sources.
- ***Grow our patent-based revenue.*** We intend to grow our licensing revenue base by adding licensees in the existing product markets that we serve, expanding our licensing activities into video streaming and other cloud-based services and expanding into new product markets. These licensing efforts may be direct or executed in conjunction with licensing partnerships and other efforts, and may require the enforcement and defense of our intellectual property through litigation and other means.
- ***Pursue strategic research partnerships with other technology companies.*** We have in the past and we expect to continue to pursue partnerships to jointly develop technology with other companies in our industries. In addition, as part of our ongoing research and development efforts, InterDigital may develop proprietary solutions that may be most valuable when incorporated into commercial products or services offered by others. As an example, we believe that our advanced capabilities in visual technologies will continue to result in developing solutions that can be implemented in adjacent industries, such as content production, gaming, and other areas. We will seek to bring such technologies, as well as other technologies we may develop or acquire, to market through various methods including technology licensing, joint ventures and partnerships.
- ***Attract and retain top talent in wireless, video and AI research, patent portfolio creation, and licensing.*** Our business success is dependent on our ability to attract, grow, and retain top talent, such as specialized engineering and other technical talent.

Technology Research and Development

InterDigital R&I

InterDigital operates a diversified research and development operation, InterDigital Research & Innovation (“InterDigital R&I”).

As an early and ongoing participant in the digital wireless market, InterDigital has developed pioneering solutions for the cellular and Wi-Fi technologies that enable wireless transmission of voice, data and multimedia content in use today. That early involvement and our continued development of advanced digital wireless technologies have enabled us to create our significant worldwide portfolio of patents. InterDigital is also a leader in key video technologies, including 2D video coding and emerging technologies such as immersive video and AI-based video coding. Our current research efforts are focused on a variety of areas related to future technology and devices, including cellular wireless and WiFi technologies, advanced video coding and transmission, and AI. The InterDigital R&I team’s technical expertise is recognized by the worldwide wireless and video standards bodies where our delegates hold key leadership positions.

Our capabilities in the development of advanced technologies are based on the efforts of a highly specialized engineering team, leveraging leading-edge equipment and software platforms. In 2024 and 2023, our

research and portfolio development costs were \$196.9 million and \$195.3 million, respectively, and the largest portion of this expense has been personnel costs.

Wireless Technology

We have a long history of developing cellular technologies, including those related to CDMA and TDMA and OFDM/OFDMA and MIMO. Many of our inventions are being used in all 2G, 3G, 4G and 5G wireless networks and mobile terminal devices. We continue to be engaged in development efforts to build and enhance our 3GPP (as defined herein) technology portfolio in the current and future generations including 5G, 5G Advanced and 6G. The horizontal technologies we develop are essential to support a variety of use cases across several vertical market segments that use connected devices such as mobile phones, automobiles and autonomous vehicles, wearables, smart factories and smart homes, robots, drones and many other connected consumer electronic products including tablets and PCs. We are developing evolutionary and revolutionary solutions that enable connectivity in both licensed and unlicensed spectrum, terrestrial and non-terrestrial networks to provide ubiquitous coverage, across a large range of frequencies up to the terahertz (THz) wave bands.

Segments outside of 3GPP primarily fall within the scope of the IEEE 802 for WiFi devices and IETF standards for Internet protocols. Our IEEE 802 standards-based inventions are used in devices that are certified for WiFi 4/5/6/7 and provide improvements in spectral efficiency, higher throughput, reduced latency, energy efficiency and many other features. We continue to participate and develop new technologies towards WiFi 8 through our leadership positions in IEEE 802 and WiFi Alliance.

Advanced Video Coding and Transmission Technology

An important and growing segment of wireless traffic is devoted to video streaming. We have a rich history in developing advanced technologies that address the challenges of video products and services. Specifically, in the area of video research, we have a long history of research and innovation in technologies that provide the basis for nearly all of the modern video codecs. We have been actively engaged in video standards development work in the ISO/IEC Moving Picture Expert Group (MPEG), the ITU-T Video Coding Expert Group (VCEG), the Joint Collaborative Team on Video Coding (JCT-VC) and the Joint Video Expert Team (JVET). Those efforts have focused on H264/Advanced Video Coding, H.265/High Efficiency Video Coding (“HEVC”) versions 1 to 4, as well as development of the H.266/VVC and the MPEG Immersive (MPEG-I) standards suite. InterDigital R&I is now conducting research in groundbreaking technologies preparing for the next generation of video codecs beyond VVC, investigating new media coding such as point cloud compression, haptics or avatars using both traditional and AI-based techniques. Even codecs, such as AV1/VP9, developed by non-standard groups, use fundamental techniques we have been instrumental in developing.

Artificial Intelligence/Machine Learning (AI/ML)

InterDigital is using AI to drive both wireless and video standards towards the future, leveraging AI as a valuable tool to drive efficiency and new capabilities in wireless networks and in video compression and delivery systems. We are researching a variety of aspects of AI that can be applied to complex problems in video and wireless technologies. Those areas of research include: energy-efficient deep learning aimed at reducing the energy-intensive rollout of AI; design of novel video codecs based on deep learning techniques and optimized for different use cases (e.g., for machine consumption); and the integration of AI into current and next generation 3GPP wireless systems.

Patent Portfolio

As of December 31, 2024, our patent portfolio consisted of more than 33,000 patents and patent applications worldwide. The patents and applications comprising our portfolio relate predominantly to cellular wireless standards, including 3G, 4G and 5G technologies, other wireless standards, including 802.11 (Wi-Fi) technology,

and a variety of video technologies and standards, such as HEVC and VVC. Our issued patents expire at differing times ranging from 2025 through 2044. We generally receive newly-issued patents on a weekly basis, which further extend the coverage of newly developed technologies and expiration dates of our patents.

Our Revenue Sources

Device-based Licensing Revenue

Companies making, importing, using or selling products compliant with the standards covered by our patent portfolio, including all manufacturers of smartphones, tablets and other devices, and many consumer electronics products, such as televisions, personal computers and other devices, require a license under our patents. We have successfully entered into patent license agreements with many of the leading mobile communications and consumer electronics companies globally, including Amazon Technologies, Inc. (“Amazon”), Apple Inc. (“Apple”), Lenovo Group Limited (“Lenovo”), Google LLC (“Google”), LG Electronics, Inc. (“LG”), Guangdong OPPO Mobile Telecommunications Corp., Ltd. (“OPPO”), Samsung Electronics Co., Ltd. (“Samsung”), Sony Corporation of America (“Sony”), and Xiaomi Corporation (“Xiaomi”), among others.

Service-based Licensing Revenue Opportunities

We also believe that companies providing video streaming and certain other cloud services require a license under our patents, and we will seek to license our relevant assets to such companies. We launched our Video Services licensing program with an initial focus on the subscription-based video on demand (“SVOD”) and advertisement-based video on demand (“AVOD”) markets. Companies participating in these markets make, import, use or sell services making use of a number of video codecs and other technologies covered by our patent portfolio.

Overview of Patent Licenses

The majority of our revenue is generated from fixed-fee patent license agreements, with a smaller portion coming from variable royalty agreements. Upon entering into a new patent license agreement, consideration should be paid for sales made prior to the period in which the agreement was executed, to the extent those past sales were previously unlicensed (i.e., catch-up revenues), in addition to royalties or license fees on licensed products sold during the term of the agreement. We expect that, for the most part, new license agreements will follow this model. Almost all of our patent license agreements provide for the payment of royalties based on sales of licensed products designed to operate in accordance with particular standards (convenience-based licenses), as opposed to the payment of royalties if the manufacture, sale or use of the licensed product infringes one of our patents (infringement-based licenses).

Our variable royalty license agreements typically contain provisions that give us the right to audit our licensees’ books and records to ensure compliance with the licensees’ reporting and payment obligations under those agreements. From time to time, these audits reveal underreporting or underpayments under the applicable agreements. In such cases, we seek payment for the amount owed and enter into negotiations with the licensee to resolve the discrepancy.

For a discussion of our revenue recognition policies with respect to patent license agreements, see “Item 7. *Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview—Critical Accounting Policies and Estimates—Revenue Recognition—Patent License Agreements.*”

Licensing Through Platforms

As part of the Technicolor Patent Acquisition, we assumed Technicolor’s rights and obligations under a joint licensing program with Sony relating to digital televisions (“DTVs”) and standalone computer display

monitors (“CDMs”) (such program, the “Madison Arrangement”), including Technicolor’s role as exclusive licensing agent. Under the Madison Arrangement, Technicolor and Sony combined portions of their respective DTV and CDM patent portfolios and created a combined licensing opportunity for DTV and CDM manufacturers. As licensing agent for the Madison Arrangement, we are responsible for making decisions regarding the prosecution and maintenance of the combined patent portfolio and the licensing and enforcement of the combined patent portfolio in the field of use of DTVs and CDMs. Refer to Note 10, “*Obligations*,” within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for further information about the Madison Arrangement.

In 2016, InterDigital joined Avanci, the industry’s first marketplace for the licensing of cellular standards-essential technology for the IoT. The licensing platform brings together many of InterDigital’s peers in standards-essential technology leadership, and makes 2G, 3G, 4G, and 5G standards-essential patents available to IoT players in specific product segments with one flat-rate license. The Avanci licensing programs in specific product segments for the IoT industry will provide access to the entire applicable standards-essential cellular patent portfolios held by all of the platform participants, as well as any additions to their portfolios during the term of the license. Since December 2017, Avanci has primarily focused on the automotive market, and has signed patent license agreements with BMW Group, Audi, Porsche, Volkswagen, and Volvo Cars, among others, collectively representing over 80% of annual connected car shipments. Through Avanci, InterDigital’s cellular standard essential patents are also made available to certain other product verticals in the IoT area, such as smart meters and vehicle aftermarket products.

Overview of Smartphone, Consumer Electronics, IoT, and Video Services Industries

The primary markets for our wireless and video technologies are the smartphone, consumer electronics, IoT/Automotive, and video services markets. The smartphone market, with an estimated 1.2 billion units shipped worldwide in 2024, is driven by several large, global brands. The market rebounded in 2024 after several stagnant years due to the continued global uptake of 5G smartphones as well as the migration from feature phones to smartphones in emerging regions. Continued growth beyond 2024 is anticipated due in part to the introduction of new technologies and form factors.

In addition to smartphones there is a large universe of other consumer electronic devices and ecosystems, with a mix of mature and emerging, as well as consolidated and fragmented, device segments. After smartphones, televisions represent one of the largest markets with more than 200 million units shipped globally. Other key consumer electronics device categories include tablets and personal computers, set-top-boxes and streaming media players, gaming consoles, wearables and smart home products.

IoT/Automotive is an important and relatively new market that is expected to result in a significant increase in the number of connected devices worldwide and unlock new business capabilities. Total global cellular IoT device shipments are expected to grow from approximately 450 million in 2024 to approximately 700 million by 2028. Automobiles represent a significant opportunity within the IoT market, with approximately 60 million connected vehicles shipped in 2024, which is expected to grow significantly in the future.

Video Services, a rapidly growing market, encompass a wide range of consumer video entertainment platforms, including SVOD, AVOD, Virtual Multichannel Video Programming Distributor (“vMVPD”), Free Ad-Supported Streaming TV (“FAST”), and social media platforms. Collectively, the Video Services market is expected to grow from approximately \$370 billion of annual revenue in 2024 to approximately \$500 billion of annual revenue by 2027.

Overview of Standardization

To achieve economies of scale and support interoperability among different participants, many wireless and consumer electronics products have been designed to operate in accordance with certain industry standards and

common technical specifications. Wireless industry standards, for example, are formal requirements and guidelines for engineers, designers, manufacturers and service providers that regulate and define the use of the radio frequency spectrum in conjunction with providing detailed specifications for wireless communications products. The consumer electronics industry also implements many of the same standards, including standards related to Wi-Fi and increasingly, cellular technologies, as well as a broad range of video coding standards and technical specifications that enable the efficient rendering of video content. Technology related to these video coding standards also enable the media content and video streaming industries. New standards and specifications are typically adopted with each new generation of products and services, are often compatible with previous generations and are defined to ensure equipment interoperability and regulatory compliance.

SDOs, which facilitate and govern the development of standards, typically ask participating companies to declare formally whether they believe they hold patents or patent applications essential or potentially essential to a particular standard and whether they are willing to license those patents on either a royalty-bearing basis on fair, reasonable and nondiscriminatory terms or on a royalty-free basis. To manufacture, have made, sell, offer to sell or use such products on a non-infringing basis, a manufacturer or other entity doing so needs to obtain a license from the holder of essential patent rights. The SDOs neither have enforcement authority against entities that fail to obtain required licenses, nor do they have the ability to protect the intellectual property rights of holders of essential patents.

InterDigital often publicly characterizes aspects of its business, including license agreements and development projects, as pertaining to industry standardized technologies such as, for example, 3G, 4G, 5G, Wi-Fi, HEVC, and VVC. In doing this, we generally rely on the positions of the applicable SDOs in defining the relevant standards. However, the definitions may evolve or change over time, including after we have characterized certain transactions.

Business Activities

2024 Patent Licensing Activity

During 2024, we entered into fourteen patent license agreements as discussed below.

Direct Licenses

In January 2024, we signed a patent license agreement with Samsung Electronics (the “Samsung TV agreement”). The agreement licenses Samsung’s digital TVs and computer display monitors under InterDigital’s joint licensing program with Sony and includes licenses to key technologies including ATSC 3.0, as well as licenses under InterDigital’s patents including HEVC, VVC and Wi-Fi.

In June 2024, we signed a new device license agreement with Google. The agreement licenses a range of devices including Pixel smartphones, Fitbit wearables, and other consumer electronics devices to InterDigital’s cellular wireless, Wi-Fi, and HEVC video patented technologies.

In October 2024, we entered into a patent license agreement with OPPO. The agreement covers OPPO, realme and OnePlus branded mobile devices worldwide. As part of the agreement, both parties agreed to dismiss all pending litigations between us.

In October 2024, we entered into an arbitration agreement with Lenovo to determine the terms of a new patent license. As part of the agreement to arbitrate, both parties agreed to dismiss all pending litigations between us.

Additionally, we entered into licenses covering our technologies with Arcelik, Blu, Ericsson, Kyocera, Panasonic, Teltronic, TPV, and ZTE.

Customers Generating Revenues Exceeding 10% of Total 2024 Revenues

A small number of customers historically have accounted for a significant portion of our consolidated revenues. In fiscal 2024, revenues (in descending order) from Samsung, Lenovo, Apple, and OPPO each comprised 10% or more of our consolidated revenues. Additional information regarding revenue concentrations is provided in this Annual Report in Note 4, “*Segment and Concentration Information*” in the Notes to Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K.

In 2022, we agreed to renew our patent license agreement with Samsung and enter into binding arbitration to determine the final terms of the license, including the amount payable by Samsung under the new agreement. In 2023, we began recognizing revenue for Samsung at a conservative level consistent with the revenue we recognized from our patent license agreement that expired on December 31, 2022. We believe that it is likely the arbitration award will exceed the conservative estimate and require a true-up at the time of the award. The two-week arbitration hearing was held in July 2024, and we expect a decision in early 2025. Additionally, we recognized revenue from the Samsung TV agreement signed in 2024 as noted above in *2024 Patent Licensing Activity*.

As discussed above in *2024 Patent Licensing Activity*, in 2024 we entered into an arbitration agreement with Lenovo to determine the terms of a new patent license. We began recognizing revenue at a conservative level, consistent with Generally Accepted Accounting Principles in the United States (“GAAP”). Additionally, in 2024 we recognized revenues from the multi-year, worldwide, non-exclusive, royalty bearing license with Lenovo covering InterDigital’s HEVC patents that was signed in 2023.

In 2022, we renewed a multi-year, royalty-bearing, worldwide, and non-exclusive patent license agreement with Apple (the “Apple PLA”). The agreement sets forth terms covering Apple’s business, including its sale of 3G, 4G, and 5G cellular and wireless-enabled products. The term of the Apple PLA extends through September 30, 2029.

In 2024, we entered into the above-noted patent license agreement with OPPO. The term of the OPPO patent license agreement extends through December 31, 2027, and we began recognizing revenue from this agreement in fourth quarter 2024.

Patent Infringement and Declaratory Judgment Proceedings

From time to time, if we believe a party is required to license our patents in order to manufacture, use and/or sell certain products and such party refuses to do so, we may agree with such party to have royalties or other terms set by third party adjudicators (such as arbitrators) or, in certain circumstances, we may institute legal action against them. Enforcing our intellectual property through legal action is an important alternative to bilateral negotiations with respect to licensees who engage in the pernicious practice of “holdout”. In recent years, courts in various jurisdictions have addressed “holdout” behavior, recognizing that fair, reasonable and non-discriminatory (“FRAND”) obligations are bilateral and failure of implementers to act in a FRAND manner can result in certain penalties. We welcome this development as it incentivizes potential licensees to negotiate in a timely and reasonable fashion as well as providing a necessary balance to FRAND negotiations.

Enforcement of our patent portfolio has typically taken the form of a patent infringement lawsuit or an administrative proceeding, such as a Section 337 proceeding before the U.S. International Trade Commission (“USITC” or the “Commission”). In a patent infringement lawsuit, we would typically seek damages for past infringement, an injunction against future infringement, declaratory judgment and/or other relief. In a USITC proceeding, we would seek an exclusion order to bar infringing goods from entry into the United States, as well as a cease and desist order to bar further sales of infringing goods that have already been imported into the United States. Parties may bring administrative and/or judicial challenges to the validity, enforceability, essentiality and/or applicability of our patents to their products or seek to petition a court to establish a rate and/

or terms for a license to our patents. Parties may also allege that our efforts to enter into a license with that party do not comply with any obligations we may have in connection with our participation in standards-setting organizations, and therefore that we are not entitled to the relief that we seek. For example, a party may allege that we have not complied with an obligation to offer (or be prepared to offer) a license to that party for patents that are or may become standards-essential patents (“SEPs”) on FRAND terms and conditions, and may also file antitrust claims or regulatory complaints on that or other bases, and may seek damages or other relief based on such claims. In addition, a party might file a declaratory judgment action to seek a court’s declaration that our patents are invalid, unenforceable, not infringed by the other party’s products or are not SEPs. Our response to such a declaratory judgment action may include claims of infringement. When we include claims of infringement in a patent infringement lawsuit, a favorable ruling for the Company can result in the payment of monetary damages for past manufacture, use and/or sale of the patented invention, the setting of terms and conditions for a license, issuance by the court of an injunction enjoining the infringer from manufacturing, using and/or selling infringing products and/or a declaration of FRAND compliance.

Contractual Arbitration Proceedings

We and our licensees, in the normal course of business, may have disagreements as to the rights and obligations of the parties under applicable agreements. For example, we could have a disagreement with a licensee as to the amount of reported sales and royalties. Our patent license agreements typically provide for private confidential arbitration as the mechanism for resolving disputes with our licensees. In arbitration, licensees may seek to assert various claims, defenses, or counterclaims, such as claims based on waiver, promissory estoppel, breach of contract, fraudulent inducement to contract, antitrust, and unfair competition. Arbitration proceedings can be resolved through an award rendered by the arbitrators or by settlement between the parties. Parties to arbitration might have the right to have the award reviewed in a court of competent jurisdiction; however, based on public policy favoring the use of arbitration, it is generally difficult to have arbitration awards vacated or modified. The party securing an arbitration award may seek to have that award confirmed as a judgment through an enforcement proceeding. The purpose of such a proceeding is to secure a judgment that can be used for, if need be, seizing assets of the other party.

In addition, arbitration may be a particularly effective means for resolving disputes with prospective licensees concerning the appropriate FRAND terms and conditions for license agreements that include SEPs, particularly where negotiations have otherwise reached an impasse. Binding arbitration to resolve the terms and conditions of a worldwide FRAND license to our patent portfolio is an efficient and cost-effective mechanism, as it allows the parties to avoid piecemeal litigation in multiple jurisdictions and ensures that an enforceable patent license agreement that is consistent with FRAND commitments will be in place at the end of the arbitration process.

Competition

With respect to our technology development activities and resulting commercialization efforts, we face competition from companies, including in-house development teams at other wireless and video technology companies, consumer electronics device companies, semiconductor companies, wireless operators, video streaming and cloud service companies, and other technology providers, developing other and similar technologies that are competitive with our technologies that we may market or set forth into the standards-setting arena.

Due to the exclusionary nature of patent rights, we do not compete, in a traditional sense, with other patent holders for patent licensing relationships or sale transactions. Other patent holders do not have the same rights to the inventions and technologies encompassed by our patent portfolio. In any device, piece of equipment, or service that contains intellectual property, the manufacturer or implementer may need to obtain licenses from multiple holders of intellectual property. In licensing our patent portfolio, we compete with other patent holders for a share of the royalties that certain licensees may argue to be the total royalty that is supported by certain

products or services, which they may argue face practical limitations. We believe that licenses under a number of our patents are required to manufacture and sell wireless products, as well as other consumer electronics devices, and to implement certain technology services. However, numerous companies also claim that they hold patents that are or may be essential or may become essential to standards-based technology deployed on wireless products, other consumer electronics devices and services. To the extent that multiple parties all seek royalties on the same product or service, the manufacturers could claim to have difficulty in meeting the financial requirements of each patent holder. In the past, certain manufacturers have sought antitrust exemptions to act collectively on a voluntary basis. In addition, certain manufacturers have sought to limit aggregate licensing fees or rates for SEPs.

Sustainability

We believe our innovation provides the framework for a future increasingly shaped by the profound convergence of wireless, video, and AI technologies. As these technologies become more ubiquitous and deliver immense benefits across the global ecosystem, we believe it is important that the future we are enabling continues to be anchored by a core set of values, ethics, and principles. Our heritage of innovation has produced technologies that fundamentally improve efficiency and power consumption across billions of devices, network infrastructure, and delivered services. Our sustainability principles continue this legacy and shape our pursuit of a more sustainable, representative, diverse, and equitable world.

Our Nominating and Corporate Governance Committee has primary oversight over environmental, social and other sustainability matters, which it exercises in conjunction with the committees of the Board. In addition, our Chief Financial Officer oversees a committee of senior executives that steers the process of setting purpose, strategies, policies and goals related to economic, environmental and social topics. We are committed to sustainable business principles, to thinking long-term, and to making strategic decisions that adhere to our mission and values. We strive to focus and make progress on initiatives that matter most to our business, our employees, communities, and external stakeholders. Among other things, this means aligning our standards to the United Nations' Sustainable Development Goals and its underlying principles around the environment, the workforce, anti-corruption, and human rights.

We are committed to driving positive progress towards reducing the environmental footprint that the deployment of 5G, wireless networks, and other video technologies will bring. While our business activities do not entail the same concerns related to manufacturing or raw materials sourcing and disposal, our corporate sustainability strategy addresses the following:

- investing in best practices to track and reduce our carbon footprint, including environmental considerations, and reporting related to data center needs;
- investigating and reducing unnecessary energy consumption;
- continuing to manage our environmental footprint with our office improvements; and
- supporting our employee community in reducing commuting impact through embracing a hybrid office schedule and offering mobility programs.

As a pure research business, we consider our carbon impact through our “handprint” and the ways our innovation and contributions to global standards empower energy efficiencies and sustainable outcomes. Our research not only offers significant advances in the operational performance of various systems, but also reduced environmental impact through efficiency improvements, reduced power consumption, and by altering the way that products are used, serviced, or maintained worldwide. We were named by LexisNexis as one of the top 100 companies whose innovation is helping progress towards achieving the United Nations' Sustainable Development Goals.

InterDigital ranks among the industry leaders for highest patent quality for 5G and video codec patents. 5G technology is designed to efficiently use energy throughout its ecosystem and will play a significant role in

promoting and attaining sustainability goals. We have published white papers exploring how 5G and the emerging IoT ecosystem might shape sustainability efforts for the ICT industry. While the proliferation of connected devices can drive increases in energy consumption, innovative solutions can mitigate these outcomes to help lower our carbon footprint and engage more sustainably. In fact, one of our reports found that by 2030, IoT deployment and its subsequent disruption of various industries is projected to save more than eight times the energy it consumes – which could help to save up to 230 billion cubic meters of water and eliminate up to one gigaton of CO2 emissions. Additionally, 5G technology has significant potential societal benefits, including promoting productivity-led economic growth, increasing medical diagnostic capabilities, creating more sustainable cities and communities, improving remote education, and reducing inequalities in education and income. We believe that the benefits to be derived from 5G are substantial and will be felt throughout society.

The foregoing discussion includes information regarding sustainability matters that we believe may be of interest to our shareholders generally. We recognize that certain other stakeholders (such as customers, employees and non-governmental organizations), as well as certain of our shareholders, may be interested in more detailed information on these topics. We encourage you to review our most recent Corporate Sustainability Report (located on our website) for more detailed information regarding our Corporate Sustainability governance, goals, priorities, accomplishments and initiatives, as well as the Corporate Governance section of our most recent Proxy Statement, and our Corporate Governance Principles and Practices (located on our website), for additional information regarding governance matters, including Board and Committee leadership, oversight, roles and responsibilities, and Director independence, tenure, refreshment and diversity. Nothing on our website, including the aforementioned reports and documents, or sections thereof, shall be deemed incorporated by reference into this Annual Report.

Human Capital

Overview

We are committed to making InterDigital an exceptional place to work, fostering a workplace where all employees feel valued, respected, included, and challenged. We aim to create an environment that attracts, engages, and retains a talented workforce that drives the company's growth and long-term sustained success. Our Human Capital Committee is responsible for overseeing our policies and strategies related to culture and human capital.

As of December 31, 2024, we had approximately 430 employees worldwide, of whom approximately 220 employees based outside of the United States, nearly all of whom were full-time. Our employees in France are represented by works councils and are subject to collective bargaining agreements. None of our employees based in the United States or Canada are unionized or subject to collective bargaining agreements. Management believes that its relationships with our employees and works councils are strong and productive.

Health, Safety & Well-Being

Over the past few years, as our work and lifestyle have evolved, we've been dedicated to developing a flexible work model that supports our employees. This model offers the option to work full-time in the office, fully remotely, or a combination of both, ensuring we meet the diverse needs of our team. We provide holistic benefits and maintain company policies that promote a culture of wellness. We offer a minimum of twelve weeks of paid parental leave globally and have kept employees connected to volunteer opportunities that benefited both their mental health and communities through our 'Charity Day' paid time off program.

Compensation & Benefits

Our compensation program is designed to be market competitive, offering base salaries and incentives that reward individual contributions aligned with the Company's strategy and mission. We provide a total

compensation package that is competitive with the markets in which we operate, with individual pay differentiated based on performance, skills and experience. Our total rewards plans include base salary, short- and long-term incentives, healthcare benefits, retirement savings plans, well-being programs, hybrid work arrangements, and both monetary and social recognition across our global locations. In addition to comprehensive health benefits, employees may have access to location-specific perks, such as subsidized fitness programs, commuter benefits, wellness incentives, tuition reimbursement, and professional development opportunities. We routinely review our total rewards programs to ensure they remain competitive, supporting our ability attract and retain the diverse talent necessary for business growth.

Talent and Culture

Research, learning, and growth are fundamental to executing our promise to the world to innovate today to empower tomorrow. We believe our talent drives our business success and we focus on investing in our talent practices to provide the most benefit to our employees. Our Talent philosophy focuses on cultivating a culture of high performance, career development, and employee engagement, empowering our workforce its full potential. Our Talent Acquisition strategy is aligned with this philosophy and supports InterDigital's cultural values and business objectives. Through targeted talent programs, we are able to attract and retain top talent by offering opportunities for learning and career advancement. We take a proactive approach by regularly evaluating our talent offerings and deploying strategies that promote actionable experiences to attract, develop, and retain top talent.

Our company values are central to our operations and talent practices. In 2024, we redefined these values based on employee feedback to better align with our evolving culture. These values are now integrated into our learning practices and will be incorporated into future goal setting and performance management practices.

Our Leadership Development model, available to all employees, provides a comprehensive suite of tools and resources for growth across four key areas; thought leadership, results leadership, people leadership, and self-leadership. Recognizing that all employees are leaders at every level, this model is integrated into our culture and recruitment strategies to align with our competency model. The development of leadership skills is pivotal in fostering our culture of innovation, inclusivity, and collaboration. Leaders have access to a range of structured development and learning experiences, including performance management training, focused on behavior-based competencies and feedback practices. We encourage ongoing dialogue between leaders and employees, promoting ongoing development and empowering employees to leverage create meaningful and actionable development plans that drive personal and company growth.

InterDigital encourages all employees to participate in internal and external development opportunities, including, training sessions, workshops, and industry conferences. We invest in these opportunities to support employee growth, which in turn, drives organizational success. These experiences enhance employee knowledge and skills while contributing valuable perspectives to our Company.

We continue to invest in processes to assess and develop talent, including a formalized annual performance evaluation program, critical skills and potential analysis, and succession planning for key and senior roles. All employees undergo an annual performance review and participate in our engagement survey efforts. The performance review process includes bi-annual assessments of individual performance, allowing employees to assess their own achievements and receive feedback on goals and development opportunities. In 2024, we conducted an engagement pulse survey to supplement our broader 2023 survey efforts, providing additional insights into our strengths in fostering an innovative and inclusive culture, and areas for continued improvement to be a winning team.

We believe our workplace culture, values, and competitive compensation and benefits are critical to maintaining low levels of attrition, thereby enabling us to attract and retain top talent. For the year ended December 31, 2024, our voluntary attrition percentage was less than 5%.

Our Inclusive Global Workforce

We participate in the highly competitive process of advancing communication, video, and AI technologies through our engagement with global SDOs. To succeed in the global marketplace, we require a highly educated, skilled, and specialized workforce, and we believe maintaining a diverse and inclusive environment is essential. We are a company of world-class inventors that strive to foster a diverse and stimulating environment where creative, intelligent, and ambitious people can develop and grow.

Our workforce reflects significant global diversity, with approximately 430 employees representing nearly 60 countries and approximately 71% male employees and 29% female employees. Our goal is to provide an environment where employees are empowered to leverage their unique experiences and backgrounds to drive collaboration and technological innovation, and ultimately allow us to execute on our business plans.

The foregoing discussion includes information regarding Human Capital matters intended to address topics of interest to shareholders generally. We recognize that other stakeholders including customers, employees, organizations, and some shareholders, may seek more detailed insights on these topics. We encourage stakeholders to review the “Human Capital” section of our most recent Corporate Sustainability Report, available on our website, for further details on our Human Capital programs and initiatives, which includes our most recent Consolidated EEO-1 reports detailing our workforce composition. Nothing on our website, including the Consolidated EEO-1 reports and our Corporate Sustainability Report, or any sections thereof, shall be deemed incorporated by reference into this Annual Report.

Geographic Concentrations

See Note 4, “*Segment and Concentration Information*,” in the Notes to Consolidated Financial Statements included in Part II, Item 8, of this Form 10-K for financial information about geographic areas for the last three years.

Corporate Information

The ultimate predecessor company of InterDigital, Inc. was incorporated in 1972 under the laws of the Commonwealth of Pennsylvania and conducted its initial public offering in November 1981. Our headquarters are located in Wilmington, Delaware. Our research and development activities are conducted primarily in facilities located in Conshohocken, Pennsylvania; New York, New York; Los Altos, California; Montreal, Canada; London, United Kingdom; and Rennes, France. We are also a party to leases for several smaller research and/or office spaces, including in Melville, New York; Indianapolis, Indiana; Brussels, Belgium; Espoo, Finland; Paris, France, and Beijing, China. In addition, we own an administrative office space in Washington, District of Columbia.

Our Internet address is www.interdigital.com, where, in the “Investors” section, we make available, free of charge, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, certain other reports and filings required to be filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and all amendments to those reports or filings as soon as reasonably practicable after such material is electronically filed with or furnished to the United States Securities and Exchange Commission at www.sec.gov. The information contained on or connected to our website or any other website referenced herein is not incorporated by reference into this Form 10-K.

Item 1A. RISK FACTORS.

We face a variety of risks that may affect our business, financial condition, operating results, the trading price of our common stock, or any combination thereof. You should carefully consider the following information and the other information in this Form 10-K in evaluating our business and prospects and before making an

investment decision with respect to our common stock. If any of these risks were to occur, our business, financial condition, results of operations or prospects could be materially and adversely affected. In such an event, the market price of our common stock could decline and you could lose all or part of your investment. The risks and uncertainties we describe below are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also affect our business.

Risks Related to Our Business

Our plans to expand our revenue opportunities may not be successful.

As part of our business strategy, we regularly seek to expand our revenue opportunities both organically and inorganically. In particular, we have expanded our licensing activities beyond device-based licensing revenue to certain video and cloud-based service providers. The market for licensing video and cloud-based services is not as developed as device-based licensing programs. As a result, video and cloud-based service providers do not have a significant volume of comparable agreements against which to compare our offers and may use this as a reason to delay our negotiations with such providers. Additionally, our pricing models may not reflect the value of our technologies in the eyes of our customers. And, because this market is less developed, holdout behavior may be more likely than in device licensing. Service providers may also opt to use alternative technologies for which we have little or no patent coverage. Accordingly, we may not be able to enter into license agreements with these providers on terms that are favorable to us, or at all. Services revenue is a key component of our future growth, and if we are unable to successfully launch and execute a services licensing program, we will not reach our revenue targets, and our business, financial condition and prospects could be harmed.

Challenges relating to our ability to enter into new license agreements and renew existing license agreements could cause our revenue and cash flow to decline.

We face challenges in entering into new patent license agreements. Most implementers of our technology do not voluntarily seek to enter into license agreements with us before they commence manufacturing and/or selling devices that use our patented inventions. The process of identifying users of our inventions and negotiating license agreements with reluctant prospective licensees requires significant time, effort and expense. Some infringers may act in bad faith, by attempting to hold out on taking a license altogether or behaving opportunistically in license negotiations. Even good faith negotiations are often very long and complex, involving significant company time and resources. Given these challenges, we cannot ensure that we will be able to enter into patent license agreements either at all or on terms acceptable to us. Additionally, given the large number of implementers using our patented inventions, we may not be able to identify all potential licensees. Once identified, it is not feasible for us to seek licenses from all users of our patented technologies, so we have to make strategic decisions with respect to which companies we should approach for license negotiations. Uncertainty related to entry into new license agreements could impact our forecasts and ultimately, revenue, cash flow and business.

We also face challenges in renewing our existing license agreements. Although we endeavor to renew license agreements prior to their expiration, due to various factors, including the technology and business needs and competitive positions of our licensees and, at times, reluctance on the part of our licensees to participate in renewal discussions, we may not be able to renegotiate the license agreements on acceptable terms before the expiration of the license agreement, or at all. If there is a delay in renegotiating and renewing a license agreement prior to its expiration, there could be a gap in time during which we may be unable to recognize revenue from that licensee or we may be forced to renegotiate and renew the license agreement on terms that are more favorable to such licensee. If we fail to renegotiate and renew our license agreements prior to their expiration, at all or on terms that are favorable to us, our forecasts, revenue and cash flow could be materially adversely affected.

Royalties or other terms under our patent license agreements could be subject to determination through arbitration or other third-party adjudications or regulatory or court proceedings, and arbitrators, judges or other third-party adjudicators or regulators could make unfavorable determinations.

Historically, we strive for the terms of our patent license agreements, including royalties, to be reached through arms-length bilateral negotiations with our licensees. We could agree, as we did with Samsung and Lenovo pursuant to binding arbitration agreements, to have royalties and any other disputed terms set by third party adjudicators (such as arbitrators). We have no guarantee that the royalties or other terms set by arbitrators, courts or other third parties will be favorable to us. It is possible that courts or regulators could decide to set or otherwise determine the FRAND consistency of such terms or the manner in which such terms are determined, including by determining a worldwide royalty for our SEPs. Changes to or clarifications of our obligations to be prepared to offer licenses to SEPs on FRAND terms and conditions could require such terms, including our royalties, to be determined through third party adjudications. Finally, we and certain of our current and prospective licensees have initiated, and we and others could in the future initiate, legal proceedings or regulatory proceedings requesting third party adjudicators or regulators to set FRAND terms and conditions for a worldwide license to our SEPs, or to determine the FRAND-consistency of current terms and conditions in our patent license agreements. Chinese courts have affirmed their position that in certain SEP licensing disputes, Chinese courts can set worldwide royalties, and in December 2023, one such court issued such a decision setting a worldwide royalty for Nokia's cellular patents. We have faced similar proceedings with OPPO in China to determine a worldwide royalty for certain of our SEPs as well as royalty-setting proceedings in the UK initiated by Lenovo and Tesla. If any court or arbitration tribunal decision sets a worldwide royalty rate that is unfavorable to us, our standard essential patent portfolio could be significantly devalued as it relates to the FRAND royalty an implementer should pay, which could in turn negatively impact pricing with other licensees.

To the extent that our patent royalties for our patent license agreements are determined through arbitration or other third party adjudications or regulatory or court proceedings rather than through bilateral negotiations, because such proceedings are inherently unpredictable and uncertain and there are currently few precedents for such determinations, it is possible that royalties may be lower than our accounting estimates and/or comparable licenses. This could also have a negative impact on royalties we are able to obtain from future licensees, which may have an adverse effect on our revenue and cash flow. Prospective customers may delay, and in some cases have delayed, negotiations on the basis of an adverse decision. In addition, to the extent that other terms and conditions for our patent license agreements are determined through such means, such terms and conditions could be less favorable than our historical terms and conditions, which could have an adverse effect on our licensing business more broadly.

We could continue to be involved in a number of costly litigation, arbitration and administrative proceedings to enforce or defend our intellectual property rights and to defend our licensing practices.

Although we always seek to enter into licenses through bi-lateral negotiations, sometimes licensees are unwilling and litigation is necessary. This may be even more true with respect to video services licensing than device licensing since licensing efforts in this space are newer. While some companies seek licenses before they commence manufacturing and/or selling devices or services that use our patented inventions, the vast majority do not. Consequently, we approach companies and seek to establish license agreements for using our inventions. We expend significant time and effort identifying users and potential users of our inventions and negotiating license agreements with companies that may be reluctant to take licenses. If a third party implementer is unwilling to take a license on reasonable terms or in a reasonable time frame, or at all, we have in the past commenced, and may in the future commence, legal or administrative actions against such third parties to enforce our intellectual property rights. In turn, we have faced, and expect to continue to face, counterclaims and other legal proceedings that challenge the essential nature of our patents, or that claim that our patents are invalid, unenforceable or not infringed. Litigation adversaries have and may continue to allege that we have not complied with certain commitments to standards-setting organizations and therefore that we are not entitled to the relief that we seek. Parties have also filed, and may in the future file, antitrust claims, unfair competition claims or regulatory

complaints on that or other bases, and may seek damages and other relief based on such claims. Litigation adversaries have also filed against us, and other third parties may in the future file, validity challenges such as inter partes proceedings in the USPTO or the China National Intellectual Property Administration, which can lead to delays of our patent infringement actions as well as potential findings of invalidity. Such parties may also seek to obtain a determination that our patents are not infringed, are not essential or are unenforceable.

Litigation may be also required to protect our trade secrets, enforce patent license and confidentiality agreements or determine the validity, enforceability and scope of proprietary rights of others. The cost of enforcing and defending our intellectual property and of defending our licensing practices has been and may continue to be significant, in particular with rising fees from outside counsel. As a result, we could be subject to significant legal fees and costs, including in certain jurisdictions the costs and fees of opposing counsel if we are unsuccessful. In addition, litigation, arbitration and administrative proceedings require significant key employee involvement for significant periods of time, which could divert these employees from other business activities.

Potential patent and litigation reform legislation, potential USPTO and international patent rule changes, potential legislation affecting mechanisms for patent enforcement and available remedies, and potential changes to the intellectual property rights (“IPR”) policies of worldwide standards bodies, as well as rulings in legal proceedings, may affect our investments in research and development and our strategies for patent prosecution, licensing and enforcement and could have a material adverse effect on our licensing business as well as our business as a whole.

Potential changes to certain U.S. and international patent laws, rules and regulations may occur in the future, some or all of which may affect our research and development investments, patent prosecution costs, the scope of future patent coverage we secure, the number of forums in which we can seek to enforce our patents, the remedies that we may be entitled to in patent litigation, and attorneys’ fees or other remedies that could be sought against us, and may require us to reevaluate and modify our research and development activities and patent prosecution, licensing and enforcement strategies. For example, the State Administration for Market Regulation in China regularly reviews its policies related to intellectual property and antitrust laws, and any such review could result in ambiguous standards and/or create a worse position for patent holders like us. Additionally, the European Commission (“EC”) has initiated a review of the EU’s IP policies as they relate to SEPs and FRAND. This review is currently being discussed and debated inside the European Parliament and the European Council and any change to the legal or regulatory landscape as a result of this review could impact our ability to negotiate license agreements on favorable terms or at all, while also limiting our potential legal remedies and materially impacting our business. Further, legislation designed to reduce the value of SEPs and alter the U.S. patent system, including legislation designed to reduce the jurisdiction and remedial authority of the USITC, has periodically been introduced in Congress.

Any potential changes in the law, the IPR policies of standards bodies or other developments that reduce the available forums or the types of relief available in such forums (such as injunctive relief), restrict permissible licensing practices (such as our ability to license on a worldwide portfolio basis) or that otherwise cause us to seek alternative forums (such as arbitration or state court), would make it more difficult for us to enforce our patents, whether in adversarial proceedings or in negotiations. Because we have historically depended on the availability of certain forms of legal process to enforce our patents and obtain fair and adequate compensation for our investments in research and development and the unauthorized use of our intellectual property, developments that undermine our ability to do so could have a negative impact on future licensing efforts.

Rulings in our legal proceedings, as well as those of third parties, may affect our strategies for patent prosecution, licensing and royalty setting and enforcement. For example, in the past, the USITC and U.S. courts, including the U.S. Supreme Court, have taken actions that have been viewed as unfavorable to patentees, including us. Decisions that occur in the U.S. or in international forums may change the law applicable to various patent law issues, such as, for example, patentability, validity, claim construction, patent exhaustion, patent misuse, permissible licensing practices, available forums, and remedies such as damages and injunctive relief, in

ways that are detrimental to the ability of patentees to enforce patents and obtain suitable relief. There are regularly discussions within the EC regarding potential regulations and policy changes that could determine how and whether a patent is essential to a standard. The risk of having our patents determined essential based on a single methodology or specific criteria and conditions associated with patent enforcement and licensing as imposed by the EC would affect our strategies as well. Ongoing uncertainty related to the feasibility and criteria used for this evaluation as well as the cost associated with such essentiality determination could impact the assessment of our SEP portfolio.

We continue to monitor and evaluate our strategies for prosecution, licensing and enforcement with regard to these developments; however, any resulting change in such strategies may have an adverse impact on our business and financial condition.

Our ability to license device manufacturers and service providers in China may be adversely affected by a deterioration in United States-China trade and geopolitical relations, our customers facing economic uncertainty there or our failure to establish a positive reputation in China.

Companies headquartered in China currently comprise a substantial portion of the handset manufacturers that remain unlicensed to our patent portfolio as well as manufacturers of other devices and services that use our patented inventions. Our ability to renew license agreements with current licensees in China as well as license new manufacturers is, among other things, affected by the macroeconomic and geopolitical climate, as well as our business relationships and perceived reputation in China. The U.S. and Chinese governments are regularly engaged in various trade discussions, and the U.S. State Department originally issued a travel advisory in January 2019 and reissued this travel advisory on January 11, 2023 advising U.S. citizens to exercise increased caution in China due to arbitrary enforcement of local laws. In January 2020, the U.S. and China entered into Phase One of the Economic and Trade Agreement, which took steps to ease certain trade tensions between the U.S. and China, including tensions involving intellectual property theft and forced intellectual property transfers by China. Although the Phase One Trade Agreement was an encouraging sign of progress in the trade negotiations between the U.S. and China, questions still remain as to the enforcement of its terms, the resolution of a number of other points of dispute between the parties, and the prevention of further tensions. Additionally, President Trump has indicated that his administration would potentially impose greater restrictions on trade with China through significant increases in tariffs on goods imported into the U.S., which could increase tensions and create greater uncertainty in our business dealings in China and with Chinese companies. Our ability to renew or conclude new license agreements with such manufacturers could also be affected by economic uncertainty, particularly in the handset market, in China or by our failure to establish a positive reputation and relationships in China.

China is a key market for us, and any of these factors could harm our ability to execute our business plans there and could in turn cause our long-term business, financial condition and operating results to be materially adversely affected.

We may face setbacks in defending our patent licensing practices.

Adverse decisions in litigation or regulatory actions relating to our licensing practices, including, but not limited to, findings that we have not complied with our FRAND commitments and/or engaged in anticompetitive or unfair licensing activities or that any of our license agreements are void or unenforceable, could have an adverse impact on our cash flow and revenue. Regulatory bodies may assess fines in the event of adverse findings, and as part of court or arbitration proceedings, a judgment could require us to pay damages (including the possibility of treble damages for antitrust claims). In addition, to the extent that legal decisions find patent license agreements to be void or unenforceable in whole or in part, that could lead to a decrease in the revenue associated with and cash flow generated by such agreements, and, depending on the damages requested, could lead to the refund of certain payments already made. Such decisions could also cause serious reputational harm. Finally, adverse legal decisions related to our licensing practices could have an adverse effect on our ability to enter into license agreements, which, in turn, could cause our cash flow and revenue to decline.

We face competition from companies developing other or similar technologies.

We face competition from companies developing other and similar technologies that are competitive with our technologies, including in the standards-setting arena. Due to competition, our technologies may not find a viable commercial marketplace or, where applicable, be adopted by the relevant standards. In particular, increasing participation within standards-setting organizations has contributed to greater competition for influence within such organizations and for ultimately setting standards. In addition, in licensing our patent portfolio, we may compete with other companies, many of whom also claim to hold SEPs, for a share of the royalties that certain licensees may argue to be the total royalty that is supported by a certain product or products. In any device or piece of equipment that contains intellectual property, the manufacturer may need to obtain a license from multiple holders of intellectual property. To the extent that multiple parties all seek royalties on the same product, the manufacturers could claim to have difficulty in meeting the financial requirements of each patent holder.

Royalties could decrease for future license agreements due to downward product pricing pressures and competition over patent royalties.

Royalty payments to us under future license agreements could be lower than anticipated. Certain licensees and others in the wireless and consumer electronics industries, individually and collectively, are demanding that royalties for patents be lower than historic royalties and/or should be applied to royalty bases smaller than the selling price of an end product (such as the “smallest salable patent practicing unit”). There is also increasing downward pricing pressure on certain wireless products, including handsets, and other consumer electronics devices that we believe implement our patented inventions, and some of our royalties are tied to the pricing of these devices. In addition, a number of other companies also claim to hold patents that are essential with respect to products we aim to license. Demands by certain licensees to reduce royalties due to pricing pressure or the number of patent holders seeking royalties on these technologies could result in a decrease in the royalties we receive for use of our patented inventions, thereby decreasing future revenue and cash flow.

Our technologies may not become patented, adopted by wireless or video standards or widely deployed.

We invest significant resources in the development of advanced technology and related solutions. However, certain of our inventions that we believe will be employed in current and future products, including 4G, 5G, HEVC, VVC and others, are the subject of patent applications where no patent has been issued to us yet by the relevant patent issuing authorities. There is no assurance that these applications will issue as patents, either at all or with claims that would be required by products in the market currently or in the future. Our investments may not be recoverable or may not result in meaningful revenue if a sufficient number of our technologies are not patented and/or adopted by the relevant standards or if products based on the technologies in which we invest are not widely deployed. Competing technologies could reduce the opportunities for the adoption or deployment of technologies we develop. In addition, it is possible that in certain technology areas, such as in the IoT space, the adoption of proprietary systems could compete with or replace standards-based technology. It is also possible in certain technology areas, such as video coding and the IoT, that open source and/or purportedly royalty-free solutions such as AV1, VP-9 and OCF could compete with or replace proprietary standards-based technology. If the technologies in which we invest do not become patented, are not adopted by the relevant standards, or are not adopted by and deployed in the mainstream markets, at all or at the rate or within time periods that we expect, our business, financial condition and operating results could be adversely affected.

Setbacks in defending and enforcing our patent rights could cause our revenue and cash flow to decline.

Some third parties have challenged, and we expect will continue to challenge, the infringement, validity and enforceability of certain of our patents. In some instances, certain of our patent claims could be substantially narrowed or declared invalid, unenforceable, not essential or not infringed. For example, in limited cases, certain of our patents have been held invalid by courts in proceedings initiated by counterparties to our litigation

proceedings. We cannot ensure that the validity and enforceability of our patents will be maintained or that our patents will be determined to be applicable to any particular product or standard. Moreover, third parties could attempt to circumvent certain of our patents through design changes. Any significant adverse findings as to the validity, infringement, enforceability or scope of our patents and/or any successful design-around of our patents could result in the loss of patent licensing revenue from existing licensees, through termination or modification of agreements or otherwise, and could substantially impair our ability to secure new patent licensing arrangements, either at all or on beneficial terms.

Macroeconomic conditions may harm our business.

A decline in economic conditions, such as a recession, economic downturn or inflationary conditions in the U.S. or elsewhere could adversely affect our business. In particular, inflation has accelerated and remained high in the U.S. and globally. Trade tensions or restrictions on free trade, including the tariffs that have been proposed by President Trump, could exacerbate these effects. A majority of our revenue is derived from patent license agreements that provide for fixed payments that were negotiated before the recent rise in inflation. An inflationary environment can increase our cost of labor, as well as our other operating costs, without a corresponding increase in our revenue, which may have a material adverse impact on our operating results and financial condition.

Scrutiny by antitrust authorities may affect our strategies for patent prosecution, licensing and enforcement and may increase our costs of doing business and/or lead to monetary fines, penalties or other remedies or sanctions.

Domestic and foreign antitrust authorities regularly review their policies with respect to the use of SEPs, including the enforcement of such patents against competitors and others. Such scrutiny has in the past resulted in enforcement actions against Qualcomm and other licensing companies, and could lead to additional investigations of, or enforcement actions against, us. Such inquiries and/or enforcement actions could impact the availability of injunctive and monetary relief, which may adversely affect our strategies for patent prosecution, licensing and enforcement and increase our costs of operation. Such inquiries and/or enforcement actions could also result in monetary fines, penalties or other remedies or sanctions that could adversely affect our business and financial condition.

We are subject to risks resulting from customer concentration.

We earn a significant amount of our revenues from a limited number of licensees or customers, and we expect that a significant portion of our revenues will continue to come from a limited number of licensees or customers for the foreseeable future. For example, in 2024, Samsung, Lenovo, Apple, and OPPO each comprised 10% or more of our consolidated revenues. Further, because of the limited number of licensees and potential licensees, any opportunistic behavior during license negotiations by a company or companies using our technology could create large exposure for us. In the event that we are unable to renew one or more of such license agreements at all or on terms that are favorable to us, our future revenue and cash flow could be materially adversely affected. In the event that one or more of our significant licensees or customers fail to meet their payment or reporting obligations (for example, due to a credit issue or in connection with a legal dispute or similar proceeding) under their respective license agreements, our future revenue and cash flow could be materially adversely affected. In addition, in the event that there is a material decrease in shipments of licensed products by one of our per-unit licensees, our revenues from such licensee could significantly decline and our future revenue and cash flow could be adversely affected.

Additionally, there is significant concentration in the wireless communications industry in general, and these trends may continue. For example, in 2024, Samsung, Apple, and Xiaomi collectively accounted for over 50% of worldwide smartphone shipments, and we anticipate a similar level of concentration in worldwide shipments for future years. Any further concentration or sale within the wireless industry among handset

providers may reduce the number of licensing opportunities or, in some instances, result in the reduction, loss or elimination of existing royalty obligations. Further, if wireless carriers consolidate with companies that utilize technologies that are competitive with our technologies or that are not covered by our patents, we could lose market opportunities, which could negatively impact our revenues and financial condition.

We may not be successful in growing our business inorganically, and any acquisitions or strategic reactions could create risk and/or fail to yield the anticipated benefits.

We regularly seek to expand our business opportunities through targeted acquisitions, research partnerships, joint ventures and licensing platforms. We face intense competition within our industry and otherwise for acquisitions of high-quality businesses, technologies and assets. As such, even if we are able to identify an acquisition target that we would like to acquire, we may not be able to complete the acquisition on commercially reasonable terms, or at all. If we are not able to consummate any of these inorganic growth opportunities on a reasonable time frame, on terms that are attractive to us or at all, we may not be able to grow our business in line with our expectations.

Additionally, acquisitions or other strategic transactions may increase our costs, including but not limited to accounting and legal fees, and may not generate financial returns or result in increased adoption or continued use of our technologies or of any technologies we may acquire. The integration of acquired companies or businesses may result in significant challenges, including, among others: successfully monetizing any acquired technology, in particular outside of our core licensing programs; integrating new employees, technology and/or products; consolidating research and development operations; minimizing the diversion of management's attention from ongoing business matters; and consolidating corporate and administrative infrastructures. As a result, we may be unable to accomplish the integration smoothly or successfully. In addition, we cannot be certain that the integration of acquired companies, businesses, technology and/or intellectual property with our business will result in the realization of the full benefits that we anticipate will be realized from such acquisitions. Our plans to integrate and/or expand upon research and development programs and technologies obtained through acquisitions may result in products or technologies that are not adopted by the market, or the market may adopt solutions competitive to our technologies.

Our revenue may be affected by the deployment of future-generation wireless standards in place of 3G, 4G and 5G technologies or future-generation video standards, by the timing of such deployment, or by the need to extend or modify certain existing license agreements to cover subsequently issued patents.

We own an evolving portfolio of issued and pending patents related to 3G, 4G and 5G cellular technologies and non-cellular technologies including video coding technologies, and our patent portfolio licensing program for future-generation wireless standards or video coding standards may not be as successful in generating licensing income as our current licensing programs. Although we continue to participate in worldwide standards bodies and contribute our intellectual property to future-generation wireless and video coding standards, including standards that will define 5G and beyond, our technologies might not be adopted by the relevant standards. In addition, we may not be as successful in the licensing of future-generation products as we have been in licensing products deploying existing wireless and video coding standards, or we may not achieve a level of royalty revenues on such products that is comparable to that which we have historically received on products deploying existing wireless and video coding standards. Furthermore, if there is a delay in the standardization and/or deployment of 5G or future video coding standards, our business and revenue could be negatively impacted.

The licenses that we grant under our patent license agreements typically only cover products designed to operate in accordance with specified technologies and that were manufactured or deployed or anticipated to be manufactured or deployed at the time of entry into the agreement. Also, we have patent license agreements with licensees that now offer for sale types of products that were not sold by such licensees at the time the patent license agreements were entered into and, thus, are not licensed by us. We do not derive patent licensing revenue from the sale of products by our licensees that are not covered by a patent license agreement. In order to grant a

patent license for any such products, we will need to extend or modify our patent license agreements or enter into new license agreements with such licensees, and we may not be able to do so on terms acceptable to us or at all. Further, such extensions, modifications or new license agreements may adversely affect our revenue on the sale of products covered by the license prior to any extension, modification or new license.

We may not be able to attract and retain qualified employees.

Competition for top talent is substantial. In order to be successful, we must attract, develop, and retain employees. Implementing our business strategy requires specialized engineering and other technical talent, and these skills are in high demand among our competitors. The market for employees in our industry is extremely competitive, and competitors for talent, particularly engineering talent, have and could in the future attempt to hire our employees or employment candidates. Further, the increased availability of remote working arrangements has expanded the pool of companies that can compete for our employees and employment candidates. A number of such competitors for talent are significantly larger than us and may be able to offer compensation, benefits or work arrangements perceived as more desirable than what we are able to offer. If we are unable to recruit, retain, and motivate our employees, then we may not be able to innovate, execute on our strategy and grow our business as planned. Further, the cost and loss of efficiency related to turnover, particularly at senior levels, may be significant.

Our business and operations could suffer in the event of security breaches.

Attempts by others to gain unauthorized access to information technology systems are becoming more sophisticated. These attempts, which in some cases could be related to industrial or other espionage, include covertly introducing malware to computers and networks and impersonating authorized users, among others. Advancements in technology, including artificial intelligence and machine learning, may continue to change the way bad actors seek to gain unauthorized access and disrupt systems, thereby increasing the risks of security breaches. Material security events could also require public disclosure, which could further harm our business or reputation. We seek to detect and investigate all security incidents and to prevent their recurrence, but, in some cases, we might be unaware of an incident or its magnitude and effects. While we have not identified any material incidents of unauthorized access to date, the theft, unauthorized use or publication of our intellectual property and/or confidential business or personal information (whether through a breach of our own systems or the breach of a system of a third party that provides services to us) could harm our competitive or negotiating positions, reduce the value of our investment in research and development and other strategic initiatives, compromise our patent enforcement strategies or outlook, damage our reputation or otherwise adversely affect our business. In addition, to the extent that any future security breach results in inappropriate disclosure of our employees', licensees', or customers' confidential and /or personal information, we may incur liability or additional costs to remedy any damages caused by such breach.

We face risks from doing business and maintaining offices in international markets.

A significant portion of our licensees, potential licensees and customers are international, and our licensees, potential licensees and customers sell their products to markets throughout the world. In addition, in recent years, we have expanded, and we may continue to expand, our international operations, opening offices in China, France and Finland. Accordingly, we are subject to the risks and uncertainties of operating internationally. Our international operations could exacerbate the other risk factors we have identified, and we could be affected by a variety of uncontrollable and changing factors, including, but not limited to: difficulty in protecting our intellectual property in foreign jurisdictions; enforcing contractual commitments in foreign jurisdictions or against foreign corporations; government regulations, tariffs and other applicable trade barriers; biased enforcement of foreign laws and regulations to promote industrial or economic policies at our expense; retaliatory practices by foreign actors; currency control regulations; export license requirements and restrictions on the use of technology; social, economic and political instability; costly, time consuming and changing regulatory regimes; natural disasters, acts of terrorism, widespread illness and war; potentially adverse tax

consequences; general delays in remittance of and difficulties collecting non-U.S. payments; foreign labor regulations; anti-corruption laws; public health issues; and difficulty in staffing and managing operations remotely. Managing operations and complying with relevant laws and regulations in China may be particularly complex, costly and time-consuming. We also are subject to risks specific to the individual countries in which we and our licensees, potential licensees and customers do business.

In addition, adverse movements in currency exchange rates may negatively affect our business due to a number of situations, including the following:

- If the effective price of products sold by our licensees were to increase as a result of fluctuations in the exchange rate of the relevant currencies, demand for the products could fall, which in turn would reduce our royalty revenues.
- Assets or liabilities of our consolidated subsidiaries may be subject to the effects of currency fluctuations, which may affect our reported earnings.
- Certain of our operating and investing costs, such as foreign patent prosecution, are based in foreign currencies. If these costs are not subject to foreign exchange hedging transactions, strengthening currency values in selected regions could adversely affect our near-term operating expenses, investment costs and cash flows. In addition, continued strengthening of currency values in selected regions over an extended period of time could adversely affect our future operating expenses, investment costs and cash flows.

Our business is subject to evolving corporate governance and public disclosure regulations and expectations that could expose us to reputational risks and legal liability.

There is significant focus from investors, customers and employees as well as other stakeholders concerning sustainability and governance matters. Current and prospective investors are utilizing this data to inform their decisions including investment and voting using a multitude of evolving score and rating frameworks. Additionally public interest and legislative pressure related to public companies' sustainability, governance and related practices continue to grow and evolve. We actively manage these issues and have established and publicly announced certain goals, commitments, and targets which we may refine or expand further in the future. These goals, commitments, and targets reflect our current plans and aspirations and are not guarantees that we will be able to achieve them.

Additionally, we are subject to various sustainability related reporting standards, which are rapidly evolving, and which have resulted in, and are likely to continue to result in, increased compliance costs and management attention. In particular, we are subject to both California and European Union reporting regimes on emissions and climate-related risks. Tracking and reporting the required metrics is costly and demands substantial attention. If our governance and reporting practices fail to meet the expectations of any of our stakeholders' evolving standards, our reputation, brand and employee retention may be negatively impacted. If we do not adapt our strategy or execution quickly enough to meet the evolving expectations, our business, financial condition, results of operations and reputation could be adversely affected.

Our industry is subject to rapid technological change, uncertainty and shifting market opportunities.

Our success depends, in part, on our ability to define and keep pace with changes in industry standards, technological developments and varying customer requirements. Changes in industry standards and needs could adversely affect the development of, and demand for, our technology, rendering our technology currently under development obsolete and unmarketable. The patents and applications comprising our portfolio have fixed terms, and, if we fail to anticipate or respond adequately to these changes through the development or acquisition of new patentable inventions, patents or other technology, we could miss a critical market opportunity, reducing or eliminating our ability to capitalize on our patents, technology solutions or both.

Our commercialization, licensing and/or M&A activities could lead to patent exhaustion or implied license issues that could materially adversely affect our business.

The legal doctrines of patent exhaustion and implied license may be subject to different judicial interpretations. Our commercialization or licensing of certain technologies and/or our M&A activities could potentially lead to patent exhaustion or implied license issues that could adversely affect our patent licensing program(s) and limit our ability to derive licensing revenue from certain patents under such program(s), whether through the assumption of license agreements that would result in our patents being captured by such agreements, the acquisition of a business that sells or licenses products that practice our patents, or otherwise. In the event of successful challenges by current or prospective licensees based on these doctrines that result in a material decrease to our patent licensing revenue, our financial condition and operating results may be materially adversely affected.

Our use of open source software could materially adversely affect our business, financial condition, operating results and cash flow.

Certain of our technology and our suppliers' technology may contain or may be derived from "open source" software, which, under certain open source licenses, may offer accessibility to a portion of a product's source code and may expose related intellectual property to adverse licensing conditions. Licensing of such technology may impose certain obligations on us if we were to distribute derivative works of the open source software. For example, these obligations may require us to make source code for derivative works available or license such derivative works under a particular type of license that is different from what we customarily use to license our technology. While we believe we have taken appropriate steps and employ adequate controls to protect our intellectual property rights, our use of open source software presents risks that, if we inappropriately use open source software, we may be required to re-engineer our technology, discontinue the sale of our technology, release the source code of our proprietary technology to the public at no cost or take other remedial actions, which could adversely affect our business, operating results and financial condition. There is a risk that open source licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions, which could adversely affect our business, operating results and financial condition. In addition, developing open source products, while adequately protecting the intellectual property rights upon which our licensing business depends, may prove burdensome and time-consuming under certain circumstances, thereby placing us at a competitive disadvantage.

We may have exposure to additional tax liabilities.

We are a U.S. multinational company subject to complex and changing tax laws in the United States and foreign jurisdictions where we do business. Significant judgement is required in determining our worldwide provision of income taxes. As a U.S. multinational company, we are subject to examination by the Internal Revenue Service ("IRS") and other tax authorities, and we have ongoing tax audits in various jurisdictions. Any of these examinations could result in challenges to various positions we assert in our filings and could impact our tax liability, both for future and past tax years. Although we believe that our tax estimates are reasonable, the final determination of tax audits and any related legal proceedings could materially differ from amounts reflected in our income tax provisions and accruals. In such case, our income tax provision, results of operations and cash flows in the period or periods in which that determination is made could be negatively affected.

Our tax rate could be adversely affected by several factors beyond our control, including changes in tax laws, regulations, interpretations, tax rates, assessments and any related tax, interest or penalties. If we are deemed to owe additional taxes, it could negatively impact our business, financial condition, and results of operations. For example, most of our income is taxable in the United States with a significant portion qualifying for preferential treatment as foreign-derived intangible income ("FDII"). Beginning in 2026, the effective tax rate for FDII increases from 13% to 16%. Further, if U.S. tax rates increase and/or the FDII deduction is eliminated or reduced, our provision for income taxes, results of operations and cash flows would be adversely affected. In

France, where we have substantial operations, we benefit from research tax credits applicable to French technology companies, including the Crédit Impôt Recherche (CIR). While we have historically benefited from the CIR, the French government has recently challenged our eligibility for portions of the CIR that they previously accepted. We believe our estimates are reasonable and consistent with the regulation, but if this challenge is successful and our eligibility for the CIR is reduced, it could adversely impact our results of operations and cash flows. The French government could also eliminate or reduce the CIR entirely, which could harm our business.

Additionally, any new tax legislation, or any new guidance or interpretations of the same, could expose us to additional tax liabilities. For example, the OECD Model Rules under Pillar Two introduced a minimum corporate tax rate of 15% on multinational enterprises with annual consolidated revenue exceeding €750 million in at least two of the prior four years. Although this minimum tax has been adopted by various jurisdictions where we do business, including France and the UK, we are not yet subject to the minimum tax based on our revenues. If we become subject to the Pillar Two minimum tax, our business, results of operations and cash flows would be adversely affected.

Market projections and data are forward-looking in nature.

Our strategy is based on our own projections and on analyst, industry observer and expert projections, which are forward-looking in nature and are inherently subject to risks and uncertainties. We utilize these projections in various ways, including key strategic decisions that we regularly make regarding the direction of our business, research and licensing efforts. The validity of their and our assumptions, the timing and scope of wireless markets, economic conditions, customer buying patterns, timeliness of equipment development, pricing of products, growth in wireless telecommunications services that would be delivered on wireless devices and availability of capital for infrastructure improvements could affect these predictions. Projections on the size of various markets may be inaccurate. In addition, market data upon which we rely is based on third party reports that may be inaccurate. The inaccuracy of any of these projections and/or market data could adversely affect our business prospects, operating results and financial condition.

Our strategic decisions about our patent portfolio involve risks, and the anticipated benefits of such actions may not be realized.

From time to time, we make strategic decisions about our patent portfolio, whether through a formal portfolio review or opportunistic dispositions. Cost savings expectations of any portfolio review are inherently uncertain and, therefore, we cannot provide assurance that we will achieve any expected, or any actual cost savings from any such action. Our portfolio review activities may place substantial demands on our management, which could lead to the diversion of management's attention from other business priorities. We have divested a number of assets, including as part of a recent strategic portfolio rationalization review. Any assets that we divest could turn out to be more valuable than we had anticipated and we may not realize the anticipated benefits of any strategic decision about our patent portfolio.

Due to cost constraints, we also regularly undertake strategic decisions in respect of where and how we file for patents. These decisions could later prove to be incorrect, which could ultimately harm our licensing potential or enforcement options, which could in turn harm our financial results and business prospects.

Our technology development activities may experience delays.

We may experience technical, financial, resource or other difficulties or delays related to the further development of our technologies. Delays may have adverse financial effects and may allow competitors with comparable technology offerings to gain an advantage over us in the marketplace or in the standards setting arena. There can be no assurance that we will continue to have adequate staffing or that our development efforts will ultimately be successful. Moreover, certain of our technologies have not been tested for commercial use, and

it is possible that they may not perform as expected. In such cases, our business, financial condition and operating results could be adversely affected, and our ability to secure new licensees and other business opportunities could be diminished.

Our business is subject to a variety of domestic and international laws, rules and policies and other obligations regarding data protection.

We may be affected by existing and proposed laws and regulations, as well as government policies and practices related to cybersecurity, privacy and data protection. For example, the European General Data Protection Regulation (“GDPR”), the United Kingdom’s GDPR, the California Consumer Privacy Act of 2018 and the California Privacy Rights Act of 2020 impose obligations on companies such as ours regarding the handling of personal data. Additionally, in 2021, China adopted the Personal Information Protection Law (“PIPL”), which, together China’s existing cyber and data securities regulations, have required and will continue to require significant investment and resources to ensure compliance. Complying with these and other privacy and cybersecurity regulations could cause us to incur substantial costs or require us to change our business practices. If we cannot implement an effective compliance mechanism for cross-border privacy and security matters, we may face increased exposure to regulatory actions, substantial fines and other penalties. Further, these areas are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty.

Risks Relating to Our Common Stock and our Convertible Notes

Our operating results may fluctuate significantly, which could make our future results difficult to predict and could cause our operating results to fall below expectations.

Our operating results may fluctuate from quarter to quarter as a result of a number of factors, many of which are outside of our control and may be difficult to predict. In particular, the timing of revenue recognition may cause our revenues and earnings to fluctuate, and there is significant judgment in the application of our revenue recognition principles. For example, accounting principles sometimes require us to recognize revenue before the actual amount is certain, which could add to uncertainty in our revenue guidance. The variability and unpredictability of our results of operations or other operating metrics could result in our failure to meet our expectations or those of industry or financial analysts. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could fall substantially.

Our stock repurchase program may not result in a positive return of capital to shareholders.

Our stock repurchase program may not return value to shareholders as it was designed to do because the market price of the stock may decline below the levels at which we repurchased shares of stock. Stock repurchase programs are intended to deliver shareholder value over the long term, but stock price fluctuations can reduce the effectiveness of such programs. In addition, our Board of Directors could choose to suspend or terminate the stock repurchase program at any time or not to renew the program.

Our shareholders may not receive the level of dividends provided for in our dividend policy or any dividend at all, and any decrease in or suspension of the dividend could cause our stock price to decline.

Our dividend policy contemplates the payment of a regular quarterly cash dividend of \$0.60 per share on our outstanding common stock. We expect to pay quarterly cash dividends on our common stock at the rate set forth in our current dividend policy. However, the dividend policy and the payment and timing of future cash dividends under the policy are subject to the final determination each quarter by our Board of Directors that (i) the dividend will be made in compliance with laws applicable to the declaration and payment of cash dividends, including Section 1551(b) of the Pennsylvania Business Corporation Law, and (ii) the policy remains in our best interests, which determination will be based on a number of factors, including our earnings, financial condition, capital resources and capital requirements, alternative uses of capital, restrictions imposed by any

existing debt, economic conditions and other factors considered relevant by the Board of Directors. Given these considerations, our Board of Directors may increase or decrease the amount of the dividend at any time and may also decide to vary the timing of or suspend or discontinue the payment of dividends in the future. Any decrease in the amount of the dividend, or suspension or discontinuance of payment of a dividend, could cause our stock price to decline.

Securities analyst coverage or lack of coverage may have a negative impact on our common stock's market price.

The trading market for our common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If securities or industry analysts stop their coverage of us or additional securities and industry analysts fail to cover us in the future, the trading price for our common stock would be negatively impacted. If any analyst or analysts who cover us downgrade our common stock, changes their opinion of our shares or publishes inaccurate or unfavorable research about our business, our stock price could decline. If any analyst or analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease and we could lose visibility in the financial markets, which could cause our stock price and trading volume to decline.

Our indebtedness could adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under such indebtedness.

Our total indebtedness as of December 31, 2024 was approximately \$477 million. This level of debt could have significant consequences on our future operations, including:

- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and
- placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under the 2027 Notes.

The convertible note hedge transactions and warrant transactions that we entered into in connection with the offering of the 2027 Notes may affect the value of the such notes, and the market price of our common stock.

In connection with the 2027 Notes issuance, we entered into convertible note hedge transactions with certain financial institutions (the “option counterparties”) and sold warrants to the respective option counterparties. These transactions will be accounted for as an adjustment to our shareholders’ equity. The convertible note hedge transactions are expected to reduce the potential equity dilution upon any conversion of the notes. The warrants will have a dilutive effect on our earnings per share to the extent that the market price of our common stock exceeds the applicable strike price of the warrants on any expiration date of the warrants.

In addition, the respective option counterparties (and/or their affiliates) may modify their respective hedge positions from time to time (including during any observation period related to a conversion of the notes) by entering into or unwinding various derivative transactions with respect to our common stock and/or by purchasing or selling our common stock in open market transactions and/or privately negotiated transactions.

The potential effect, if any, of any of these transactions and activities on the market price of our common stock will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the market price of our common stock.

We are subject to counterparty risk with respect to the convertible note hedge transactions.

The respective option counterparties are financial institutions or affiliates of financial institutions, and we will be subject to the risk that such option counterparties may default under the respective convertible note hedge transactions. Our exposure to the credit risk of the option counterparties is not secured by any collateral. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the applicable convertible note hedge transactions. Our exposure will depend on many factors but, generally, the increase in our exposure will be correlated to the increase in our common stock market price and in volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and dilution with respect to our common stock. We can provide no assurance as to the financial stability or viability of the option counterparties.

Provisions of the 2027 Notes could discourage an acquisition of us by a third party.

Certain provisions of the 2027 Notes could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of certain transactions constituting a fundamental change under the indenture, holders of the notes will have the right, at their option, to require us to repurchase all of their applicable notes or any portion of the principal amount of the notes at a price of 100% of the principal amount of the notes being repurchased, plus accrued and unpaid interest. We may also be required to issue additional shares upon conversion in the event of certain fundamental change transactions. These provisions could limit the price that some investors might be willing to pay in the future for shares of our common stock.

Item 1B. UNRESOLVED STAFF COMMENTS.

None.

Item 1C. CYBERSECURITY.

We take a defense-in-depth approach, leveraging multiple, layered security measures, to protect our data, our customers' data, our infrastructure, and our employees. We embed data protection throughout our operations and information technology programs, relying on multiple and various controls to prevent and detect threats, with the goal of safeguarding our assets, data and personnel.

InterDigital evaluates cybersecurity risks as part of our overall enterprise risk management. A cybersecurity steering committee of senior executives is responsible for assessing and managing cybersecurity risks. The steering committee meets annually to evaluate any changes to the Company's exposure to cybersecurity risks, discuss potential mitigation plans and provide updates on mitigation efforts already underway. The steering committee is led by the Director of Cybersecurity & Networks, a cybersecurity professional with 20 years of experience and industry-recognized certifications. The Director of Cybersecurity & Networks reports directly to the Chief Information Officer ("CIO") and manages our cybersecurity team, which uses multiple internal and external sources to keep up to date on the latest threats and risks and manages a process to evaluate cybersecurity risks associated with third-party service providers.

Our cybersecurity team also maintains a comprehensive set of cybersecurity policies and standards. We continually reassess and review our cybersecurity strategy and policies, including through tabletop exercises, to identify and proactively address the constant changes in the global threat landscape. We also engage external vendors to assess the cybersecurity program as needed, including annual multi-stage penetration testing of our IT environment by independent third parties.

The Audit Committee of our Board oversees risk from cybersecurity threats. The Audit Committee of the Board and the full Board each receive quarterly updates on cybersecurity risks identified through the enterprise risk management processes described above.

The comprehensive set of cybersecurity policies and standards maintained by the cybersecurity team includes a security incident response framework. The framework is a set of coordinated procedures and tasks that the InterDigital incident response team executes to ensure timely and accurate reporting and resolution of computer security incidents. The framework details who, how and when appropriate persons or committees, including the CIO, cybersecurity steering committee, and Audit Committee are kept informed on the status of potential cybersecurity incidents. The CIO also presents a summary of recent incidents at each regular Audit Committee meeting.

Notwithstanding the extensive approach we take to cybersecurity, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. However, to date, cybersecurity threats have not materially affected us, including our business strategy, results of operations, or financial condition. We identify nation state-sponsored threat actors and the rise in sophistication and proliferation of criminal cyber threat actors and ransomware campaigns as top reasonable material risks to the business. The theft, unauthorized use or publication of our intellectual property and/or confidential business or personal information (whether through a breach of our own systems or the breach of a system of a third party that provides services to us) could harm our competitive or negotiating positions, reduce the value of our investment in research and development and other strategic initiatives, compromise our patent enforcement strategies or outlook, damage our reputation or otherwise adversely affect our business. See Item 1A. “Risk Factors” for a discussion of cybersecurity risks.

Item 2. PROPERTIES.

Our headquarters are located in Wilmington, Delaware, USA. Our research and development activities are conducted primarily in facilities located in Conshohocken, Pennsylvania, USA; London, United Kingdom; Montreal, Canada; New York, New York, USA; Los Altos, California, USA; and Rennes, France.

The following table sets forth information with respect to our principal leased properties:

<u>Location</u>	<u>Approximate Square Feet</u>	<u>Principal Use</u>	<u>Lease Expiration Date</u>
Wilmington, Delaware	7,190	Corporate headquarters	November 2025
Rennes, France	33,000	Office and research space	August 2031
Conshohocken, Pennsylvania	30,300	Office and research space	September 2029
New York, New York	19,400	Office and research space	July 2030
Montreal, Quebec	11,918	Office and research space	June 2026
Los Altos, California	4,900	Office and research space	November 2027
London, United Kingdom	3,700	Office and research space	February 2031

We are also a party to leases for several smaller research and/or office spaces, including in Brussels, Belgium; Espoo, Finland; Indianapolis, Indiana, USA; Melville, New York, USA; Paris, France, and Beijing, China. In addition, we own an administrative office space in Washington, District of Columbia, USA.

We believe that the facilities described above are suitable and adequate for our present purposes and our needs in the near future.

Item 3. LEGAL PROCEEDINGS.

See Note 12, “*Litigation and Legal Proceedings*,” to the Notes to Consolidated Financial Statements included below in Part II, Item 8 of this Form 10-K for a description of our material legal proceedings, which is incorporated herein by reference.

Item 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

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

Market Information

The Nasdaq Global Select Market ("Nasdaq") is the principal market for our common stock, which is traded under the symbol "IDCC."

Holders

As of February 4, 2025, there were 389 holders of record of our common stock.

Dividends

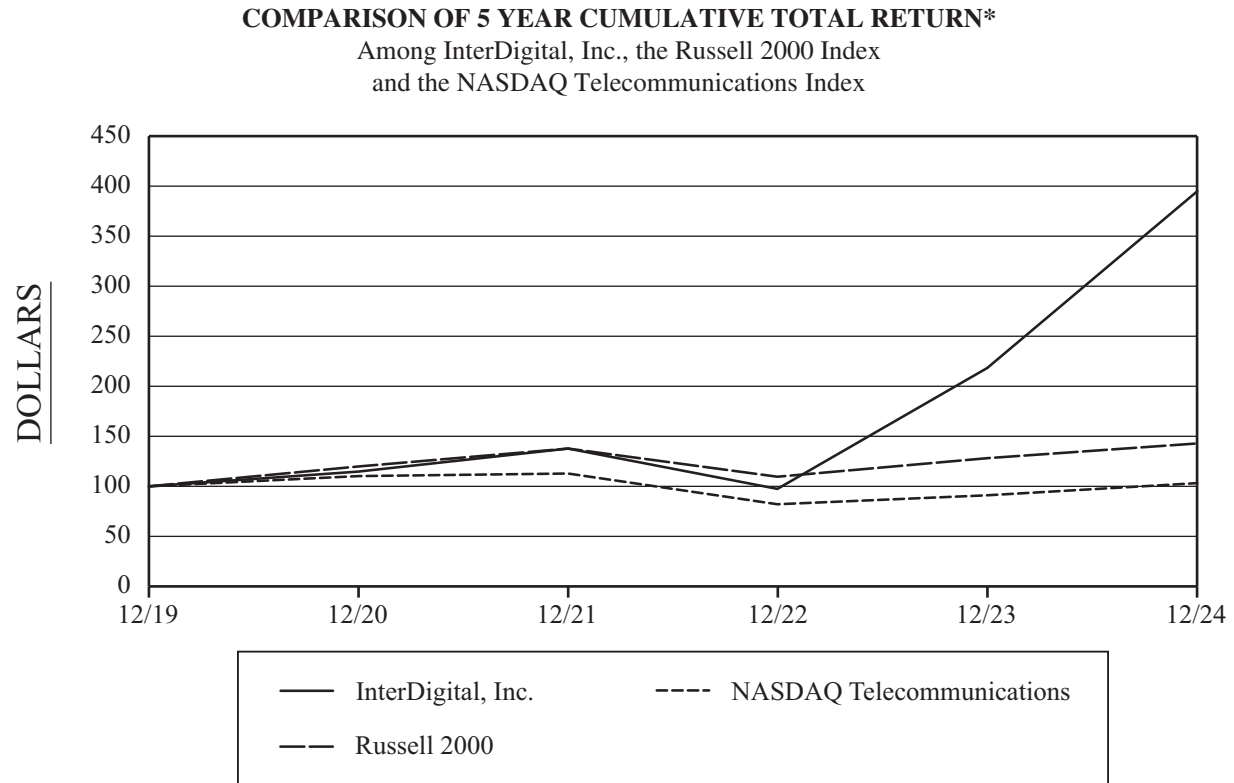
Cash dividends on outstanding common stock declared in 2024 and 2023 were as follows (in thousands, except per share data):

<u>2024</u>	<u>Per Share</u>	<u>Total</u>	<u>Cumulative by Fiscal Year</u>
First quarter	\$0.40	\$10,155	\$10,155
Second quarter	0.40	10,052	20,207
Third quarter	0.45	11,366	31,573
Fourth quarter	0.45	11,557	43,130
	<u>\$1.70</u>	<u>\$43,130</u>	
 <u>2023</u>			
First quarter	\$0.35	\$ 9,449	\$ 9,449
Second quarter	0.35	9,273	18,722
Third quarter	0.40	10,348	29,070
Fourth quarter	0.40	10,226	39,296
	<u>\$1.50</u>	<u>\$39,296</u>	

We increased the quarterly cash dividend by \$0.05 per share in both 2023 and 2024 to raise the dividend payable from \$0.35 to \$0.45 per share. In February 2025, we announced an additional increase in the quarterly cash dividend by \$0.15 per share, beginning with the quarterly dividend payable in second quarter 2025. We currently expect to continue to pay dividends in accordance with our dividend policy; however, continued payment of cash dividends and changes in the Company's dividend policy will depend on the Company's earnings, financial condition, capital resources and capital requirements, alternative uses of capital, restrictions imposed by any existing debt, economic conditions and other factors considered relevant by our Board of Directors.

Performance Graph

The following graph compares five-year total shareholder return on common stock with the cumulative total returns of the Nasdaq Telecommunications index and the Russell 2000 index. The graph tracks the performance of a \$100 investment in our common stock and in each index (with the reinvestment of all dividends) from 12/31/2019 to 12/31/2024.



* \$100 invested on 12/31/19 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

Copyright© 2025 Russell Investment Group. All rights reserved.

	12/19	12/20	12/21	12/22	12/23	12/24
InterDigital, Inc.	100.00	114.30	137.72	97.43	217.89	394.45
Russell 2000	100.00	119.96	137.74	109.59	128.14	142.93
Nasdaq Telecommunications	100.00	110.08	112.44	82.21	90.96	103.21

The above performance graph shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or incorporated by reference into any filing of InterDigital under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Issuer Purchases of Equity Securities

Repurchase of Common Stock

The following table provides information regarding Company purchases of its common stock during fourth quarter 2024.

Period	Total Number of Shares (or Units) Purchased (1)	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs (3)
October 1, 2024—October 31, 2024	—	\$—	—	\$229,532,849
November 1, 2024—November 30, 2024	—	\$—	—	\$229,532,849
December 1, 2024—December 31, 2024	—	\$—	—	\$229,532,849
Total	—	\$—	—	

- (1) Total number of shares purchased during each period reflects share purchase transactions that were completed (i.e., settled) during the period indicated.
- (2) Shares were purchased pursuant to the Company’s share repurchase program (the “Share Repurchase Program”), \$300 million of which was authorized by the Company’s Board of Directors in June 2014, with an additional \$100 million authorized by the Company’s Board of Directors in each of June 2015, September 2017, December 2018, May 2019, and May 2022, respectively, an additional \$333 million in December 2022, and an additional \$235 million in December 2023. The Share Repurchase Program has no expiration date.
- (3) Amounts shown in this column reflect the amounts remaining under the Share Repurchase Program at the end of the period.

Item 6. [RESERVED]

Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

OVERVIEW

The following discussion should be read in conjunction with the Consolidated Financial Statements and the Notes thereto contained in this Form 10-K. The following section generally discusses our financial condition and results of operations for our fiscal year ended December 31, 2024 compared to our fiscal year ended December 31, 2023. A discussion regarding our financial condition and results of operations for December 31, 2023 compared to our fiscal year ended December 31, 2022 can be found in Part II, Item 7 of our Annual Report on Form 10-K for fiscal year 2023, filed with the Securities and Exchange Commission (the “SEC”) on February 15, 2024.

Throughout the following discussion and elsewhere in this Form 10-K, we refer to “recurring revenues” and “catch-up revenues.” For variable and dynamic fixed-fee license agreements, “catch-up revenues” primarily represents revenue associated with reporting periods prior to the execution of the license agreement, while “recurring revenue” represents revenue associated with reporting periods beginning with the execution of the license agreement. For static fixed-fee license agreements, we typically classify the associated revenue as catch-up revenues.

Business

InterDigital, Inc. (“InterDigital”) is a global research and development company focused primarily on wireless, video, artificial intelligence (“AI”), and related technologies. We design and develop foundational technologies that enable connected, immersive experiences in a broad range of communications and entertainment products and services. We license our innovations worldwide to companies providing such products and services, including makers of wireless communications devices, consumer electronics, internet of things (“IoT”) devices, cars and other motor vehicles and providers of cloud-based services such as video streaming. As a leader in wireless technology, our engineers have designed and developed a wide range of innovations that are used in wireless products and networks, from the earliest digital cellular systems to 5G and today’s most advanced Wi-Fi technologies. We are also a leader in video processing and video encoding/decoding technology used in video-enabled products and services. Our AI research effort is focused on the intersection of AI with both wireless and video technologies.

InterDigital is one of the largest pure research and development and licensing companies in the world, with one of the most significant patent portfolios of fundamental wireless and video technologies. As of December 31, 2024, InterDigital’s wholly owned subsidiaries held a portfolio of more than 33,000 patents and patent applications related to wireless communications, video coding, display technology, and other areas relevant to communications and entertainment products and services. Our portfolio includes numerous patents and patent applications that we believe are or may be essential to existing standards, or may become essential to future standards, established by many Standards Development Organizations (“SDOs”). We have contributed technology to wireless standards including the 3G, 4G, and 5G cellular standards and the IEEE 802 suite of standards. We have contributed technology to video standards including standards established by ISO/IEC Moving Picture Expert Group (MPEG), the ITU-T Video Coding Expert Group (VCEG), the Joint Collaborative Team on Video Coding (JCT-VC) and the Joint Video Expert Team (JVET), among others.

Our wireless portfolio has largely been built through internal investment in a world-class research team, supplemented by joint development projects with other companies, and select acquisitions of patents and companies. Our video technology portfolio combines patents and applications that InterDigital obtained through the acquisitions of the research and innovation unit and patent licensing business of visual technology industry leader Technicolor SA and patents and applications created by internal development. Our patented inventions have been implemented in a wide variety of products, including smartphones, tablets, base stations, televisions, laptops, gaming consoles, set-top boxes, streaming devices, connected automobiles, and other consumer electronics and IoT products. Our patented inventions have also been implemented in a wide variety of services, such as video streaming, user generated content sharing, video conferencing, video gaming, and other cloud-based services.

Revenue

In 2024 and 2023, our total revenues were \$868.5 million and \$549.6 million, respectively. Our recurring revenues were \$408.4 million in both 2024 and 2023. In 2024 and 2023, we recognized \$460.1 million and \$141.2 million, respectively, of catch-up revenues as more fully discussed below. In 2024, fixed-fee royalties accounted for 89% of our recurring revenues. These fixed-fee revenues are not affected by the related licensees’ success in the market or the general economic climate. The majority of the remaining portion of our recurring revenue was variable in nature due to the per-unit structure of the related license agreements.

The Company considers Smartphone and CE, Auto/IoT as the groupings that best reflect the Company’s core licensing programs. The Smartphone revenue grouping consists primarily of smartphones and also includes other wireless communication devices and infrastructure equipment, such as tablets, and base stations. The CE, IoT/Auto revenue grouping consists of consumer electronics and IoT products, such as televisions, laptops, gaming consoles, set-top boxes, streaming devices, and connected automobiles.

New Agreements

During 2024, we entered into fourteen patent license agreements as discussed below.

Direct Licenses

In January 2024, we signed a patent license agreement with Samsung Electronics (the “Samsung TV agreement”). The agreement licenses Samsung’s digital TVs and computer display monitors under InterDigital’s joint licensing program with Sony and includes licenses to key technologies including ATSC 3.0, as well as licenses under InterDigital’s patents including HEVC, VVC and Wi-Fi.

In June 2024, we signed a new device license agreement with Google. The agreement licenses a range of devices including Pixel smartphones, Fitbit wearables, and other consumer electronics devices to InterDigital’s cellular wireless, Wi-Fi, and HEVC video patented technologies.

In October 2024, we entered into a patent license agreement with OPPO. The agreement covers OPPO, realme and OnePlus branded mobile devices worldwide. As part of the agreement, both parties agreed to dismiss all pending litigations between us.

In October 2024, we entered into an arbitration agreement with Lenovo to determine the terms of a new patent license. As part of the agreement to arbitrate, both parties agreed to dismiss all pending litigations between us.

Additionally, we entered into licenses covering our technologies with Arcelik, Blu, Ericsson, Kyocera, Panasonic, Teltronic, TPV, and ZTE.

Expiration of License Agreements

Our patent license agreements with five licensees that expired between January 1, 2024 and December 31, 2024 have not yet been renewed. These patent license agreements contributed \$17.2 million of recurring revenues in 2024.

Seven of our revenue generating patent license agreements are scheduled to expire at the end of 2025, including the Samsung TV agreement and the agreement with Xiaomi. Collectively, these expiring agreements not yet renewed accounted for \$91.8 million, or approximately 22%, of recurring revenues in 2024.

We are actively working to renew these agreements on terms consistent with the licensees’ respective market positions and utilization of our technology.

Notes, Hedge, and Warrant Transactions

Refer to Note 10, “*Obligations*” within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for definitions of capitalized terms used below.

2024 Notes and Related Note Hedge and Warrant Transactions

On June 1, 2024, the 2024 Notes matured and we repaid \$126.2 million in aggregate principal in cash and issued 0.3 million common shares to settle the remaining obligation. This issuance was effectively offset by our receipt of 0.3 million shares from the settlement of the 2024 Note Hedge Transactions. Additionally, the 2024 Warrant Transactions settled, on a net-share basis during September through December 2024 resulting in the issuance of 0.5 million shares.

2027 Notes and Related Note Hedge and Warrant Transactions

During 2024, the 2027 Notes had a dilutive impact of 2.2 million shares, which are offset from an economic standpoint by the 2027 Note Hedge Transactions and would result in no incremental shares being issued upon conversion. However, under GAAP, we are required to exclude the impact of the shares received from the 2027 Note Hedge Transactions counterparties from the calculation of weighted average diluted shares outstanding.

As of December 31, 2024, 5.9 million warrants remain outstanding related to the 2027 Warrant Transactions at a weighted average strike price of \$106.22 per share, subject to adjustment, which mature on a net-share basis beginning September 2027 through April 2028. Assuming a share price of \$175, we would issue 2.3 million of common shares related to the 2027 Warrant Transactions. Refer to “Financial Position, Liquidity, and Capital Resources – Convertible Notes” for further information regarding how changes in our stock price would affect the number of shares issuable related to the 2027 Warrant Transactions.

Intellectual Property Rights Enforcement

If we believe a party is required to license our patents in order to manufacture, use and/or sell certain products or services and such party refuses to do so, we typically offer such party to have royalties, or other terms, set by third party adjudicators (such as arbitrators). If the party refuses that offer and we believe they are unwilling to agree to a patent license on a fair, reasonable and non-discriminatory basis, we may have no other viable recourse but to institute legal action against them to enforce our patent rights. This legal action has typically taken the form of a patent infringement lawsuit or an administrative proceeding. In addition, we and our licensees, in the normal course of business, might seek to resolve disagreements as to the rights and obligations of the parties under the applicable license agreement through arbitration or litigation. Such legal actions ultimately may be decided by the presiding court, third party adjudicator, or a negotiated resolution between the parties.

We initiated litigation against Lenovo and OPPO to enforce our intellectual patent rights in 2019 and 2021, respectively. Through these patent infringement actions, we successfully negotiated resolutions that resulted in patent license agreements being reached with OPPO in 2024 and Lenovo, with respect to our HEVC patents only, in 2023. Additionally, in 2024 we entered into an arbitration agreement with Lenovo to determine the terms of a new patent license for our cellular and other technologies. As part of these agreements, we and both third parties agreed to dismiss all pending litigations between us, and accordingly all litigations with Lenovo and OPPO have been dismissed as of fourth quarter 2024. Currently, our open enforcement actions include the arbitration proceedings with Lenovo and Samsung. The Samsung proceeding resulted from the arbitration agreement reached with Samsung Electronics, in which we agreed to binding arbitration to establish the royalties to be paid by Samsung for a worldwide license to certain of our patents. We expect a decision in early 2025. The Lenovo arbitration is in its early stages, and no schedule has been set yet.

These matters are more fully discussed in Note 12, “*Litigation and Legal Proceedings*,” to the Notes to Consolidated Financial Statements included below in Part II, Item 8 of this Form 10-K.

In 2024, our intellectual property enforcement costs increased to \$56.2 million, from \$48.8 million in 2023. These costs represented 33% of our total licensing costs of \$169.2 million in 2024. Intellectual property enforcement costs will vary depending upon activity levels, and it is likely they will continue to be a significant expense for us in the future.

Cash and Short-Term Investments

As of December 31, 2024, we had \$982.4 million of cash, restricted cash, and short-term investments and an additional \$1.4 billion of cash payments due under contracted fixed price agreements, which includes our conservative estimates of the minimum cash receipts that we expect to receive under the Samsung and Lenovo arbitrations.

89% of our recurring revenue comes from fixed-fee royalties. Such agreements often have prescribed payment schedules that are uneven and sometimes front-loaded, resulting in timing differences between when we collect the cash payments and recognize the related revenue.

The following table reconciles the timing differences between cash receipts and recognized revenue on a quarterly basis for each of the last two years, including the resulting operating cash flow (in thousands):

	2024				
	Q1	Q2	Q3	Q4	Total
Cash vs. Non-cash revenue:					
Fixed fee cash receipts (a)	\$190,985	\$ 33,705	\$160,300	\$240,945	\$625,935
Other cash receipts (b)	10,773	14,583	9,919	12,700	47,975
Decrease (increase) in deferred revenue	27,542	26,866	(50,495)	20,422	24,335
Increase (decrease) in receivables	28,337	78,011	(11,220)	(24,118)	71,010
Other	5,905	70,328	20,175	2,853	99,261
Total Revenue	<u>\$263,542</u>	<u>\$223,493</u>	<u>\$128,679</u>	<u>\$252,802</u>	<u>\$868,516</u>
Net cash provided by (used in) operating activities	\$ 50,773	\$ (48,910)	\$ 77,631	\$192,034	\$271,528

	2023				
	Q1	Q2	Q3	Q4	Total
Cash vs. Non-cash revenue:					
Fixed fee cash receipts (a)	\$ 26,953	\$ 9,406	\$ 368,608	\$ 30,185	\$435,152
Other cash receipts (b)	22,017	11,087	3,956	19,792	56,852
Decrease (increase) in deferred revenue	42,766	38,641	(77,474)	45,243	49,176
Increase (decrease) in receivables	90,856	92,756	(167,222)	47,720	64,110
Other	19,781	(50,299)	12,238	(37,422)	(55,702)
Total Revenue	<u>\$202,373</u>	<u>\$101,591</u>	<u>\$ 140,106</u>	<u>\$105,518</u>	<u>\$549,588</u>
Net cash (used in) provided by operating activities	\$ (27,852)	\$ (45,440)	\$ 310,610	\$ (23,585)	\$213,733

- (a) Fixed fee cash receipts are comprised of cash receipts from Dynamic Fixed-Fee Agreement royalties, including the associated catch-up revenues.
- (b) Other cash receipts are primarily comprised of cash receipts related to our variable patent royalty revenue and catch-up revenues.

When we collect payments on a front-loaded basis, we recognize a deferred revenue liability equal to the cash received and accounts receivable recorded which relate to revenue expected to be recognized in future periods. That liability is then reduced as we recognize revenue over the balance of the agreement. The following table shows the projected amortization of our current and long term deferred revenue as of December 31, 2024 (in thousands):

	Deferred Revenue
2025	\$178,009
2026	139,017
2027	39,486
2028	1,141
2029	1,206
Thereafter	1,269
Total	<u>\$360,128</u>

Return of Capital

In June 2014, our Board of Directors authorized a \$300 million share repurchase program (the “Share Repurchase Program”). Subsequently our Board of Directors authorized five \$100 million increases to the

program, an additional \$333 million in December 2022, and an additional \$235 million in December 2023, bringing the total amount of the Share Repurchase Program to nearly \$1.4 billion. Since 2014, we have repurchased \$1.1 billion of shares at an average price of \$63.27, adjusted for dividends. This amount includes the \$199.9 million, excluding fees, expenses and excise tax, repurchased as part of the modified “Dutch auction” tender offer in 2023. As of December 31, 2024, there was \$229.5 million remaining under the Share Repurchase Program authorization.

Since January 2014, we have paid \$437.5 million in dividends, bringing our total return of capital over this period to nearly \$1.6 billion.

The table below sets forth the total number of shares repurchased and the dollar value of shares repurchased under the Share Repurchase Program, cash dividends on outstanding common stock declared, and the total capital returned to our shareholders (in thousands):

	Share Repurchase Program		Cash Dividends Declared		Total Capital Returned to Shareholders
	# of Shares	Value	Per Share	Value	
2024	644	\$ 66,726	\$ 1.70	\$ 43,130	\$ 109,856
2023	4,411	339,704	1.50	39,296	379,000
2022	1,224	74,445	1.40	41,949	116,394
2021	458	30,000	1.40	43,041	73,041
2020	6	349	1.40	43,111	43,460
2019	2,962	196,269	1.40	43,718	239,987
2018	1,478	110,505	1.40	47,922	158,427
2017	107	7,693	1.30	45,122	52,815
2016	1,304	64,685	1.00	34,359	99,044
2015	1,836	96,410	0.80	28,726	125,136
2014	3,554	152,625	0.70	27,153	179,778
Total	17,984	\$1,139,411	\$14.00	\$437,527	\$1,576,938

Impact of Macroeconomic and Geopolitical Factors

We have been actively monitoring the impact of the current macroeconomic environment in the U.S. and globally characterized by inflation, supply chain issues, high interest rates, labor shortages, and the potential for a recession. These market factors, as well as the impacts of the Ukraine-Russia and Middle East conflicts, have not had a material impact on our business to date. However, if these conditions continue or worsen, they could have an adverse effect on our operating results and our financial condition.

Comparability of Financial Results

When comparing our 2024 financial results against the financial results of other periods, the following items should be taken into consideration:

Revenue

- Our 2024 revenue includes \$460.1 million of catch-up revenues primarily resulting from the Samsung TV and OPPO agreements entered into in 2024, as well as revenue recognized on the Lenovo cellular license resulting from the UK proceedings and arbitration agreement.

Operating Expenses

- In 2024, we incurred \$68.8 million of nonrecurring revenue share costs associated with the catch-up revenues recognized in the period.

- In 2024, we recorded \$4.4 million of one-time contra expenses for a net litigation fee reimbursement resulting from intellectual property enforcement successes.
- In 2024, we incurred \$1.0 million of nonrecurring share-based compensation costs driven by licensing successes.

Non-Operating Income (Expense), Net

- In 2024, we recognized \$2.0 million of net gains resulting from observable price changes of our long-term strategic investments, which was included within “*Other income (expense), net*” in the consolidated statement of income.

Critical Accounting Policies and Estimates

Our consolidated financial statements are based on the selection and application of GAAP, which require us to make estimates and assumptions that affect the amounts reported in both our consolidated financial statements and the accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ from these estimates and any such differences may be material to the financial statements. Our significant accounting policies are described in Note 2, “*Summary of Significant Accounting Policies and New Accounting Guidance*” within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K. We believe the accounting policies that are of particular importance to the portrayal of our financial condition and results and that may involve a higher degree of complexity and judgment in their application compared to others are those relating to revenue recognition, compensation, and income taxes. If different assumptions were made or different conditions existed, our financial results could have been materially different.

Revenue Recognition

We derive the vast majority of our revenue from patent licensing. The timing and amount of revenue recognized from each licensee depend upon a variety of factors, including the specific terms of each agreement and the nature of the deliverables and obligations. Such agreements are often complex and include multiple performance obligations. These agreements can include, without limitation, performance obligations related to the settlement of past patent infringement liabilities, patent and/or know-how licensing royalties on covered products sold by licensees, access to a portfolio of technology as it exists at a point in time, and access to a portfolio of technology at a point in time along with promises to provide any technology updates to the portfolio during the term.

In accordance with GAAP, we use a five-step model to achieve the core underlying principle that an entity should recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. These steps include (1) identifying the contract with the customer, (2) identifying the performance obligations, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing revenue as the entity satisfies the performance obligation(s). Additionally, we have elected to utilize certain practical expedients in the application of ASC 606. In evaluating the presence of a significant financing component in our agreements, we utilize the practical expedient to exclude any contracts wherein the gap between payment by our customers and the delivery of our performance obligation is less than one year. We have also elected to utilize the practical expedient related to costs of obtaining a contract where an entity may recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less. Timing of revenue recognition may differ significantly from the timing of invoicing to customers. Contract assets are included in accounts receivable and represent unbilled amounts expected to be received from customers in future periods, where the revenue recognized to date exceeds the amount billed, and right to payment is subject to the underlying contractual terms. Contract assets are

classified as long-term assets if the payments are expected to be received more than one year from the reporting date. Contract assets due within less than twelve months of the balance sheet date are included within accounts receivable in our consolidated balance sheets. Contract assets due more than twelve months after the balance sheet date are included within other non-current assets.

For certain patent license agreements or other contractual arrangements, the amount of consideration that we will receive is uncertain. In such cases, we estimate and recognize licensing revenues only when we have a contract, as defined in the revenue recognition guidance. Such estimates are only recognized to the extent it is probable that a significant reversal of cumulative revenues recognized will not occur. We analyze the risk of a significant revenue reversal considering both the likelihood and magnitude of the reversal and, if necessary, constrain the amount of estimated revenues in order to mitigate this risk, which may result in recognizing revenues less than amounts we expect we are most likely to receive. These aforementioned estimates may require significant judgment.

Patent License Agreements

Upon signing a patent license agreement, we provide the licensee permission to use our patented inventions in specific applications. We account for patent license agreements in accordance with the guidance indicated above.

Certain patent license agreements contain revenue from non-financial sources in the form of patents received from the customer. Under our patent license agreements, we typically receive one or a combination of the following forms of payment as consideration for permitting our licensees to use our patented inventions in their applications and products.

Consideration for Past Patent Royalties

Consideration related to a licensee's product sales from prior periods may result from a negotiated agreement with a licensee that utilized our patented inventions prior to signing a patent license agreement with us or from the resolution of a disagreement or arbitration with a licensee over the specific terms of an existing license agreement. We may also receive consideration for past patent royalties in connection with the settlement of patent litigation where there was no prior patent license agreement. In each of these cases, we record the consideration as revenue as prescribed by the five-step model.

Fixed-Fee Agreements

Fixed-fee license agreements include fixed, non-refundable royalty payments that fulfill the licensee's obligations to us under a patent license agreement for a specified time period or for the term of the agreement for specified products, under certain patents or patent claims, for sales in certain countries, or a combination thereof - in each case for a specified time period (including for the life of the patents licensed under the agreement).

Dynamic fixed-fee license agreements contain a single performance obligation that represents ongoing access to a portfolio of technology over the license term, since our promise to transfer to the licensee access to the portfolio as it exists at inception of the license, along with promises to provide any technology updates to the portfolio during the term, are not separately identifiable. Upon entering a new agreement, we allocate the transaction price to the performance obligations delivered at signing (e.g. our existing patent portfolio) and future performance obligations (e.g. the technology updates). We use a time-based input method of progress to determine the timing of revenue recognition, and as such we recognize the future deliverables on a straight-line basis over the term of the agreement. We utilize the straight-line method as we believe that it best depicts efforts expended to develop and transfer updates to the customer evenly throughout the term of the agreement.

Static fixed-fee license agreements are fixed-price contracts that generally do not include updates to technology we create after the inception of the license agreement or in which the customer does not stand to

substantively benefit from those updates during the term. Although we have few static fixed-fee license agreements, we generally satisfy our performance obligations under such agreements at contract signing, and, as such, revenue is recognized at that time.

Variable Agreements

Upon entering a new variable patent license agreement, the licensee typically agrees to pay royalties or license fees on licensed products sold during the term of the agreement. We utilize the sales- or usage- based royalty exception for these agreements and recognize revenues during the contract term when the underlying sale or usage occurs. Our licensees under variable agreements provide us with quarterly royalty reports that summarize their sales of covered products and their related royalty obligations to us. We typically receive these royalty reports subsequent to the period in which our licensees' underlying sales occurred. As a result, we are required to estimate revenues and recognize sales-based royalties on such licensed products in the period in which the associated sales occur, considering all relevant information (historical, current and forecasted) that is reasonably available to us. Estimating licensees' quarterly royalties prior to receiving the royalty reports requires us to make assumptions and judgments related to forecasted trends and growth rates used to estimate our licensees' sales, which could have an impact on the amount of revenue we report on a quarterly basis. As a result of recognizing revenues in the period in which the licensees' sales occur using estimates, adjustments to revenues are required in subsequent periods to reflect changes in estimates as new information becomes available, primarily resulting from actual amounts reported by our licensees.

Agreements with Multiple Performance Obligations

During 2024, we signed new fixed-fee agreements that had multiple performance obligations. Consistent with the revenue recognition policies disclosed above, we (1) identified the contract with the customer, (2) identified the performance obligations, (3) determined the transaction price, (4) allocated the transaction price to the performance obligations, and (5) recognized revenue as we satisfy the performance obligations. We allocated the transaction price to each performance obligation for accounting purposes using our best estimate of the term and value. The process for determining the value of the standalone selling prices of identified performance obligations in dynamic fixed-fee license agreements requires the exercise of significant judgment when evaluating the valuation methods and assumptions, including the assumed royalties, projected sales volumes, discount rate, identification of comparable market transactions which are not directly observable and other relevant factors. Changes in any of a number of these assumptions could have had a substantial impact on the relative fair value assigned to each performance obligation for accounting purposes. These inputs and assumptions represent management's best estimates at the time of the transaction.

The impact that a five percent change in the aggregate amount allocated to catch-up revenues under these agreements would have had on 2024 revenue is summarized in the following table (in thousands):

<u>Allocation to catch-up revenues</u>	<u>Change in amount allocated</u>	
	<u>+5%</u>	<u>-%5</u>
Change in revenue	\$8,733	\$(8,733)

Revenue from Non-financial Sources

During 2024, 2023, and 2022, approximately 2%, 3% and 4%, respectively, of our total revenue was based on the estimated fair value of non-financial consideration received, principally patents. The process for determining the value of revenue from non-financial sources requires estimating the fair value of patents received. We estimated the fair value of the patents in the above transactions using one of, or a combination of, an analysis of comparable market transactions (the market approach), a discounted cash flow analysis (the income approach) and/or by quantifying the amount of money required to replace the future service capability of

the assets (the cost approach). For the market approach, judgment was applied as to which market transactions were most comparable to the transaction. For the income approach, the inputs and assumptions used to develop these estimates were based on a market participant perspective and included estimates of projected royalties, discount rates, economic lives and income tax rates, among others. For the cost approach, we utilized the historical cost of assets of similar technologies to determine the estimated replacement cost, including research, development, testing and patent application fees. The development of a number of these inputs and assumptions requires a significant amount of management judgment and is based upon a number of factors, including identification of comparable market transactions, assumed royalties, projected sales volumes, economic lives of the patents and other relevant factors. Changes in any of a number of these assumptions could have had a substantial impact on the fair value assigned to the patents for accounting purposes. These inputs and assumptions represent management's best estimates at the time of the transaction.

The impact that a five-percent change in the estimated aggregate value of the patents acquired would have had on 2024 revenue, patent amortization and pre-tax income is summarized in the following table (in thousands):

<u>Estimated value of patents acquired in connection with PLAs</u>	<u>Change in estimate</u>	
	<u>+5%</u>	<u>-5%</u>
Revenue	\$732	\$(732)
Less: Patent amortization	614	(614)
Pre-tax income	<u>\$118</u>	<u>\$(118)</u>

Compensation Programs

We use a variety of compensation programs to attract, retain and motivate our employees, and to align employee compensation more closely with company performance. These programs include, but are not limited to, short-term incentives tied to performance goals, cash awards to inventors for filed patent applications and patent issuances, and long-term incentives in the form of stock option awards, time-based restricted stock unit ("RSU") awards, performance-based RSU awards and cash awards, noting equity awards are granted pursuant to the terms and conditions of our Equity Plans (as defined within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K). Our long-term incentives, including equity awards, typically include annual equity or cash award grants with three to five year vesting periods; as a result, in any one year, we are typically accounting for at least three active cycles.

The aggregate amount of performance compensation expense we record in a period, under both short-term and long-term incentive compensation programs, requires the input of subjective assumptions and is a function of our estimated progress toward performance goals at both the beginning and the end of the period. Our estimated progress toward goals under performance equity grants is based on meeting a minimum confidence level of achievement in accordance with accounting rules for share-based compensation. Due to the binary nature of patent license agreements, performance awards with milestone goals are typically not expensed until the goal has been achieved. Achievement rates can vary by performance cycle and from period to period, resulting in variability in our compensation expense.

We account for compensation costs associated with share-based compensation based on the fair value of the instruments issued. The estimated value of stock options includes assumptions around expected life, stock volatility and dividends. For stock options considered to be "plain vanilla" options, the Company estimates the expected term based on the simplified method as prescribed by Staff Accounting Bulletin Topic 14. The simplified method was used because the Company does not believe it has sufficient historical exercise data to provide a reasonable basis for the expected term of its grants. In all periods, our policy has been to set the value of RSUs awards equal to the value of our underlying common stock on the date of measurement. For grants with graded vesting, we amortize the associated unrecognized compensation cost using an accelerated method. For

grants that cliff vest, we amortize the associated unrecognized compensation cost on a straight-line basis over their vesting term. For awards containing performance conditions, we recognize compensation expense ratably over the vesting period when it is probable that the stated performance targets will be achieved and record cumulative adjustments in the period in which estimates change.

In the event of canceled awards, we adjust compensation expense recognized to date as they occur. Tax windfalls and shortfalls related to the tax effects of employee share-based compensation are included in our tax provision. On the consolidated statements of cash flows, tax windfalls and shortfalls related to employee share-based compensation awards are included within operating activities and cash paid to tax authorities for shares withheld are included within financing activities. The inclusion of windfalls and shortfalls in the tax provision could increase our earnings volatility between periods. Tax windfalls and shortfalls related to share-based compensation was windfalls of \$4.9 million and \$3.1 million for the years ended 2024 and 2023, respectively, and shortfalls for the year ended 2022 of \$0.4 million.

The below table summarizes our supplemental compensation expense for 2024, 2023 and 2022, in thousands:

	Year Ended December 31,		
	2024	2023	2022
Short-term incentive compensation	\$27,589	\$19,780	\$24,341
Time-based awards (a)	25,499	26,426	15,422
Performance-based awards (a)	20,756	10,035	8,155
Total supplemental compensation expense	<u>\$73,844</u>	<u>\$56,241</u>	<u>\$47,918</u>

(a) For 2024, 2023 and 2022, approximately 1%, 3%, and 8%, respectively, of the aggregate expense associated with time-based and performance-based awards related to cash awards.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statement of income in the period in which the change was enacted. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if management has determined that it is more likely than not that such assets will not be realized.

In addition, the calculation of tax liabilities involves significant judgment in estimating the impact of uncertainties in the application of complex tax laws. We are subject to examinations by the U.S. IRS and other taxing jurisdictions on various tax matters, including challenges to various positions we assert in our filings. In the event that the IRS or another taxing jurisdiction levies an assessment in the future, it is possible the assessment could have a material adverse effect on our consolidated financial condition or results of operations.

The financial statement recognition of the benefit for an uncertain tax position is dependent upon the benefit being more likely than not to be sustainable upon audit by the applicable tax authority. If this threshold is met, the tax benefit is then measured and recognized at the largest amount that is greater than 50 percent likely of being realized upon ultimate settlement. In the event that the IRS or another taxing jurisdiction levies an assessment in the future, it is possible the assessment could have a material adverse effect on our consolidated financial condition or results of operations.

Between 2014 and 2024, we paid approximately \$141.9 million in foreign taxes to foreign governments that have tax treaties with the U.S., for which we have claimed foreign tax credits against our U.S. tax obligations, and for which the tax treaty procedures are still open. It is possible that as a result of tax treaty procedures, the U.S. government may reach an agreement with the related foreign governments that will result in a partial refund of foreign taxes paid with a related reduction in our foreign tax credits. Due to foreign currency fluctuations, any such agreement could result in foreign currency gain or loss. If the matter had been resolved as of December 31, 2024, we would have recognized a loss up to \$22.8 million based on exchange rates and prior competent authority resolutions.

On November 8, 2019, the Company received notification that its request for competent authority pertaining to Article 25 (Mutual Agreement Procedure) of the United States-Republic of Finland Income Tax Convention had been reviewed by the IRS and an agreement has been reached (the “Finland Competent Authority Proceeding”). As a result of this agreement, the Company does not anticipate any tax consequences.

New Accounting Guidance

Refer to Note 2, “*Summary of Significant Accounting Policies and New Accounting Guidance*” within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for a discussion of recently issued accounting guidance.

Legal Proceedings

We are routinely involved in disputes associated with enforcement and licensing activities regarding our intellectual property, including litigations, arbitrations and other proceedings. These litigations, arbitrations and other proceedings are important means to enforce our intellectual property rights. We are a party to other disputes and legal actions not related to our intellectual property, but also arising in the ordinary course of our business. Refer to Note 12, “*Litigation and Legal Proceedings*,” to the Notes to Consolidated Financial Statements included below in Part II, Item 8 of this Form 10-K for a description of our material legal proceedings.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash, cash equivalents, and short-term investments, as well as cash generated from operations. We believe we have the ability to obtain additional liquidity through debt and equity financings. From time to time, we may engage in a variety of transactions to augment our liquidity position as our business dictates and to take advantage of favorable interest rate environments or other market conditions, including the incurrence or issuance of debt and the refinancing or restructuring of existing debt. Based on our past performance and current expectations, we believe our available sources of funds, including cash, cash equivalents, short-term investments, and cash generated from our operations, will be sufficient to finance our operations, capital requirements, debt obligations, existing stock repurchase program, dividend program, and other contractual obligations discussed below in both the short-term over the next twelve months, and the long-term beyond twelve months.

Cash, cash equivalents, restricted cash, and short-term investments

As of December 31, 2024 and 2023, we had the following amounts of cash, cash equivalents, restricted cash, and short-term investments (in thousands):

	December 31, 2024	December 31, 2023	Increase / (Decrease)
Cash and cash equivalents	\$527,360	\$ 437,076	\$ 90,284
Restricted cash included within prepaid and other current assets	24,187	5,885	18,302
Short-term investments	430,848	569,280	(138,432)
Total cash, cash equivalents, restricted cash, and short- term investments	<u>\$982,395</u>	<u>\$1,012,241</u>	<u>\$ (29,846)</u>

The net decrease in cash, cash equivalents, restricted cash, and short-term investments was attributable to cash used in financing activities of \$272.4 million and cash used in investing activities of \$47.2 million, excluding sales and purchases of short-term investments, partially offset by cash provided by operating activities of \$271.5 million. Refer to the sections below for further discussion of these items.

Cash flows from operations

We generated the following cash flows from our operating activities in 2024 and 2023 (in thousands):

	Year Ended December 31,		Increase / (Decrease)
	2024	2023	
Cash flows provided by operating activities	\$271,528	\$213,733	\$57,795

Our cash flows provided by operating activities are principally derived from cash receipts from patent license agreements, offset by cash operating expenses and income tax payments. The \$57.8 million change in net cash provided by operating activities was driven by higher cash receipts from new agreements and due to timing of cash receipts under existing agreements. This increase was partially offset by an increase in cash operating expenses primarily due to increased revenue share costs from new patent license agreements. The table below sets forth the significant items comprising our cash flows provided by operating activities during the years ended December 31, 2024 and 2023 (in thousands):

	Year Ended December 31,		Increase / (Decrease)
	2024	2023	
Total Cash Receipts	\$ 673,910	\$ 492,004	\$ 181,906
Cash Outflows:			
Cash operating expenses (a)	(313,125)	(211,525)	(101,600)
Income taxes paid (b)	(67,541)	(59,202)	(8,339)
Total cash outflows	<u>(380,666)</u>	<u>(270,727)</u>	<u>(109,939)</u>
Other working capital adjustments	(21,716)	(7,544)	(14,172)
Cash flows provided by operating activities	<u>\$ 271,528</u>	<u>\$ 213,733</u>	<u>\$ 57,795</u>

(a) Cash operating expenses include operating expenses less depreciation of fixed assets, amortization of patents, and non-cash compensation. Amount includes revenue share costs of \$81.3 million and \$3.3 million in 2024 and 2023, respectively.

(b) Income taxes paid include foreign withholding taxes.

Cash provided by or used in investing and financing activities

Net cash provided by investing activities in 2024 was \$109.5 million, a \$194.6 million change from \$85.2 million net cash used in investing activities in 2023. During 2024, we sold \$156.7 million of short-term marketable securities, net of purchases, and capitalized \$63.0 million of patent costs, patent purchases, and property and equipment purchases. Additionally, we received \$15.8 million of net cash receipts from the sales of our long-term strategic investments. During 2023, we purchased \$38.7 million of short-term marketable securities, net of sales, and capitalized \$44.6 million of patent costs and property and equipment purchases.

Net cash used in financing activities for 2024 was \$272.4 million, a \$116.4 million change from net cash used in financing activities of \$388.8 million in 2023. This change was primarily attributable to a \$273.0 million decrease in share repurchases in 2024 compared to 2023, of which \$203.4 million was related to the Company's modified "Dutch auction" tender offer in 2023. This change was partially offset by \$141.4 million of payments on our long-term debt, of which \$126.2 million was related to the maturity of the 2024 Notes.

Other

Our combined short-term and long-term deferred revenue balance at December 31, 2024 was \$360.1 million, a decrease of \$17.3 million from December 31, 2023. Based on current license agreements, we expect the amortization of dynamic fixed-fee royalty payments to reduce the December 31, 2024 deferred revenue balance by \$178.0 million over the next twelve months.

Convertible Notes

Refer to Note 10, "*Obligations*" within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for definitions of capitalized terms used below.

The 2024 Notes matured on June 1, 2024 resulting in 0.3 million of common shares being issued. This issuance was effectively offset by the settlement of the 2024 Note Hedge Transactions resulting in zero net shares being issued on June 1, 2024. Additionally, the 2024 Warrant Transactions settled on a net-share basis during 2024 resulting in the issuance of 0.5 million shares related to the 2024 Warrant Transactions.

Our 2027 Notes are included in the dilutive earnings per share calculation using the if-converted method. Under the if-converted method, we must assume that conversion of convertible securities occurs at the beginning of the reporting period. The 2027 Notes are convertible into cash up to the aggregate principal amount of the 2027 Notes to be converted and any remaining obligation may be settled in cash, shares of the Company's common stock or a combination thereof. As the principal amount must be paid in cash and only the conversion spread is settled in shares, we only include the net number of incremental shares that would be issued upon conversion. We must calculate the number of shares of our common stock issuable under the terms of the 2027 Notes based on the average market price of our common stock during the applicable reporting period and include that number in the total diluted shares figure for the period.

At the time we issued the 2027 Notes, we entered into the 2027 Call Spread Transactions that together were designed to have the economic effect of reducing the net number of shares that will be issued in the event of conversion of the 2027 Notes by, in effect, increasing the conversion price of the 2027 Notes from our economic standpoint. However, under GAAP, since the impact of the 2027 Note Hedge Transactions is anti-dilutive, we exclude from the calculation of fully diluted shares the number of shares of our common stock that we would receive from the counterparties to these agreements upon settlement.

During periods in which the average market price of our common stock is above the applicable conversion price of the Convertible Notes (\$77.49 per share for the 2027 Notes as of December 31, 2024) or above the weighted average strike price of the warrants (\$106.22 per share for the 2027 Warrant Transactions as of December 31, 2024), the impact of conversion or exercise, as applicable, would be dilutive and such dilutive

effect is reflected in diluted earnings per share. As a result, in periods where the average market price of our common stock is above the conversion price or strike price, as applicable, under the if-converted method, we calculate the number of shares issuable under the terms of the 2027 Notes and the warrants based on the average market price of the stock during the period, and include that number in the total diluted shares outstanding for the period.

Under the if-converted method, changes in the price per share of our common stock can have a significant impact on the number of shares that we must include in the fully diluted earnings per share calculation. As described in Note 10, “*Obligations*” within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K, the 2027 Notes are convertible into cash up to the aggregate principal amount of the 2027 Notes to be converted and any remaining obligation may be in cash, shares of the Company’s common stock or a combination thereof (“net share settlement”). Assuming net share settlement upon conversion, the following tables illustrate how, based on the \$460.0 million aggregate principal amount of the 2027 Notes outstanding as of December 31, 2024, and the approximately 5.9 million warrants related to the 2027 Notes, outstanding as of the same date, changes in our stock price would affect (i) the number of shares issuable upon conversion of the 2027 Notes, (ii) the number of shares issuable upon exercise of the warrants subject to the 2027 Warrant Transactions, (iii) the number of additional shares deemed outstanding with respect to the 2027 Notes, after applying the if-converted method, for purposes of calculating diluted earnings per share (“Total If-Converted Method Incremental Shares”), (iv) the number of shares of our common stock deliverable to us upon settlement of the 2027 Note Hedge Transactions and (v) the number of shares issuable upon concurrent conversion of the 2027 Notes, exercise of the warrants subject to the 2027 Warrant Transactions, and settlement of the 2027 Note Hedge Transactions (in thousands):

2027 Notes					
Market Price Per Share	Shares Issuable Upon Conversion of the 2027 Notes	Shares Issuable Upon Exercise of the 2027 Warrant Transactions	Total If-Converted Method Incremental Shares	Shares Deliverable to InterDigital upon Settlement of the 2027 Note Hedge Transactions	Incremental Shares Issuable (a)
\$106	1,612	—	1,612	(1,612)	—
\$120	2,119	691	2,810	(2,119)	691
\$130	2,414	1,095	3,509	(2,414)	1,095
\$140	2,666	1,442	4,108	(2,666)	1,442
\$150	2,885	1,743	4,628	(2,885)	1,743
\$160	3,077	2,006	5,083	(3,077)	2,006
\$170	3,246	2,238	5,484	(3,246)	2,238
\$180	3,397	2,444	5,841	(3,397)	2,444
\$190	3,531	2,629	6,160	(3,531)	2,629
\$200	3,652	2,795	6,447	(3,652)	2,795
\$210	3,762	2,946	6,708	(3,762)	2,946
\$220	3,861	3,082	6,943	(3,861)	3,082
\$230	3,952	3,207	7,159	(3,952)	3,207
\$240	4,035	3,321	7,356	(4,035)	3,321
\$250	4,112	3,427	7,539	(4,112)	3,427

(a) Represents incremental shares issuable upon concurrent conversion of convertible notes, exercise of warrants and settlement of the hedge agreements.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2024 (in thousands):

	Payments Due by Period				
	Total	Less Than 1 year	1-3 Years	3-5 Years	Thereafter
2027 Notes(a)	\$460,000	\$ —	\$460,000	\$ —	\$ —
Contractual interest payments on the 2027 Notes(a) . . .	38,953	16,100	22,853	—	—
Purchase obligations (b)	23,078	23,078	—	—	—
Operating lease obligations	22,628	4,559	8,542	7,037	2,490
Defined benefit plan obligations (c)	4,457	369	356	710	3,022
Total contractual obligations	<u>\$549,116</u>	<u>\$44,106</u>	<u>\$491,751</u>	<u>\$7,747</u>	<u>\$5,512</u>

- (a) The table above represents the payment made on the maturity date of the 2027 Notes. From the period January 1, 2024 through March 31, 2025, the holders of the 2027 Notes have the right, but not the obligation, to convert any portion of the principal amount of the 2027 Notes. We will pay cash up to the aggregate principal amount of the 2027 Notes to be converted, if any, and will pay cash, shares of our Common Stock, or a combination of cash and shares of our Common Stock for any conversion obligation in excess of the aggregate principal amount being converted at our election. Refer to Note 10, “*Obligations*,” within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for details of our 2027 Notes.
- (b) Purchase obligations consist of agreements to purchase goods and services that are legally binding on us, as well as accounts payable. Our consolidated balance sheet as of December 31, 2024 includes a \$13.8 million non-current liability for uncertain tax positions. The future payments related to uncertain tax positions have not been presented in the table above due to the uncertainty of the amounts and timing of cash settlement with the taxing authorities.
- (c) Refer to Note 11, “*Commitments*,” within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for details of our defined benefit plan obligations. Estimated future benefit payments included above are through 2030.

As discussed above we believe our available sources of funds, including cash, cash equivalents, short-term investments, and cash generated from our operations, will be sufficient to finance these contractual obligations discussed below in both the short-term over the next twelve month, and the long-term beyond twelve months.

As of December 31, 2024, we have a debt obligation of \$17.0 million related to the Technicolor Patent Acquisition. Additionally, we are subject to a revenue-sharing arrangement with Technicolor resulting from the Technicolor Acquisitions. There is no liability associated with the revenue-share agreement at December 31, 2024, as there are no minimum or maximum payments under the revenue-sharing arrangement, and, except in certain circumstances, the arrangement continues through December 31, 2038. Refer to Note 10, “*Obligations*,” within the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for further information. Due to the uncertainty regarding the timing and amount of future payments related to these items, the amounts are excluded from the contractual obligations table above.

RESULTS OF OPERATIONS

2024 Compared with 2023

Revenues

The following table compares 2024 revenues to 2023 revenues (in thousands):

	Year Ended December 31,		Increase/ (Decrease)	
	2024	2023		
Recurring revenues:				
Smartphone	\$316,899	\$347,124	\$ (30,225)	(9)%
CE, IoT/Auto	89,252	59,858	29,394	49%
Other	2,296	1,410	886	63%
Total recurring revenues	408,447	408,392	55	—%
Catch-up revenues (a)	460,069	141,196	318,873	226%
Total revenues	<u>\$868,516</u>	<u>\$549,588</u>	<u>\$318,928</u>	<u>58%</u>

(a) Catch-up revenues are comprised of past patent royalties and revenues from static fixed-fee agreements.

Total revenues of \$868.5 million increased 58% from \$549.6 million in 2023 primarily due to catch-up revenues from new agreements signed in 2024, including the Samsung TV and OPPO agreements, as well as revenue recognized on the Lenovo cellular license resulting from the UK proceedings and arbitration agreement. Recurring revenues were relatively flat compared to 2023 with increased CE, IoT/Auto revenue mostly offsetting the 2023 expiration of Huawei and other smartphone agreements.

In 2024 and 2023, 79% and 76% of our total revenues were attributable to companies that individually accounted for 10% or more of our total revenues, respectively. In 2024 and 2023, the following licensees or customers accounted for 10% or more of our total revenues:

	Year Ended December 31,	
	2024	2023
Customer A	30%	14%
Customer B	20%	27%
Customer C	15%	24%
Customer D	14%	—%
Customer E	<10%	11%

Operating Expenses

The following table summarizes the change in operating expenses by category (in thousands):

	Year Ended December 31,		Increase/ (Decrease)	
	2024	2023		
Research and portfolio development	\$196,903	\$195,285	\$ 1,618	1%
Licensing	169,239	79,397	89,842	113%
General and administrative	62,862	53,291	9,571	18%
Total operating expenses	<u>\$429,004</u>	<u>\$327,973</u>	<u>\$101,031</u>	<u>31%</u>

Operating expenses increased 31% to \$429.0 million in 2024 from \$328.0 million in 2023. The \$101.0 million increase in total operating expenses was primarily due to increases/(decreases) in the following items (in thousands):

	<u>Increase/ (Decrease)</u>
Revenue share costs	\$ 77,986
Intellectual property enforcement	19,279
Performance-based compensation	17,603
Net litigation fee reimbursement	(11,898)
Other	(1,939)
Total increase in operating expenses	<u>\$101,031</u>

The \$101.0 million increase in operating expenses was driven by a \$78.0 million increase in revenue share costs primarily related to the catch-up revenues recognized from the Samsung TV and TPV agreements. Additionally, intellectual property enforcement costs increased \$19.3 million due to costs associated with the Lenovo and OPPO proceedings, as well as the Samsung arbitration, and performance-based compensation increased \$17.6 million due to higher accrual rates driven by licensing successes. These increases were partially offset by a change in the nonrecurring net litigation reimbursement of \$4.4 million contra-expense recorded in 2024 compared to \$7.5 million of expense recorded in 2023.

Research and portfolio development expense: Research and portfolio development expense were relatively flat compared to 2023.

Licensing expense: The \$89.8 million increase in licensing expense primarily resulted from the above-noted increases in revenue share, intellectual property enforcement, and performance-based compensation costs, partially offset by the net litigation fee reimbursement activity.

General and administrative expense: The \$9.6 million increase in general and administrative expense was primarily driven by the above-noted increase in performance-based compensation.

Non-Operating (Expense) Income, Net

The following table compares 2024 non-operating expense to 2023 non-operating income (in thousands):

	<u>Year Ended December 31,</u>			
	<u>2024</u>	<u>2023</u>	<u>Change</u>	
Interest expense	\$(45,421)	\$(44,817)	\$ (604)	(1)%
Interest and investment income	40,395	46,628	(6,233)	(13)%
Other	(5,070)	11,184	(16,254)	(145)%
Total non-operating (expense) income, net	<u>\$(10,096)</u>	<u>\$ 12,995</u>	<u>\$(23,091)</u>	<u>(178)%</u>

Interest expense was flat compared to 2023 and the \$6.2 million decrease in interest and investment income was primarily due to lower average amounts held in short-term investments.

The change in Other was primarily due to fair value adjustments of our investments and pension obligation resulting in \$5.4 million and \$12.1 million of net gains in 2024 and 2023, respectively, and due to a foreign currency translation net loss arising primarily from euro translation of our foreign subsidiaries of \$7.9 million in 2024, compared to \$1.0 million foreign currency translation net gains in 2023.

Income Taxes

In 2024, based on the statutory federal tax rate net of discrete federal and state taxes, our effective tax rate is 16.5%, as compared to an effective tax of 10.0% in 2023. The increase in the effective rate was primarily attributable the impact of a higher percentage of foreign derived intangible income and a larger reversal of a valuation allowance in the prior year.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 21E of the Exchange Act. Such statements include certain information in “Part I, Item 1. Business” and “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other information regarding our current beliefs, plans and expectations, including, without limitation, the matters set forth below. Words such as “believe,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “forecast,” “goal,” “could,” “would,” “should,” “if,” “may,” “might,” “future,” “target,” “trend,” “seek to,” “will continue,” “predict,” “likely,” “in the event,” variations of any such words or similar expressions contained herein are intended to identify such forward-looking statements. Forward-looking statements are made on the basis of management’s current views and assumptions and are not guarantees of future performance. Although the forward-looking statements in this Form 10-K reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements concerning our business, results of operations and financial condition are inherently subject to risks and uncertainties. We caution readers that actual results and outcomes could differ materially from those expressed in or anticipated by such forward-looking statements due to a variety of factors, including those set forth below:

- unanticipated delays, difficulties or accelerations in the execution of patent license agreements on acceptable terms or at all;
- our ability to expand our revenue opportunities by entering into licensing arrangements with video streaming and other cloud-based service providers;
- the resolution of legal proceedings, including any awards or judgments relating to such proceedings, and changes in the schedules or costs associated therewith;
- our ability to identify and acquire technology and patent portfolios that align with our roadmap;
- our ability to commercialize our technologies;
- the failure of the markets for our current or new technologies to materialize to the extent or at the rate that we expect;
- our continued ability to develop new technologies and secure new patents, including the risk of unexpected delays or difficulties related to the development of our technologies;
- our continued leadership within standards and industry groups and our ability to ensure our inventions become standardized;
- risks associated with our capital allocation strategies, including risks associated with our planned dividend payments and share repurchases;
- changes in our interpretations of, and assumptions and calculations with respect to the impact on us of, the 2017 Tax Cuts and Jobs Act and other U.S. and non-U.S. tax laws;
- the timing and impact of potential regulatory, administrative and legislative matters;
- U.S./China trade and/or national security tensions;
- changes or inaccuracies in market projections;
- our ability to retain and hire key personnel;

- our ability to enter into sales and/or licensing partnering arrangements for certain of our patent assets;
- the potential effects that macroeconomic uncertainty could have on our financial position, results of operations and cash flows;
- operational risks, including cybersecurity events, external hazards, human failures or other difficulties with our information technology systems that could disrupt our business or result in the loss of critical and confidential information and/or increased costs;
- impacts from acts of terrorism, war or political or civil unrest, or any responses thereto, in the United States or elsewhere;
- changes in our business strategy; and
- risks related to any new accounting standards or our assumptions and application of relevant accounting standards, including with respect to revenue recognition.

You should carefully consider these factors as well as the risks and uncertainties outlined in greater detail in Part I, Item 1A, of this Form 10-K before making any investment decision with respect to our common stock. These factors, individually or in the aggregate, may cause our actual results to differ materially from our expected and historical results. You should understand that it is not possible to predict or identify all such factors. In addition, you should not place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this Form 10-K. We undertake no obligation to revise or update publicly any forward-looking statement for any reason, except as otherwise required by law.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Cash, cash equivalents, restricted cash and short-term investments

The primary objectives of our investment activities are to preserve principal and maintain liquidity while at the same time capturing a market rate of return. To achieve these objectives, we maintain our portfolio of cash, cash equivalents, restricted cash, and short-term and long-term investments in a variety of securities, including government obligations, corporate bonds, and commercial paper.

Interest Rate Risk — We invest our cash in a number of diversified high quality investment-grade fixed and floating rate securities with a fair value of \$982.4 million as of December 31, 2024. Our exposure to interest rate risks is not significant due to the short average maturity, quality and diversification of our holdings. We do not hold any derivative, derivative commodity instruments, or other similar financial instruments in our investment portfolio. The risk associated with fluctuating interest rates is generally limited to our investment portfolio. We believe that a hypothetical 10% change in period-end interest rates would not have a significant impact on our results of operations or cash flows.

The following table provides information about our interest-bearing securities that are sensitive to changes in interest rates as of December 31, 2024. The table presents principal cash flows, weighted-average yield at cost and contractual maturity dates. Additionally, we have assumed that these securities are similar enough within the specified categories to aggregate these securities for presentation purposes.

Interest Rate Sensitivity Principal Amount by Expected Maturity Average Interest Rates (in thousands)							
	2025	2026	2027	2028	2029	Thereafter	Total
Money market and demand							
accounts	\$535,745	—	—	—	—	—	\$535,745
Short-term investments	\$323,784	\$86,499	\$36,367	—	—	—	\$446,650
Average interest rate	4.3%	4.5%	4.4%	—%	—%	—%	4.4%

Cash and cash equivalents and available-for-sale securities are recorded at fair value.

Bank Liquidity Risk — As of December 31, 2024, we had approximately \$535.7 million in operating accounts that are held with domestic and international financial institutions. The majority of these balances are held with domestic financial institutions. While we monitor daily cash balances in our operating accounts and adjust the cash balances as appropriate, these cash balances could be lost or become inaccessible if the underlying financial institutions fail or if they are unable to meet the liquidity requirements of their depositors. We have not incurred any losses and have had full access to our operating accounts to date.

Foreign Currency Exchange Rate Risk — We are exposed to limited risk from fluctuations in currencies, which might change over time as our business practices evolve, that could impact our operating results, liquidity and financial condition. We operate and invest globally. Adverse movements in currency exchange rates might negatively affect our business due to a number of situations. Currently, our international licensing agreements are typically made in U.S. dollars and are generally not subject to foreign currency exchange rate risk. We do not engage in foreign exchange hedging transactions at this time.

Between 2014 and 2024, we paid approximately \$141.9 million in foreign taxes to foreign governments that have tax treaties with the U.S., for which we have claimed foreign tax credits against our U.S. tax obligations, and for which the tax treaty procedures are still open. It is possible that as a result of tax treaty procedures, the U.S. government may reach an agreement with the related foreign governments that will result in a partial refund of foreign taxes paid with a related reduction in our foreign tax credits. Due to foreign currency fluctuations, any such agreement could result in foreign currency gain or loss. If the matter had been resolved as of December 31, 2024, we would have recognized a loss up to \$22.8 million based on exchange rates and prior competent authority resolutions.

Investment Risk — We are exposed to market risk as it relates to changes in the market value of our short-term and long-term investments in addition to the liquidity and creditworthiness of the underlying issuers of our investments. We hold a diversified investment portfolio, which includes, fixed and floating-rate, investment-grade marketable securities, mortgage and asset-backed securities and U.S. government and other securities. The instruments included in our portfolio meet high credit quality standards, as specified in our investment policy guidelines. This policy also limits our amount of credit exposure to any one issue, issuer and type of instrument. Given that the guidelines of our investment policy prohibit us from investing in anything but highly rated instruments, our investments are not subject to significant fluctuations in fair value due to the volatility of the credit markets and prevailing interest rates for such securities. Our marketable securities, consisting of government obligations, corporate bonds and commercial paper, are primarily classified as available-for-sale with a fair value of \$446.7 million as of December 31, 2024.

Equity Risk — We are exposed to changes in the market-traded price of our common stock as it influences the calculation of earnings per share. In connection with the offering of the 2027 Notes, we entered into convertible note hedge transactions with option counterparties. We also sold warrants to the option counterparties. These transactions have been accounted for as an adjustment to our shareholders' equity. The convertible note hedge transactions are expected to reduce the potential equity dilution upon conversion of the 2027 Notes. The warrants along with any shares issuable upon conversion of the 2027 Notes will have a dilutive effect on our earnings per share to the extent that the average market price of our common stock for a given reporting period exceeds the applicable strike price or conversion price of the warrants or convertible 2027 Notes.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

	<u>PAGE NUMBER</u>
CONSOLIDATED FINANCIAL STATEMENTS:	
Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	54
Consolidated Balance Sheets as of December 31, 2024 and 2023	57
Consolidated Statements of Income for the years ended December 31, 2024, 2023 and 2022	58
Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022	59
Consolidated Statements of Shareholders' Equity for the years ended December 31, 2024, 2023 and 2022	60
Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022 . . .	61
Notes to Consolidated Financial Statements	62
SCHEDULES:	
Schedule II — Valuation and Qualifying Accounts as of and for the years ended December 31, 2024, 2023 and 2022	104

All other schedules are omitted because they are either not required or applicable or equivalent information has been included in the financial statements and notes thereto.

Report of Independent Registered Public Accounting Firm

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

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of InterDigital, Inc. and its subsidiaries (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of income, of comprehensive income, of shareholders’ equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework (2013) issued by the COSO.

Basis for Opinions

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

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

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

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

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

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

Critical Audit Matters

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

Revenue Recognition – Determination of Standalone Selling Prices of Identified Performance Obligations in Dynamic Fixed-Fee License Agreements Entered Into During The Year

As described in Notes 2 and 3 to the consolidated financial statements, dynamic fixed-fee license agreements include fixed, non-refundable royalty payments that fulfill the licensee's obligations to the Company under a patent license agreement for a specified time period or for the term of the agreement. Total recurring revenues and catch-up revenues were \$408 million and \$460 million, respectively, for the year ended December 31, 2024, of which a significant portion relates to dynamic fixed-fee agreements entered into during the year. As disclosed by management, the process for determining the value of the standalone selling prices of identified performance obligations in dynamic fixed-fee license agreements requires the exercise of significant judgment when evaluating the valuation methods and assumptions, including the assumed royalties, projected sales volumes, discount rate, identification of comparable market transactions which are not directly observable and other relevant factors.

The principal considerations for our determination that performing procedures relating to the determination of standalone selling prices of identified performance obligations in dynamic fixed-fee license agreements entered into during the year is a critical audit matter are (i) the significant judgment by management when determining the value of standalone selling prices of identified performance obligations in dynamic fixed-fee license agreements and (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's significant assumptions related to assumed royalties and projected sales volumes.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the determination of standalone selling prices of identified performance obligations in dynamic fixed-fee license agreements. These procedures also included, among others, for a sample of dynamic fixed-fee license agreements (i) reading agreements entered into during the year; (ii) testing management's process for determining the value of standalone selling prices of identified performance obligations; (iii) evaluating the appropriateness of the

valuation methods used; (iv) testing the completeness and accuracy of data used by management in the valuation methods; and (v) evaluating the reasonableness of management's significant assumptions related to assumed royalties and projected sales volumes. Evaluating the reasonableness of management's significant assumptions related to assumed royalties and projected sales volumes involved considering consistency with historical sales data.

Revenue Recognition – Determination of the Amount of Consideration in Certain Arrangements with Variable Consideration

As described in Notes 2 and 3 to the consolidated financial statements, for certain patent license arrangements or other contractual arrangements, the amount of consideration that the Company will receive is uncertain. In such cases, management estimates and recognizes licensing revenues only when the Company has a contract, as defined in the revenue recognition guidance. Such estimates are only recognized to the extent it is probable that a significant reversal of cumulative revenues recognized will not occur. Total recurring revenues and catch-up revenues were \$408 million and \$460 million, respectively, for the year ended December 31, 2024, of which a portion relates to certain arrangements with variable consideration. Management analyzes the risk of a significant revenue reversal considering both the likelihood and magnitude of the reversal and, if necessary, constrains the amount of estimated revenues in order to mitigate this risk, which may result in recognizing revenues less than amounts management expects the Company is most likely to receive. As disclosed by management, these estimates may require significant judgment.

The principal considerations for our determination that performing procedures relating to the determination of the amount of consideration in certain arrangements with variable consideration is a critical audit matter are (i) the significant judgment by management when determining the amount of consideration and (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's significant assumptions and judgments in determining the amount of consideration, including the analysis of the probability that a significant reversal of cumulative revenues recognized will not occur.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the determination of the amount of consideration in certain arrangements with variable consideration. These procedures also included, among others (i) reading certain arrangements applicable for the current year; (ii) testing management's process for determining the amount of consideration in such arrangements; (iii) evaluating the appropriateness of management's analysis used in determining the amount of consideration; (iv) testing the completeness and accuracy of the data used by management in the analysis; and (v) evaluating the reasonableness of management's significant assumptions and judgments in determining the amount of consideration, including the analysis of the probability that a significant reversal of cumulative revenues recognized will not occur. Evaluating the reasonableness of management's significant assumptions and judgments in determining the amount of consideration, including the analysis of the probability that a significant reversal of cumulative revenues will not occur, involved considering management's past experience in such arrangements, status of ongoing discussions with the customer, and advice obtained, including obtaining and evaluating the letters of audit inquiry from in-house and external legal counsel.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
February 6, 2025

We have served as the Company's auditor since 2002.

INTERDIGITAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 527,360	\$ 437,076
Short-term investments	430,848	569,280
Accounts receivable	188,302	117,292
Prepaid and other current assets	84,312	43,976
Total current assets	1,230,822	1,167,624
Property and equipment, net	18,544	11,566
Patents, net	308,630	313,001
Deferred tax assets	128,133	128,967
Other non-current assets, net	149,400	149,656
Total assets	\$ 1,835,529	\$ 1,770,814
Liabilities and Shareholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 456,329	\$ 578,752
Accounts payable	12,206	7,846
Accrued compensation and related expenses	42,575	32,665
Deferred revenue	178,009	153,597
Dividend payable	11,557	10,226
Other accrued expenses	25,134	98,042
Total current liabilities	725,810	881,128
Long-term debt	15,443	29,019
Long-term deferred revenue	182,119	223,866
Other long-term liabilities	54,942	55,252
Total liabilities	978,314	1,189,265
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$0.10 par value, 14,399 shares authorized, 0 shares issued and outstanding	—	—
Common stock, \$0.01 par value, 100,000 shares authorized, 70,577 and 69,507 shares issued and 25,682 and 25,580 shares outstanding	705	694
Additional paid-in capital	808,540	742,981
Retained earnings	1,775,823	1,462,070
Accumulated other comprehensive loss	(458)	(647)
Treasury stock, 44,895 and 43,927 shares of common stock held at cost	(1,727,395)	(1,623,549)
Total shareholders' equity	857,215	581,549
Total liabilities and shareholders' equity	\$ 1,835,529	\$ 1,770,814

The accompanying notes are an integral part of these statements.

INTERDIGITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Year Ended December 31,		
	2024	2023	2022
Revenues	\$868,516	\$549,588	\$457,794
Operating expenses:			
Research and portfolio development	196,903	195,285	185,202
Licensing	169,239	79,397	71,419
General and administrative	62,862	53,291	47,377
Restructuring activities	—	—	3,280
Total operating expenses	429,004	327,973	307,278
Income from operations	439,512	221,615	150,516
Interest expense	(45,421)	(44,817)	(29,496)
Other income (expense), net	35,325	57,812	(3,457)
Income before income taxes	429,416	234,610	117,563
Income tax provision	(70,802)	(23,557)	(25,502)
Net income	\$358,614	\$211,053	\$ 92,061
Net loss attributable to noncontrolling interest	—	(3,016)	(1,632)
Net income attributable to InterDigital, Inc.	\$358,614	\$214,069	\$ 93,693
Net income per common share — Basic	\$ 14.16	\$ 7.97	\$ 3.11
Weighted average number of common shares outstanding — Basic	25,325	26,860	30,106
Net income per common share — Diluted	\$ 12.07	\$ 7.62	\$ 3.07
Weighted average number of common shares outstanding — Diluted ...	29,711	28,102	30,485
Cash dividends declared per common share	\$ 1.70	\$ 1.50	\$ 1.40

The accompanying notes are an integral part of these statements.

INTERDIGITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Net income	\$358,614	\$211,053	\$92,061
Unrealized gain (loss) on investments, net of tax	189	269	(345)
Comprehensive income	<u>\$358,803</u>	<u>\$211,322</u>	<u>\$91,716</u>
Comprehensive loss attributable to noncontrolling interest	<u>—</u>	<u>(3,016)</u>	<u>(1,632)</u>
Total comprehensive income attributable to InterDigital, Inc.	<u>\$358,803</u>	<u>\$214,338</u>	<u>\$93,348</u>

The accompanying notes are an integral part of these statements.

INTERDIGITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except per share data)

	Common Stock		Additional	Retained	Accumulated	Treasury Stock		Non-Controlling	Total
	Shares	Amount	Paid-In Capital	Earnings	Other Comprehensive Loss	Shares	Amount	Interest	Shareholders' Equity
Balance, December 31, 2021	71,720	\$717	\$713,599	\$1,441,105	\$(571)	41,031	\$(1,409,611)	\$ 7,678	\$ 752,917
Net income attributable to InterDigital, Inc.	—	—	—	93,693	—	—	—	—	93,693
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	(1,632)	(1,632)
Noncontrolling interest distribution	—	—	—	—	—	—	—	(1,928)	(1,928)
Non-controlling interest contributions	—	—	—	—	—	—	—	1,500	1,500
Net change in unrealized loss on short-term investments	—	—	—	—	(345)	—	—	—	(345)
Dividends declared (\$1.40 per share)	—	—	803	(42,752)	—	—	—	—	(41,949)
Exercise of common stock options	24	—	1,226	—	—	—	—	—	1,226
Issuance of common stock, net	179	2	(6,259)	—	—	—	—	—	(6,257)
Share-based compensation	—	—	22,127	—	—	—	—	—	22,127
Repurchase of common stock	—	—	—	—	—	1,224	(74,445)	—	(74,445)
Net convertible note hedge transactions, net of tax	—	—	(54,257)	—	—	—	—	—	(54,257)
Net warrant transactions	—	—	39,863	—	—	—	—	—	39,863
Balance, December 31, 2022	71,923	\$719	\$717,102	\$1,492,046	\$(916)	42,255	\$(1,484,056)	\$ 5,618	\$ 730,513
Net income attributable to InterDigital, Inc.	—	—	—	214,069	—	—	—	—	214,069
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	(3,016)	(3,016)
Deconsolidation of Convida	—	—	—	—	—	—	—	(4,352)	(4,352)
Non-controlling interest contributions	—	—	—	—	—	—	—	1,750	1,750
Net change in unrealized gain on short-term investments	—	—	—	—	269	—	—	—	269
Dividends declared (\$1.50 per share)	—	—	1,395	(40,691)	—	—	—	—	(39,296)
Exercise of common stock options	72	—	1,252	—	—	—	—	—	1,252
Issuance of common stock, net	251	2	(12,509)	—	—	—	—	—	(12,507)
Share-based compensation	—	—	35,741	—	—	—	—	—	35,741
Repurchase of common stock	(2,739)	(27)	—	(203,354)	—	1,672	(139,493)	—	(342,874)
Balance, December 31, 2023	69,507	\$694	\$742,981	\$1,462,070	\$(647)	43,927	\$(1,623,549)	\$ —	\$ 581,549
Net income attributable to InterDigital, Inc.	—	—	—	358,614	—	—	—	—	358,614
Net change in unrealized gain on short-term investments	—	—	—	—	189	—	—	—	189
Dividends declared (\$1.70 per share)	—	—	1,740	(44,861)	—	—	—	—	(43,121)
Exercise of common stock options	3	—	32	—	—	—	—	—	32
Issuance of common stock, net	256	3	(19,273)	—	—	—	—	—	(19,270)
Share-based compensation	—	—	45,966	—	—	—	—	—	45,966
Repurchase of common stock	—	—	—	—	—	644	(66,726)	—	(66,726)
Settlement of the 2024 Notes	324	3	(3)	—	—	—	—	—	—
Settlement of the 2024 Hedges	—	—	37,120	—	—	324	(37,120)	—	—
Settlement of the 2024 Warrants	487	5	(23)	—	—	—	—	—	(18)
Balance, December 31, 2024	70,577	\$705	\$808,540	\$1,775,823	\$(458)	44,895	\$(1,727,395)	\$ —	\$ 857,215

The accompanying notes are an integral part of these statements

INTERDIGITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net income	\$ 358,614	\$ 211,053	\$ 92,061
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	69,913	77,792	78,571
Non-cash change in investments	(676)	(10,130)	1,686
Change in deferred revenue	(24,335)	(49,176)	85,403
Deferred income taxes	783	(34,665)	18,518
Share-based compensation	45,966	35,741	22,127
Other	(9,368)	(15,686)	15,262
(Increase) Decrease in assets:			
Receivables	(71,010)	(64,110)	(22,069)
Deferred charges and other assets	(35,261)	866	(13,453)
Increase (Decrease) in liabilities:			
Accounts payable	2,283	(2,513)	6,868
Customer deposit	(76,100)	76,100	—
Accrued compensation and other expenses	10,719	(11,539)	1,065
Net cash provided by operating activities	271,528	213,733	286,039
Cash flows from investing activities:			
Purchases of short-term investments	(542,464)	(836,370)	(532,724)
Sales of short-term investments	699,124	797,703	260,771
Purchases of property and equipment	(5,849)	(4,268)	(3,156)
Capitalized patent costs	(52,888)	(40,358)	(39,597)
Acquisition of patents	(4,250)	—	—
Long-term investments	15,778	(1,877)	—
Net cash provided by (used in) investing activities	109,451	(85,170)	(314,706)
Cash flows from financing activities:			
Proceeds from issuance of convertible senior notes	—	—	460,000
Purchase of convertible bond hedge	—	—	(80,500)
Proceeds from issuance of warrants	—	—	43,700
Payments on long-term debt	(141,442)	—	(282,499)
Proceeds from bond hedge unwind	—	—	11,851
Payment for warrant unwind and settlement	(18)	—	(3,837)
Payments of debt issuance costs	—	(100)	(9,829)
Repurchase of common stock	(66,726)	(339,704)	(74,445)
Taxes paid on the repurchase of common stock	(3,170)	—	—
Net proceeds from exercise of stock options	32	1,252	1,226
Non-controlling interest contribution	—	1,750	1,500
Taxes withheld upon restricted stock unit vestings	(19,270)	(12,507)	(6,257)
Dividends paid	(41,799)	(39,454)	(42,306)
Net cash (used in) provided by financing activities	(272,393)	(388,763)	18,604
Net increase (decrease) in cash, cash equivalents and restricted cash	108,586	(260,200)	(10,063)
Cash, cash equivalents and restricted cash, beginning of period	442,961	703,161	713,224
Cash, cash equivalents and restricted cash, end of period	\$ 551,547	\$ 442,961	\$ 703,161

Refer to Note 1, “Background and Basis of Presentation,” for additional supplemental cash flow information. Additionally, refer to Note 5, “Cash, Cash Equivalents, Restricted Cash and Marketable Securities” for a reconciliation to the consolidated balance sheets.

The accompanying notes are an integral part of these statements.

INTERDIGITAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024

1. BACKGROUND AND BASIS OF PRESENTATION

InterDigital, Inc. (“InterDigital”) is a global research and development company focused primarily on wireless, video, artificial intelligence (“AI”), and related technologies. We design and develop foundational technologies that enable connected, immersive experiences in a broad range of communications and entertainment products and services. We license our innovations worldwide to companies providing such products and services, including makers of wireless communications devices, consumer electronics, internet of things (“IoT”) devices, cars and other motor vehicles and providers of cloud-based services such as video streaming. As a leader in wireless technology, our engineers have designed and developed a wide range of innovations that are used in wireless products and networks, from the earliest digital cellular systems to 5G and today’s most advanced Wi-Fi technologies. We are also a leader in video processing and video encoding/decoding technology used in video-enabled products and services. Our AI research effort is focused on the intersection of AI with both wireless and video technologies.

Principles of Consolidation

The accompanying consolidated financial statements include all of our accounts and all entities in which we have a controlling interest and/or are required to be consolidated in accordance with the Generally Accepted Accounting Principles in the United States (“GAAP”). All significant intercompany accounts and transactions have been eliminated in consolidation.

In determining whether we are the primary beneficiary of a variable interest entity and therefore required to consolidate, we apply a qualitative approach that determines whether we have both the power to direct the economically significant activities of the entity and the obligation to absorb losses of, or the right to receive benefits from, the entity that could potentially be significant to that entity. These considerations impact the way we account for our existing collaborative relationships and other arrangements. We continuously assess whether we are the primary beneficiary of a variable interest entity as changes to existing relationships or future transactions may result in us consolidating or deconsolidating our partner(s) to collaborations and other arrangements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. If different assumptions were made or different conditions had existed, our financial results could have been materially different.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Supplemental Cash Flow Information

The following table presents additional supplemental cash flow information for the year ended December 31, 2024, 2023, and 2022 (in thousands):

Supplemental Cash Flow Information:	Year Ended December 31,		
	2024	2023	2022
Interest paid	\$17,361	\$18,623	\$13,429
Income taxes paid, including foreign withholding taxes	67,541	59,202	6,805
Non-cash investing and financing activities:			
Settlement of the 2024 Hedge Transactions	37,120	—	—
Dividend payable	11,557	10,226	10,384
Accrued debt issuance costs	—	—	100
Accrued taxes on the repurchase of common stock	—	3,170	—
Non-cash acquisition of patents	7,000	—	30,100
Non-cash distribution of patents	—	—	1,928
Right-of-use assets obtained in exchange of operating lease liabilities	2,066	93	6,644
Accrued capitalized patent costs and property and equipment	(2,077)	670	4,026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING GUIDANCE

Foreign Currency Translation

The functional currency of substantially all of the Company's wholly-owned subsidiaries is the U.S. dollar. Certain subsidiaries have monetary assets and liabilities that are denominated in a currency that is different than the functional currency. The gains and losses resulting from this remeasurement and translation of monetary assets denominated in a currency that is different than the functional currency are reflected in the determination of net income.

Cash, Cash Equivalents, Restricted Cash and Marketable Securities

We classify all highly liquid investment securities with original maturities of three months or less at date of purchase as cash equivalents. Cash that is held for a specific purpose and therefore not available to the Company for immediate or general business use is classified as restricted cash. Our investments are comprised of mutual and exchange traded funds, commercial paper, United States and municipal government obligations and corporate securities. Management determines the appropriate classification of our investments at the time of acquisition and re-evaluates such determination at each balance sheet date.

As of December 31, 2024 and 2023, the majority of our marketable securities have been classified as available-for-sale and are carried at fair value, with unrealized gains and losses reported net-of-tax as a separate component of shareholders' equity. Substantially all of our investments are investment grade government and corporate debt securities that have maturities of less than three years, and we have both the ability and intent to hold the investments until maturity.

Other-than-Temporary Impairments

We review our investment portfolio during each reporting period to determine whether there are identified events or circumstances that would indicate there is a decline in the fair value that is considered to be other-than-temporary. For non-public investments, if there are no identified events or circumstances that would have a significant adverse effect on the fair value of the investment, then the fair value is not estimated. If an investment is deemed to have experienced an other-than-temporary decline below its cost basis, we reduce the carrying

amount of the investment to its quoted or estimated fair value, as applicable, and establish a new cost basis for the investment. We charge the impairment to the “*Other income (expense), net*” line of our consolidated statements of income.

Intangible Assets

Patents

We capitalize external costs, such as filing fees and associated attorney fees, incurred to obtain issued patents and patent license rights. We expense costs associated with maintaining and defending patents subsequent to their issuance in the period incurred. We amortize capitalized patent costs for internally generated patents on a straight-line basis over 10 years, which represents the estimated useful lives of the patents. The ten-year estimated useful life for internally generated patents is based on our assessment of such factors as: the integrated nature of the portfolios being licensed, the overall makeup of the portfolio over time, and the length of license agreements for such patents. The estimated useful lives of acquired patents and patent rights, however, have been and will continue to be based on a separate analysis related to each acquisition and may differ from the estimated useful lives of internally generated patents. The average estimated useful life of acquired patents is 9.8 years. We assess the potential impairment to all capitalized net patent costs when events or changes in circumstances indicate that the carrying amount of our patent portfolio may not be recoverable.

Goodwill

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible and identified intangible assets acquired under a business combination. We review impairment of goodwill annually on the first day of the fourth quarter or if circumstances indicate a triggering event has occurred. We first assess qualitative factors to determine whether it is more likely than not that the fair value of our one reporting unit is less than its carrying amount as a basis for determining whether a quantitative goodwill impairment test is necessary. If we conclude it is more likely than not that the fair value of the reporting unit exceeds its carrying amount, we need not perform the quantitative assessment.

If based on the qualitative assessment we believe it is more likely than not that the fair value of the reporting unit is less than its carrying value, a quantitative assessment test is required to be performed. This assessment requires us to compare the fair value of our reporting unit to its carrying value including allocated goodwill. We determine the fair value of our reporting units generally using a combination of the income and market approaches. The income approach is estimated through the discounted cash flow method based on assumptions about future conditions such as future revenue growth rates, new product and technology introductions, gross margins, operating expenses, discount rates, future economic and market conditions, and other assumptions. The market approach estimates the fair value of our equity by utilizing the market comparable method which is based on revenue multiples from comparable companies in similar lines of business. If the carrying value of our reporting unit exceeds the reporting unit’s fair value, a goodwill impairment charge will be recorded for the difference up to the carrying value of goodwill.

The carrying value of goodwill was \$22.4 million as of December 31, 2024 and December 31, 2023, which was included within “*Other non-current assets, net*” in the consolidated balance sheets. No impairments were recorded during 2024, 2023 or 2022 as a result of our annual goodwill impairment assessment.

Property and Equipment

Property and equipment are stated at cost, less depreciation, amortization, and impairments. Depreciation and amortization of property and equipment are provided using the straight-line method. The estimated useful lives for computer equipment, computer software, engineering and test equipment, and furniture and fixtures are generally three to five years. Leasehold improvements are amortized over the lesser of their estimated useful

lives or their respective lease terms, which are generally five to ten years. Buildings are being depreciated over twenty-five years. Expenditures for major improvements and betterments are capitalized, while minor repairs and maintenance are charged to expense as incurred. Upon the retirement or disposition of property and equipment, the related cost and accumulated depreciation or amortization are removed, and a gain or loss is recorded.

Leases

We determine if an arrangement is a lease at inception. Operating lease right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date, except short-term leases with an original term of 12 months or less, based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we generally use an incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The operating lease right-of-use assets also includes any lease payments made and excludes lease incentives. Lease expense is recognized over the expected term on a straight-line basis. Leases with a lease term of 12 months or less are accounted for using the practical expedient which allows for straight-line rent expense over the remaining term of the lease.

Internal-Use Software Costs

We capitalize costs associated with software developed for internal use that are incurred during the software development stage. Such costs are limited to expenses incurred after management authorizes and commits to a computer software project, believes that it is more likely than not that the project will be completed, the software will be used to perform the intended function with an estimated service life of two years or more, and the completion of conceptual formulation, design and testing of possible software project alternatives (the preliminary design stage). Costs incurred after final acceptance testing has been successfully completed are expensed. Capitalized computer software costs are amortized over their estimated useful life of three years.

All computer software costs capitalized to date relate to the purchase, development and implementation of engineering, accounting and other enterprise software.

Impairment of Long-Lived Assets

We evaluate long-lived assets for impairment when factors indicate that the carrying value of an asset may not be recoverable. When factors indicate that such assets should be evaluated for possible impairment, we review whether we will be able to realize our long-lived assets by analyzing the projected undiscounted cash flows in measuring whether the asset is recoverable.

Revenue Recognition

We derive the vast majority of our revenue from patent licensing. The timing and amount of revenue recognized from each licensee depend upon a variety of factors, including the specific terms of each agreement and the nature of the deliverables and obligations. Such agreements are often complex and include multiple performance obligations. These agreements can include, without limitation, performance obligations related to the settlement of past patent infringement liabilities, patent and/or know-how licensing royalties on covered products sold by licensees, access to a portfolio of technology as it exists at a point in time, and access to a portfolio of technology at a point in time along with promises to provide any technology updates to the portfolio during the term.

In accordance with GAAP, we use a five-step model to achieve the core underlying principle that an entity should recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. These steps include (1) identifying the contract

with the customer, (2) identifying the performance obligations, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing revenue as the entity satisfies the performance obligation(s). Additionally, we have elected to utilize certain practical expedients in the application of ASC 606. In evaluating the presence of a significant financing component in our agreements, we utilize the practical expedient to exclude any contracts wherein the gap between payment by our customers and the delivery of our performance obligation is less than one year. We have also elected to utilize the practical expedient related to costs of obtaining a contract where an entity may recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less. Timing of revenue recognition may differ significantly from the timing of invoicing to customers. Contract assets are included in accounts receivable and represent unbilled amounts expected to be received from customers in future periods, where the revenue recognized to date exceeds the amount billed, and right to payment is subject to the underlying contractual terms. Contract assets are classified as long-term assets if the payments are expected to be received more than one year from the reporting date. Contract assets due within less than twelve months of the balance sheet date are included within accounts receivable in our consolidated balance sheets. Contract assets due more than twelve months after the balance sheet date are included within other non-current assets.

For certain patent license agreements or other contractual arrangements, the amount of consideration that we will receive is uncertain. In such cases, we estimate and recognize licensing revenues only when we have a contract, as defined in the revenue recognition guidance. Such estimates are only recognized to the extent it is probable that a significant reversal of cumulative revenues recognized will not occur. We analyze the risk of a significant revenue reversal considering both the likelihood and magnitude of the reversal and, if necessary, constrain the amount of estimated revenues in order to mitigate this risk, which may result in recognizing revenues less than amounts we expect we are most likely to receive. These aforementioned estimates may require significant judgment.

Patent License Agreements

Upon signing a patent license agreement, we provide the licensee permission to use our patented inventions in specific applications. We account for patent license agreements in accordance with the guidance indicated above.

Certain patent license agreements contain revenue from non-financial sources in the form of patents received from the customer. Under our patent license agreements, we typically receive one or a combination of the following forms of payment as consideration for permitting our licensees to use our patented inventions in their applications and products.

Consideration for Past Patent Royalties

Consideration related to a licensee's product sales from prior periods may result from a negotiated agreement with a licensee that utilized our patented inventions prior to signing a patent license agreement with us or from the resolution of a disagreement or arbitration with a licensee over the specific terms of an existing license agreement. We may also receive consideration for past patent royalties in connection with the settlement of patent litigation where there was no prior patent license agreement. In each of these cases, we record the consideration as revenue as prescribed by the five-step model.

Fixed-Fee Agreements

Fixed-fee license agreements include fixed, non-refundable royalty payments that fulfill the licensee's obligations to us under a patent license agreement for a specified time period or for the term of the agreement for specified products, under certain patents or patent claims, for sales in certain countries, or a combination thereof - in each case for a specified time period (including for the life of the patents licensed under the agreement).

Dynamic fixed-fee license agreements contain a single performance obligation that represents ongoing access to a portfolio of technology over the license term, since our promise to transfer to the licensee access to the portfolio as it exists at inception of the license, along with promises to provide any technology updates to the portfolio during the term, are not separately identifiable. Upon entering a new agreement, we allocate the transaction price to the performance obligations delivered at signing (e.g. our existing patent portfolio) and future performance obligations (e.g. the technology updates). We use a time-based input method of progress to determine the timing of revenue recognition, and as such we recognize the future deliverables on a straight-line basis over the term of the agreement. We utilize the straight-line method as we believe that it best depicts efforts expended to develop and transfer updates to the customer evenly throughout the term of the agreement.

Static fixed-fee license agreements are fixed-price contracts that generally do not include updates to technology we create after the inception of the license agreement or in which the customer does not stand to substantively benefit from those updates during the term. Although we have few static fixed-fee license agreements, we generally satisfy our performance obligations under such agreements at contract signing, and, as such, revenue is recognized at that time.

Variable Agreements

Upon entering a new variable patent license agreement, the licensee typically agrees to pay royalties or license fees on licensed products sold during the term of the agreement. We utilize the sales- or usage- based royalty exception for these agreements and recognize revenues during the contract term when the underlying sale or usage occurs. Our licensees under variable agreements provide us with quarterly royalty reports that summarize their sales of covered products and their related royalty obligations to us. We typically receive these royalty reports subsequent to the period in which our licensees' underlying sales occurred. As a result, we are required to estimate revenues and recognize sales-based royalties on such licensed products in the period in which the associated sales occur, considering all relevant information (historical, current and forecasted) that is reasonably available to us. Estimating licensees' quarterly royalties prior to receiving the royalty reports requires us to make assumptions and judgments related to forecasted trends and growth rates used to estimate our licensees' sales, which could have an impact on the amount of revenue we report on a quarterly basis. As a result of recognizing revenues in the period in which the licensees' sales occur using estimates, adjustments to revenues are required in subsequent periods to reflect changes in estimates as new information becomes available, primarily resulting from actual amounts reported by our licensees.

Accounts Receivable

Accounts receivable is presented net of allowance for doubtful accounts. Our accounts receivable consists mainly of trade receivables derived from fixed-fee license arrangements with contractual payment terms. The remaining material amounts of our accounts receivable are from variable patent license agreements, which primarily are paid on a quarterly basis. The provision for doubtful accounts reflects the current estimate of credit losses expected to be incurred over the life of the financial asset, based on historical experience, current conditions and reasonable forecasts of future economic conditions. Further, we evaluate the collectability of our accounts receivable and if there is doubt that we will collect the full amount, we will record a reserve specific to that customer's receivable balance. There was no provision for doubtful accounts as of December 31, 2024 or 2023.

Investments in Other Entities

We may make strategic investments in companies that have developed or are developing technologies that are complementary to our business. We made an accounting policy election for a measurement alternative for our equity investments that do not have readily determinable fair values, specifically related to our strategic investments in other entities. Under the alternative, our strategic investments in other entities without readily

determinable fair values are measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer, if any. On a quarterly basis, we monitor items such as our investment's financial position and liquidity, performance targets, business plans, and cost trends to assess whether there are any triggering events or indicators present that would be indicative of an impairment, or any other observable price changes as indicated above. We do not adjust our investment balance when the investee reports profit or loss.

Additionally, other investments may be accounted for under the equity method of accounting. Under this method, we initially record our investment in the stock of an investee at cost, and adjust the carrying amount of the investment to recognize our share of the earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income, and such amount reflects adjustments similar to those made in preparing consolidated statements including adjustments to eliminate intercompany gains and losses, and to amortize, if appropriate, any difference between our cost and underlying equity in net assets of the investee at the date of investment. The investment is also adjusted to reflect our share of changes in the investee's capital. Dividends received from an investee reduce the carrying amount of the investment. When there are a series of operating losses by the investee or when other factors indicate that a decrease in value of the investment has occurred which is other than temporary, we recognize an impairment equal to the difference between the fair value and the carrying amount of our investment.

The carrying value of our investments in other entities is included within "*Other non-current assets, net*" on our consolidated balance sheets. The carrying value of our investments in other entities as of December 31, 2024 and 2023 was \$19.9 million and \$31.9 million and, respectively, the majority of which are accounted for under the measurement alternative for equity investments described above.

Collaborative Arrangements

We record the elements of our collaboration agreements that represent joint operating activities in accordance with ASC 808, *Collaborative Arrangements* ("ASC 808"). Accordingly, the elements of our collaboration agreements that represent activities in which both parties are active participants, and to which both parties are exposed to the significant risks and rewards that are dependent on the commercial success of the activities, are recorded as collaborative arrangements. Generally, the classification of a transaction under a collaborative arrangement is determined based on the nature and contractual terms of the arrangement along with the nature of the operations of the participants. For transactions that are deemed to be a collaborative arrangement under ASC 808, costs incurred and revenues generated on sales to third parties will be reported in our consolidated statement of operations on a gross basis if the Company is deemed to be the principal in the transaction, or on a net basis if the Company is instead deemed to be the agent in the transaction, consistent with the guidance in ASC 606-10-55-36, *Revenue From Contracts with Customers—Principal Agent Considerations*.

Deferred Charges

Direct costs of obtaining a contract or fulfilling a contract in a transaction that results in the deferral of revenue may be either expensed as incurred or capitalized, depending on certain criteria. We made a policy election to utilize the practical expedient related to costs of obtaining a contract where an entity may recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less. If the amortization period is greater than one year, we capitalize direct costs incurred for the acquisition or fulfillment of a contract through the date of signing if they are directly related to a particular revenue arrangement and are expected to be recovered. The costs are amortized on a straight-line basis over the life of the patent license agreement.

For example, from time to time, we use sales agents to assist us in our licensing and/or patent sale activities. In such cases, we may pay a commission. The commission rate varies from agreement to agreement. Commissions are normally paid shortly after our receipt of cash payments associated with the patent license or

patent sale agreements. We defer recognition of commission expense and amortize these expenses in proportion to our recognition of the related revenue. Commission expense is included within the “*Licensing*” line of our consolidated statements of income and was immaterial for the years presented.

Incremental direct costs incurred related to a debt financing transaction may be capitalized. In connection with our offering of the 2027 Notes and 2024 Notes, defined and discussed in detail within Note 10, “*Obligations*”, we incurred directly related costs. The debt issuance costs of the debt were capitalized as deferred financing costs and recorded as a direct reduction of the debt. These costs are being amortized over the term of the debt using the effective interest method and are included within the “*Interest expense*” line of our consolidated statements of income. The Company incurred \$9.9 million of new debt issuances costs in 2022 in conjunction with the issuance of the 2027 Notes and no new debt issuance costs were incurred in 2024 or 2023. Deferred financing expense was \$2.2 million, \$2.3 million and \$2.0 million in 2024, 2023, and 2022, respectively. The balance of unamortized deferred financing costs as of December 31, 2024 and 2023 was \$5.3 million and \$7.4 million, respectively.

Research and Innovation Expenses

Research and innovation expenditures are expensed in the period incurred, except certain software development costs that are capitalized between the point in time that technological feasibility of the software is established and when the product is available for general release to customers. We did not have any capitalized software costs related to research and development in any period presented. Research and Innovation expenses are included within “*Research and portfolio development*” expenses in the consolidated statements of income.

Compensation Programs

We use a variety of compensation programs to attract, retain and motivate our employees, and to align employee compensation more closely with company performance. These programs include, but are not limited to, short-term incentives tied to performance goals, cash awards to inventors for filed patent applications and patent issuances, and long-term incentives in the form of stock option awards, time-based restricted stock unit (“RSU”) awards, performance-based RSU awards and cash awards, noting equity awards are granted pursuant to the terms and conditions of our Equity Plans (as defined in Note 13, “*Compensation Plans and Programs*”). Our long-term incentives, including equity awards, typically include annual equity and cash award grants with three to five year vesting periods; as a result, in any one year, we are typically accounting for at least three active cycles.

We account for compensation costs associated with share-based compensation based on the fair value of the instruments issued. The estimated value of stock options includes assumptions around expected life, stock volatility and dividends. For stock options considered to be “plain vanilla” options, the Company estimates the expected term based on the simplified method as prescribed by Staff Accounting Bulletin Topic 14. The simplified method was used because the Company does not believe it has sufficient historical exercise data to provide a reasonable basis for the expected term of its grants. In all periods, our policy has been to set the value of RSUs awards equal to the value of our underlying common stock on the date of measurement. For grants with graded vesting, we amortize the associated unrecognized compensation cost using an accelerated method. For grants that cliff vest, we amortize the associated unrecognized compensation cost on a straight-line basis over their vesting term. For awards containing performance conditions, we recognize compensation expense ratably over the vesting period when it is probable that the stated performance targets will be achieved and record cumulative adjustments in the period in which estimates change.

In the event of canceled awards, we adjust compensation expense recognized to date as they occur. Tax windfalls and shortfalls related to the tax effects of employee share-based compensation are included in our tax provision. On the consolidated statements of cash flows, tax windfalls and shortfalls related to employee share-based compensation awards are included within operating activities and cash paid to tax authorities for shares

withheld are included within financing activities. The inclusion of windfalls and shortfalls in the tax provision could increase our earnings volatility between periods. Tax windfalls and shortfalls related to share-based compensation was windfalls of \$4.9 million and \$3.1 million for the years ended 2024 and 2023, respectively, and shortfalls for the year ended 2022 of \$0.4 million, respectively.

Restructuring

Restructuring activities include, but are not limited to, costs associated with termination benefits such as severance costs and retention bonuses, contract termination costs, and other costs associated with an exit or disposal activity. The termination benefits included within restructuring activities are recognized in accordance with either ASC 420, *Exit or Disposal Cost Obligations* (“ASC 420”) or ASC 712, *Compensation – Nonretirement Postemployment Benefits* (“ASC 712”), as applicable. Liabilities are recognized in accordance with ASC 420 when management commits to a plan of termination, the employees to be terminated are identified, the terms of the benefit arrangement are established, it was determined that either changes to the plan or withdrawal are unlikely, and the arrangements were communicated to employees. Liabilities that fall under ASC 712 are recognized when the liability was determined to be probable of being paid and reasonably estimable.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statement of income in the period in which the change was enacted. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if management has determined that it is more likely than not that such assets will not be realized.

In addition, the calculation of tax liabilities involves significant judgment in estimating the impact of uncertainties in the application of complex tax laws. We are subject to examinations by the U.S. IRS and other taxing jurisdictions on various tax matters, including challenges to various positions we assert in our filings. In the event that the IRS or another taxing jurisdiction levies an assessment in the future, it is possible the assessment could have a material adverse effect on our consolidated financial condition or results of operations.

The financial statement recognition of the benefit for an uncertain tax position is dependent upon the benefit being more likely than not to be sustainable upon audit by the applicable tax authority. If this threshold is met, the tax benefit is then measured and recognized at the largest amount that is greater than 50 percent likely of being realized upon ultimate settlement. In the event that the IRS or another taxing jurisdiction levies an assessment in the future, it is possible the assessment could have a material adverse effect on our consolidated financial condition or results of operations.

Treasury Stock

We record the repurchase of our shares of common stock at cost based on the settlement date of the transaction. These shares are classified as treasury stock, which is a reduction to shareholders’ equity. Treasury shares are included in authorized and issued shares, but excluded from outstanding shares. If the Treasury shares are retired, the excess of the par value is included with retained earnings.

In August 2022, the Inflation Reduction Act was enacted in the United States, which included, among other items, a 1% excise tax on certain net stock repurchases after December 31, 2022. This excise tax on our share repurchases is recorded as a component of stockholders’ equity, as treasury stock, or retained earnings if retired.

New Accounting Guidance

Accounting Standards Update: Induced Conversions of Convertible Debt Instruments

In November 2024, the FASB issued ASU No. 2024-04, “Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments”. The amendments in the ASU require disclosures for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. ASU 2024-04 is effective for fiscal years beginning after December 15, 2025, with early adoption allowed. We are currently evaluating the impact of adoption on our financial disclosures.

Accounting Standards Update: Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”. The amendments in the ASU require disclosures about specific types of expenses included in the expense captions presented on the Consolidated Statements of Income, as well as disclosures about selling expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, with early adoption allowed. We are currently evaluating the impact of adoption on our financial disclosures.

Accounting Standards Update: Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”. The amendments in the ASU enhance income tax disclosures, primarily through standardization, disaggregation of rate reconciliation categories, and income taxes paid by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption allowed. We are currently evaluating the impact of adoption on our financial disclosures.

Accounting Standards Update: Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU No. 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”. The amendments in the ASU require disclosures to include significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”), a description of other segment items by reportable segment, and any additional measures of a segment’s profit or loss used by the CODM when deciding how to allocate resources. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, with early adoption allowed. We adopted this guidance as of January 1, 2024, and the adoption did not have a material impact on our consolidated financial statements. Refer to Note 4, “Segment and Concentration Information,” for new disclosures resulting from the adoption of ASU 2023-07.

3. REVENUE RECOGNITION

Disaggregated Revenue

The following table presents the disaggregation of our revenue for the year ended December 31, 2024, 2023, and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Recurring revenues:			
Smartphone	\$316,899	\$347,124	\$351,064
CE, IoT/Auto	89,252	59,858	51,717
Other	2,296	1,410	1,107
Total recurring revenues	408,447	408,392	403,888
Catch-up revenues ^(a)	460,069	141,196	53,906
Total revenues	<u>\$868,516</u>	<u>\$549,588</u>	<u>\$457,794</u>

- (a) Catch-up revenues are comprised of past patent royalties and revenues from static fixed-fee agreements.

During the year ended December 31, 2024, we recognized \$153.4 million of revenue that had been included in deferred revenue as of the beginning of the period. As of December 31, 2024 and 2023, we had contract assets of \$162.8 million and \$94.6 million included within “*Accounts receivable, net*” in the consolidated balance sheet, respectively.

Contracted Revenue

Based on Dynamic Fixed-Fee Agreements as of December 31, 2024, we expect to recognize the following amounts of revenue over the term of such contracts (in thousands):

	Revenue ^(a)
2025	\$ 415,659
2026	322,495
2027	310,978
2028	239,821
2029	206,185
Thereafter	179,697
	<u>\$1,674,835</u>

- (a) This table includes estimated revenue related to our Samsung and Lenovo arbitrations. In accordance with ASC 606, these estimates are limited to the amount of revenue we expect to recognize only to the extent we believe it is probable that a subsequent change in the estimate would not result in a significant revenue reversal.

4. SEGMENT AND CONCENTRATION INFORMATION

Segment Performance Measures and Expenses

Our chief operating decision maker (“CODM”), who is the Chief Executive Officer, assesses company-wide performance and allocates resources based on consolidated financial information. Consequently, we view the entire organization as one reportable segment and the strategic purpose of all operating activities is to support that one segment. The CODM evaluates company-wide performance based on multiple performance measures, including, but not limited to, net income. Our CODM does not generally evaluate our performance using asset or historical cash flow information.

The table below provides the calculation of net income, which is the performance measure that is most consistent with GAAP, and the significant operating expenses included in this performance measure (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Revenue	\$868,516	\$549,588	\$457,794
Less:			
Departmental expenses ^(a)	175,636	162,318	153,586
Depreciation and amortization	69,913	77,792	78,571
Litigation	56,171	48,790	44,406
Share-based compensation	45,966	35,741	22,127
Revenue share costs	81,318	3,332	5,308
Restructuring costs	—	—	3,280
Other non-operating expense (income), net ^(b)	10,096	(12,995)	32,953
Income tax provision	70,802	23,557	25,502
Net income	<u>\$358,614</u>	<u>\$211,053</u>	<u>\$ 92,061</u>

(a) Includes personnel-costs, consulting costs, outside services, administrative costs, and other operating expenses.

(b) Includes interest income, interest expense, and other non-operating income and expenses

Customer and Geographic Concentration

During 2024, 2023, and 2022, the majority of our revenue was derived from a limited number of licensees based outside of the United States, primarily in Asia. Substantially all of these revenues were paid in U.S. dollars and were not subject to any substantial foreign exchange transaction risk. The table below lists the countries of the headquarters of our licensees and customers and the total revenue derived from each country or region for the periods indicated (in thousands):

	Year Ended December 31,		
	2024	2023	2022
United States	\$198,723	\$186,251	\$219,744
China	379,606	258,737	103,922
South Korea	265,953	82,235	90,018
Taiwan	9,620	9,368	11,621
Europe	7,391	2,319	10,543
Japan	7,223	10,678	21,946
Total revenue	<u>\$868,516</u>	<u>\$549,588</u>	<u>\$457,794</u>

During 2024, 2023, and 2022, the following licensees or customers accounted for 10% or more of total revenues:

	Year Ended December 31,		
	2024	2023	2022
Customer A	30%	14%	17%
Customer B	20%	27%	—%
Customer C	15%	24%	30%
Customer D	14%	—%	—%
Customer E	<10%	11%	13%

As of December 31, 2024, and 2023, we held \$327.2 million and \$324.6 million of our property, equipment and patents, net of accumulated depreciation and amortization, respectively, of which approximately 89% of the total was within the United States in each of the years presented. As of December 31, 2024 and 2023, we held \$36.6 million and \$29.3 million of property, equipment and patents, net of accumulated depreciation and amortization, collectively, in Canada and Europe.

5. CASH, CASH EQUIVALENTS, RESTRICTED CASH AND MARKETABLE SECURITIES

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash as of December 31, 2024 and 2023 consisted of the following (in thousands):

	December 31,	
	2024	2023
Money market and demand accounts	\$535,745	\$430,707
Commercial paper	4,062	5,728
Corporate bonds, asset backed and other securities	11,740	6,526
Total cash, cash equivalents and restricted cash	<u>\$551,547</u>	<u>\$442,961</u>

The following table provides a reconciliation of total cash, cash equivalents and restricted cash as of December 31, 2024 and 2023 within the consolidated balance sheets (in thousands):

	December 31,	
	2024	2023
Cash and cash equivalents	\$527,360	\$437,076
Restricted cash included within prepaid and other current assets	24,187	5,885
Total cash, cash equivalents and restricted cash	<u>\$551,547</u>	<u>\$442,961</u>

Marketable Securities

As of December 31, 2024 and 2023, the majority of our marketable securities are classified as available-for-sale and are carried at fair value, with unrealized gains and losses reported net-of-tax as a separate component of shareholders' equity. Substantially all of our investments are investment-grade government and corporate debt securities that have maturities of less than two years, and we have both the ability and intent to hold the investments until maturity. We recorded no other-than-temporary impairments during 2024, 2023, or 2022. The gross realized gains and losses on sales of marketable securities were not significant during the years ended December 31, 2024, 2023, and 2022.

Marketable securities as of December 31, 2024 and 2023 consisted of the following (in thousands):

	December 31, 2024			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities				
Commercial paper	\$ 78,822	\$ 50	\$ (2)	\$ 78,870
U.S. government securities	230,693	128	(260)	230,561
Corporate bonds, asset backed and other securities . .	137,146	111	(38)	137,219
Total available-for-sale securities	<u>\$446,661</u>	<u>\$289</u>	<u>\$(300)</u>	<u>\$446,650</u>
Reported in:				
Cash and cash equivalents				\$ 15,802
Short-term investments				430,848
Total marketable securities				<u>\$446,650</u>

	December 31, 2023			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities				
Commercial paper	\$174,872	\$141	\$ (22)	\$174,991
U.S. government securities	257,150	75	(375)	256,850
Corporate bonds, asset backed and other securities . .	149,729	92	(128)	149,693
Total available-for-sale securities	<u>\$581,751</u>	<u>\$308</u>	<u>\$(525)</u>	<u>\$581,534</u>
Reported in:				
Cash and cash equivalents				\$ 12,254
Short-term investments				569,280
Total marketable securities				<u>\$581,534</u>

As of December 31, 2024 and 2023, \$323.8 million and \$489.8 million, respectively, of our short-term investments had contractual maturities within one year. The remaining portions of our short-term investments had contractual maturities within one to three years.

6. CONCENTRATION OF CREDIT RISK AND FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Concentration of Credit Risk and Fair Value of Financial Instruments

Financial instruments that potentially subject us to concentration of credit risk consist primarily of cash equivalents, short-term investments, and accounts receivable. We primarily place our cash equivalents and short-term investments in highly rated financial instruments and in United States government instruments.

Our accounts receivable are derived principally from patent license and technology solutions agreements. Three licensees comprised 84% and 75% of our accounts receivable balance as of December 31, 2024 and 2023, respectively. We perform ongoing credit evaluations of our licensees, who generally include large, multinational, wireless telecommunications equipment manufacturers. We believe that the book values of our financial instruments approximate their fair values.

Fair Value Measurements

We use various valuation techniques and assumptions when measuring the fair value of our assets and liabilities. We utilize market data or assumptions that market participants would use in pricing the asset or

liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. This guidance established a hierarchy that prioritizes fair value measurements based on the types of input used for the various valuation techniques (market approach, income approach and cost approach). The levels of the hierarchy are described below:

Level 1 Inputs — Level 1 includes financial instruments for which quoted market prices for identical instruments are available in active markets.

Level 2 Inputs — Level 2 includes financial instruments for which there are inputs other than quoted prices included within Level 1 that are observable for the instrument such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets with insufficient volume or infrequent transactions (less active markets) or model-driven valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data, including market interest rate curves, referenced credit spreads and pre-payment rates.

Level 3 Inputs — Level 3 includes financial instruments for which fair value is derived from valuation techniques including pricing models and discounted cash flow models in which one or more significant inputs are unobservable, including the company's own assumptions. The pricing models incorporate transaction details such as contractual terms, maturity and, in certain instances, timing and amount of future cash flows, as well as assumptions related to liquidity and credit valuation adjustments of marketplace participants.

Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of financial assets and financial liabilities and their placement within the fair value hierarchy. We use quoted market prices for similar assets to estimate the fair value of our Level 2 investments.

Recurring Fair Value Measurements

Our financial assets are included within short-term investments on our consolidated balance sheets, unless otherwise indicated. Our financial assets and liabilities that are accounted for at fair value on a recurring basis are presented in the tables below as of December 31, 2024 and 2023 (in thousands):

	Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market and demand accounts ^(a)	\$535,745	\$ —	\$—	\$535,745
Commercial paper ^(b)	—	78,870	—	78,870
U.S. government securities	—	230,561	—	230,561
Corporate bonds, asset backed and other securities ^(c)	—	137,219	—	137,219
	<u>\$535,745</u>	<u>\$446,650</u>	<u>\$—</u>	<u>\$982,395</u>
	Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market and demand accounts ^(a)	\$430,707	\$ —	\$—	\$ 430,707
Commercial paper ^(b)	—	174,991	—	174,991
U.S. government securities	—	256,850	—	256,850
Corporate bonds and asset backed securities ^(c)	—	149,693	—	149,693
	<u>\$430,707</u>	<u>\$581,534</u>	<u>\$—</u>	<u>\$1,012,241</u>

(a) Included within cash and cash equivalents.

- (b) As of December 31, 2024 and 2023, \$4.1 million and \$5.7 million of commercial paper was included within cash and cash equivalents, respectively.
- (c) As of December 31, 2024 and 2023, \$11.7 million and \$6.5 million of corporate bonds, asset backed and other securities was included within cash and cash equivalents, respectively.

Fair Value of Debt

Senior Convertible Notes

The principal amount, carrying value and related estimated fair value of the Company's senior convertible debt reported in the consolidated balance sheets as of December 31, 2024 and 2023 was as follows (in thousands). The aggregate fair value of the principal amount of the senior convertible debt is a Level 2 fair value measurement.

	December 31, 2024			December 31, 2023		
	Principal Amount	Carrying Value	Fair Value	Principal Amount	Carrying Value	Fair Value
2027 Senior Convertible Notes	\$460,000	\$454,739	\$1,166,155	\$460,000	\$452,830	\$677,230
2024 Senior Convertible Notes	\$ —	\$ —	\$ —	\$126,174	\$125,922	\$171,130

Technicolor Patent Acquisition Long-term Debt

As more fully disclosed in Note 10, "Obligations," we recognized long-term debt in conjunction with the acquisitions of the patent licensing business and research and innovation unit of Technicolor SA (the "Technicolor Patent Acquisition"). The carrying value and related estimated fair value of the Technicolor Patent Acquisition long-term debt reported in the consolidated balance sheet as of December 31, 2024 and 2023 was as follows (in thousands). The aggregate fair value of the Technicolor Patent Acquisition long-term debt is a Level 3 fair value measurement.

	December 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Technicolor Patent Acquisition Long-Term Debt	\$17,033	\$17,102	\$29,019	\$28,859

Non-recurring Fair Value Measurements

Investments in Other Entities

As disclosed in Note 2, "Summary of Significant Accounting Policies and New Accounting Guidance", we made an accounting policy election to utilize a measurement alternative for equity investments that do not have readily determinable fair values, which applies to our long-term strategic investments in other entities. Under the alternative, our long-term strategic investments in other entities that do not have readily determinable fair values are measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. Any adjustments to the carrying value of those investments are considered non-recurring fair value measurements.

During years ended December 31, 2024 and 2023, we recognized net gains of \$2.0 million and \$10.4 million, respectively, and during year ended 2022 we recognized a net loss of \$1.3 million resulting from observable price changes of our long-term strategic investments, which were included within "Other income (expense), net" in the consolidated statement of income. Certain of our investments in other entities may be seeking additional financing in the next twelve months or potential exit strategies. We will continue to review and monitor our investments in other entities for any indications of an increase in fair value or impairment.

Convida Wireless is a variable interest entity. We determined that we were the primary beneficiary for accounting purposes and consolidated Convida Wireless through September 30, 2023. As of October 1, 2023, we determined that we no longer met the accounting criteria for consolidation, and accordingly, we deconsolidated Convida Wireless during fourth quarter 2023. Upon deconsolidation, we recorded our investment in Convida at fair value utilizing the income approach. Our investment in Convida Wireless is accounted for as an equity method investment in accordance with ASC 323 “*Investments – Equity Method and Joint Ventures*” and included within “*Other non-current assets, net*” in the consolidated balance sheet.

Patents

During 2024, we entered into patent license agreements in which a portion of the future consideration was in the form of patents. We estimated fair value of the patents subject to the agreements to be \$10.0 million for determining the transaction price for revenue recognition purposes utilizing a combination of the market and cost approaches. The \$7.0 million of the patents transferred during 2024 and the remaining \$3.0 million patents will transfer in early 2025. The value will be amortized as a non-cash expense over the patents’ estimated useful lives.

We estimated the fair value of the patents in these transactions using one of, or a combination of, an analysis of comparable market transactions (the market approach) and/or by quantifying the amount of money required to replace the future service capability of the assets (the cost approach). For the market approach, judgment was applied as to which market transactions were most comparable to the transaction. For the cost approach, we utilized the historical cost of assets of similar technologies to determine the estimated replacement cost, including research, development, testing and patent application fees.

7. PROPERTY AND EQUIPMENT

As of December 31, 2024 and 2023, property and equipment, net is comprised of the following (in thousands):

	December 31,	
	2024	2023
Computer equipment and software	\$ 23,294	\$ 15,990
Leasehold improvements	15,207	14,802
Building and improvements	3,517	3,517
Engineering and test equipment	1,166	1,061
Furniture and fixtures	570	506
Property and equipment, gross	43,754	35,876
Less: accumulated depreciation	(25,210)	(24,310)
Property and equipment, net	<u>\$ 18,544</u>	<u>\$ 11,566</u>

Depreciation expense was \$3.4 million, \$4.1 million, and \$4.9 million in 2024, 2023 and 2022, respectively.

8. PATENTS AND GOODWILL

Patents

As of December 31, 2024 and 2023, patents consisted of the following (in thousands, except for useful life data):

	December 31,	
	2024	2023
Weighted average estimated useful life (years)	9.9	10.0
Gross patents	\$1,102,412	\$1,040,912
Accumulated amortization	(793,782)	(727,911)
Patents, net	<u>\$ 308,630</u>	<u>\$ 313,001</u>

Amortization expense related to capitalized patent costs was \$66.1 million, \$73.1 million, and \$73.4 million in 2024, 2023, and 2022, respectively. These amounts are recorded within the “*Research and portfolio development*” expense line of our consolidated statements of income.

The estimated aggregate amortization expense for the next five years related to our patents balance as of December 31, 2024 is as follows (in thousands):

2025	\$67,437
2026	59,264
2027	54,513
2028	34,837
2029	30,663

Goodwill

The following table shows the change in the carrying amount of our goodwill balance from December 31, 2022 to December 31, 2024, all of which is allocated to our one reportable segment (in thousands):

Goodwill balance as of December 31, 2022	\$22,421
Activity	—
Goodwill balance as of December 31, 2023	\$22,421
Activity	—
Goodwill balance as of December 31, 2024	<u>\$22,421</u>

9. OTHER ASSETS AND LIABILITIES

The amounts included in “*Prepaid and other current assets*” in the consolidated balance sheet as of December 31, 2024 and 2023 were as follows (in thousands):

	December 31,	
	2024	2023
Prepaid assets	\$38,952	\$ 9,353
Restricted cash	24,187	5,885
Tax receivables	16,691	19,835
Other current assets	4,482	8,903
Total Prepaid and other current assets	<u>\$84,312</u>	<u>\$43,976</u>

The amounts included in “*Other non-current assets, net*” in the consolidated balance sheet as of December 31, 2024 and 2023 were as follows (in thousands):

	December 31,	
	2024	2023
Tax receivables	\$ 88,619	\$ 76,740
Goodwill	22,421	22,421
Long-term investments	19,851	31,895
Right-of-use assets	15,218	15,746
Other non-current assets	3,291	2,854
Total Other non-current assets, net	<u>\$149,400</u>	<u>\$149,656</u>

The amounts included in “*Other accrued expenses*” in the consolidated balance sheet as of December 31, 2024 and 2023 were as follows (in thousands):

	December 31,	
	2024	2023
Accrued legal fees	\$ 9,571	\$10,338
Customer deposit	—	76,100
Other accrued expenses	15,563	11,604
Total Other accrued expenses	<u>\$25,134</u>	<u>\$98,042</u>

The amounts included in “*Other long-term liabilities*” in the consolidated balance sheet as of December 31, 2024 and 2023 were as follows (in thousands):

	December 31,	
	2024	2023
Deferred compensation liabilities	\$19,969	\$18,413
Operating lease liabilities	15,772	17,385
Other long-term liabilities	19,201	19,454
Total Other long-term liabilities	<u>\$54,942</u>	<u>\$55,252</u>

10. OBLIGATIONS

Long-term debt obligations, excluding the long-term debt resulting from the Technicolor Patent Acquisition, are comprised of the following (in thousands):

	December 31, 2024	December 31, 2023
3.50% Senior Convertible Notes due 2027	\$ 460,000	\$ 460,000
2.00% Senior Convertible Notes due 2024	—	126,174
Less: Deferred financing costs	(5,261)	(7,422)
Net carrying amount of the Convertible Notes	454,739	578,752
Less: Current portion of long-term debt	(454,739)	(578,752)
Long-term net carrying amount of the Convertible Notes	<u>\$ —</u>	<u>\$ —</u>

There were no finance leases as of December 31, 2024 or December 31, 2023.

Maturities of principal of the long-term debt obligations of the Company as of December 31, 2024, excluding the long-term debt resulting from the Technicolor Patent Acquisition, are as follows (in thousands):

2025	\$ —
2026	—
2027	460,000
2028	—
2029 and thereafter	—
	<u>\$460,000</u>

The 3.50% Senior Convertible Notes due 2027 (the “2027 Notes”) are convertible during the period January 1, 2024 through March 31, 2025 and therefore are classified as “*Current portion of long-term debt*” as of December 31, 2024 and 2023 in our consolidated balance sheet. The current conversion rate of the Notes is 12.9041 shares of our Common Stock per \$1,000 principal amount of the 2027 Notes. Upon the conversion of any 2027 Notes, we will pay cash up to the aggregate principal amount of the 2027 Notes to be converted, and will pay cash, shares of our Common Stock or a combination of cash and shares of its Common Stock for any conversion obligation in excess of the aggregate principal amount being converted, if any, at the Company’s election, as set forth in the Indenture governing the 2027 Notes.

2027 Notes, and Related Note Hedge and Warrant Transactions

On May 27, 2022 we issued \$460.0 million in aggregate principal amount of the 2027 Notes. The net proceeds from the issuance of the 2027 Notes, after deducting the initial purchasers’ transaction fees and offering expenses, were approximately \$450.0 million. The 2027 Notes bear interest at a rate of 3.50% per year, payable in cash on June 1 and December 1 of each year, commencing on December 1, 2022, and mature on June 1, 2027, unless earlier redeemed, converted or repurchased.

The 2027 Notes will be convertible into cash up to the aggregate principal amount of the notes to be converted and in respect of the remainder, if any, of the Company’s obligation in excess of the aggregate principal amount of the notes being converted, pay or deliver, as the case may be, cash, shares of the Company’s common stock or a combination thereof, at the Company’s election, at an initial conversion rate of 12.9041 shares of Common Stock per \$1,000 principal amount of Notes (which is equivalent to an initial conversion price of approximately \$77.49 per share). The conversion rate, and thus the conversion price, may be adjusted under certain circumstances, including in connection with conversions made following fundamental changes and under other circumstances as set forth in the indenture governing the 2027 Notes.

Prior to 5:00 p.m., New York City time, on the business day immediately preceding March 1, 2027, the notes will be convertible only under the following circumstances: (1) on any date during any calendar quarter (and only during such calendar quarter) beginning after September 30, 2022 if the closing sale price of the Common Stock was more than 130% of the applicable conversion price on each applicable trading day for at least 20 trading days (whether or not consecutive) in the period of the 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter; (2) if the Company distributes to all or substantially all holders of the Common Stock any rights, options or warrants (other than in connection with a stockholder rights plan prior to separation of such rights from the shares of the Common Stock) entitling them to purchase, for a period of 45 calendar days or less from the issuance date for such distribution, shares of Common Stock at a price per share less than the average closing sale price for the ten consecutive trading day period ending on, and including, the trading day immediately preceding the declaration date for such distribution; (3) if the Company distributes to all or substantially all holders of the Common Stock any cash or other assets, debt securities or rights to purchase the Company’s securities (other than pursuant to a rights plan), which distribution has a per share value exceeding 10% of the closing sale price of the Common Stock on the trading day immediately preceding the declaration date for such distribution; (4) if the Company engages in certain corporate

transactions as described in the indenture governing the 2027 Notes; (5) if the Company calls the notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; (6) during a specified period if a fundamental change (as defined in the indenture governing the 2027 Notes) occurs; or (7) during the five consecutive business day period following any five consecutive trading day period in which the trading price for the notes for each day during such five trading day period was less than 98% of the closing sale price of the Common Stock multiplied by the applicable conversion rate on each such trading day. Commencing on March 1, 2027, the notes will be convertible in multiples of \$1,000 principal amount, at any time prior to 5:00 p.m., New York City time, on the second scheduled trading day immediately preceding the maturity date of the notes.

The Company may not redeem the notes prior to June 5, 2025. The Company may redeem for cash all or any portion of the notes, at the Company's option, on or after June 5, 2025, if the last reported sale price of the Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which the Company provides notice of redemption, during any 30 consecutive trading day period ending on and including the trading day preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus any accrued and unpaid interest to, but excluding the redemption date.

If a fundamental change (as defined in the indenture governing the 2027 Notes) occurs, holders may require the Company to purchase all or a portion of their Notes for cash at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The 2027 Notes are the Company's senior unsecured obligations and rank equally in right of payment with any of the Company's current and any future senior unsecured indebtedness, including its 2.00% senior convertible notes due 2024 (the "2024 Notes" and together with the 2027 Notes, the "Convertible Notes"). The 2027 Notes are effectively subordinated to all of the Company's future secured indebtedness to the extent of the value of the related collateral, and the 2027 Notes are structurally subordinated to indebtedness and other liabilities, including trade payables, of the Company's subsidiaries.

On May 24 and May 25, 2022, in connection with the offering of the 2027 Notes, we entered into convertible note hedge transactions (collectively, the "2027 Note Hedge Transactions") that cover, subject to customary anti-dilution adjustments, approximately 5.9 million shares of common stock, in the aggregate, at a strike price that initially corresponds to the initial conversion price of the 2027 Notes, subject to adjustment, and are exercisable upon any conversion of the 2027 Notes. The aggregate cost of the 2027 Note Hedge Transactions was \$80.5 million.

Also on May 24 and May 25, 2022, we also entered into privately negotiated warrant transactions (collectively, the "2027 Warrant Transactions" and, together with the 2027 Note Hedge Transactions, the "2027 Call Spread Transactions"), whereby we sold warrants to acquire, subject to customary anti-dilution adjustments, approximately 5.9 million shares of common stock at a weighted average strike price of \$106.22 per share, subject to adjustment. As consideration for the 2027 Warrant Transactions, we received aggregate proceeds of \$43.7 million. The net cost of the 2027 Call Spread Transactions was \$36.8 million, which was funded out of the net proceeds from the offering of the 2027 Notes.

Accounting Treatment of the 2027 Notes and Related Convertible Note Hedge and Warrant Transactions

The 2027 Call Spread Transactions were classified as equity and the 2027 Notes were classified as long-term debt. The effective interest rate is approximately 4.02%.

In connection with the above-noted transactions, the Company incurred approximately \$9.9 million of directly related costs, which were capitalized as deferred financing costs and as a reduction of long-term debt. These costs are being amortized as interest expense over the term of the debt using the effective interest method.

2024 Senior Convertible Notes, and Related Note Hedge and Warrant Transactions

On June 3, 2019 we issued \$400.0 million in aggregate principal amount of 2.00% Senior Convertible Notes due 2024 (the “2024 Notes”). The net proceeds from the issuance of the 2024 Notes, after deducting the initial purchasers’ transaction fees and offering expenses, were approximately \$391.6 million. The 2024 Notes bore interest at a rate of 2.00% per year, payable in cash on June 1 and December 1 of each year, commenced on December 1, 2019, and matured on June 1, 2024, unless earlier converted or repurchased.

In connection with the offering of the 2024 Notes, we entered into convertible note hedge transactions (collectively, the “2024 Note Hedge Transactions”) that cover, subject to customary anti-dilution adjustments, approximately 4.9 million shares of common stock, in the aggregate, at a strike price that corresponded to the initial conversion price of the 2024 Notes, subject to adjustment, and were exercisable upon any conversion of the 2024 Notes. The aggregate cost of the 2024 Note Hedge Transactions was \$72.0 million.

We also entered into privately negotiated warrant transactions (collectively, the “2024 Warrant Transactions” and, together with the 2024 Note Hedge Transactions, the “2024 Call Spread Transactions”), whereby we sold warrants to acquire, subject to customary anti-dilution adjustments, approximately 4.9 million shares of common stock at an initial strike price of \$109.43 per share, subject to adjustment. As consideration for the 2024 Warrant Transactions, we received aggregate proceeds of \$47.6 million. The net cost of the 2024 Call Spread Transactions was \$24.4 million.

In 2022, the Company repurchased \$273.8 million in aggregate principal amount of the 2024 Notes in privately negotiated transactions concurrently with the offering of the 2027 Notes. We specifically negotiated the repurchase of the 2024 Notes with investors who concurrently purchased the 2027 Notes, such that their purchase of the 2027 Notes funded our repurchase of the 2024 Notes.

Additionally, in connection with the partial repurchase of the 2024 Notes, the Company entered into partial unwind agreements that amended the terms of the 2024 Note Hedge Transactions to reduce the number of options corresponding to the principal amount of the repurchased 2024 Notes. The unwind agreements also reduce the number of warrants exercisable under the 2024 Warrant Transactions. As a result of the partial unwind transactions, approximately 3.3 million shares of common stock in the aggregate that were covered under each of the 2024 Note Hedge Transactions and the 2024 Warrant Transactions were unwound. Proceeds received from the unwind of the 2024 Note Hedge Transactions were \$11.9 million, and consideration paid for the unwind of the 2024 Warrant Transactions was \$3.8 million, resulting in net proceeds received of \$8.0 million for the combined unwind transactions.

Because the concurrent redemption of the 2024 Notes and a portion of issuance of the 2027 Notes were executed with the same investors, we evaluated the transaction as a debt restructuring, on a creditor by creditor basis. The accounting conclusion was based on whether the exchange was a contemporaneous exchange of cash between the same debtor and creditor in connection with the issuance of a new debt obligation and satisfaction of an existing debt obligation by the debtor and if it was determined to have substantially different terms. All creditors involved in the repurchase transaction also purchased 2027 Notes in approximately the same or greater amount as the 2024 Notes principal repurchased. Additionally, the repurchase of the 2024 Notes and issuance of the 2027 Notes were deemed to have substantially different terms on the basis that the fair value of the conversion feature increased by more than 10% of the carrying value of the 2024 Notes, and therefore, the repurchase of the 2024 Notes was accounted for as a debt extinguishment. We recognized a \$11.2 million loss on extinguishment of debt during 2022 in connection with this repurchase, which is included within “*Other (expense) income, net*” in the consolidated statement of income. The loss on extinguishment represents the difference between the fair value of consideration paid to reacquire the 2024 Notes and the carrying amount of the debt, including any unamortized debt issuance costs attributable to the 2024 Notes redeemed. The remaining unamortized debt issuance costs of \$1.2 million was amortized throughout the remaining life of the 2024 Notes.

On June 1, 2024, the 2024 Notes matured and we repaid the remaining \$126.2 million in aggregate principal in cash and issued 0.3 million common shares to settle the remaining obligation. This issuance was effectively

offset by our receipt of 0.3 million shares from the settlement of the 2024 Note Hedge Transactions. Additionally, the 2024 Warrant Transactions settled, on a net-share basis during September through December 2024 resulting in the issuance of 0.5 million shares.

The following table presents the amount of interest cost recognized for the years ended December 31, 2024, 2023 and 2022 related to the contractual interest coupon and the amortization of financing costs (in thousands):

	Year Ended December 31,								
	2024			2023			2022		
	2027 Notes	2024 Notes	Total	2027 Notes	2024 Notes	Total	2027 Notes	2024 Notes	Total
Contractual coupon									
interest	\$16,100	\$1,058	\$17,158	\$16,100	\$2,523	\$18,623	\$ 9,526	\$4,760	\$14,286
Amortization of									
financing costs . . .	1,909	252	2,161	1,768	580	2,348	990	1,018	2,008
Total	<u>\$18,009</u>	<u>\$1,310</u>	<u>\$19,319</u>	<u>\$17,868</u>	<u>\$3,103</u>	<u>\$20,971</u>	<u>\$10,516</u>	<u>\$5,778</u>	<u>\$16,294</u>

Madison Arrangement

In conjunction with the Technicolor Patent Acquisition, we assumed Technicolor’s rights and obligations under the Madison Arrangement, which commenced in 2015. The Madison Arrangement falls under the scope of ASC 808, *Collaborative Arrangements*.

Under the Madison Arrangement, Technicolor and Sony combined portions of their respective digital TV (“DTV”) and computer display monitor (“CDM”) patent portfolios and created a combined licensing opportunity to DTV and CDM manufacturers. Per an Agency and Management Services Agreement (“AMSA”) entered into upon the creation of the Madison Arrangement, Technicolor was initially appointed as sole licensing agent of the arrangement, and InterDigital has now assumed that role. As licensing agent, we are responsible for making decisions regarding the prosecution and maintenance of the combined patent portfolio and the licensing and enforcement of the combined patent portfolio in the field of use of DTVs and CDMs on an exclusive basis during the term of the AMSA in exchange for an agent fee.

We were deemed to be the principal in this collaborative arrangement under ASC 808, and, as such, in accordance with ASC 606-10-55-36, *Revenue From Contracts with Customers—Principal Agent Considerations*, we record revenues generated on sales to third parties and costs incurred on a gross basis in the consolidated statements of income. Therefore, we recognize all royalties from customers as revenue and payments to Sony for its royalty share as operating expenses within the consolidated statements of income. Cost reimbursements for expenses incurred resulting from fulfilling the duties of the licensing agent are recorded as contra expenses. During the years ended December 31, 2024, 2023, and 2022, gross revenues recorded related to the Madison Arrangement were \$209.5 million, \$12.3 million, and \$14.5 million, respectively. Net operating expenses related to the Madison Arrangement during the years ended December 31, 2024, 2023, and 2022 were \$84.1 million, \$6.2 million and \$7.9 million, including \$81.3 million, \$3.3 million, and \$5.3 million related to revenue sharing, respectively, and are reflected primarily within “*Licensing*” expenses in the consolidated statement of income.

Long-term debt

An affiliate of CPPIB Credit Investments Inc. (“CPPIB Credit”), a wholly owned subsidiary of Canada Pension Plan Investment Board, is a third-party investor in the Madison Arrangement. CPPIB Credit has made certain payments to Technicolor and Sony and has agreed to contribute cash to fund certain capital reserve obligations under the arrangement in exchange for a percentage of future revenues, specifically through September 11, 2030 in regard to the Technicolor patents.

Upon our assumption of Technicolor's rights and obligations under the Madison Arrangement, our relationship with CPPIB Credit met the criteria in ASC 470-10-25, *Sales of Future Revenues or Various Other Measures of Income* ("ASC 470"), which relates to cash received from an investor in exchange for a specified percentage or amount of revenue or other measure of income of a particular product line, business segment, trademark, patent, or contractual right for a defined period. Under this guidance, we recognized the fair value of our contingent obligation to CPPIB Credit, as of the acquisition date, as long-term debt in our consolidated balance sheet. This initial fair value measurement was based on the perspective of a market participant and includes significant unobservable inputs which are classified as Level 3 inputs within the fair value hierarchy. The fair value of the long-term debt as of December 31, 2024 is disclosed within Note 6, "*Concentration of Credit Risk and Fair Value of Financial Assets and Financial Liabilities*". Our repayment obligations are contingent upon future royalty revenues generated from the Madison Arrangement and there are no minimum or maximum payments under the arrangement.

Under ASC 470, amounts recorded as debt shall be amortized under the interest method. At each reporting period, we review the discounted expected future cash flows over the life of the obligation. The Company made an accounting policy election to utilize the catch-up method when there is a change in the estimated future cash flows, whereby we will adjust the carrying amount of the debt to the present value of the revised estimated future cash flows, discounted at the original effective interest rate, with a corresponding adjustment recognized as interest expense within "*Interest expense*" in the consolidated statements of income. The effective interest rate as of the acquisition date was approximately 14.5%. This rate represents the discount rate that equates the estimated future cash flows with the fair value of the debt as of the acquisition date, and is used to compute the amount of interest to be recognized each period based on the estimated life of the future revenue streams. During the years ended December 31, 2024 and 2023, we recognized a \$0.5 million and \$1.6 million net reduction of interest expense within "*Interest expense*" in the consolidated statements of income due to a change in estimate resulting from updated estimated cash outflows owed under the arrangement, respectively. During the year ended December 31, 2022, we recognized \$3.5 million of interest expense related to this debt which is included within "*Interest expense*" in the consolidated statements of income. Any future payments made to CPPIB Credit, or additional proceeds received from CPPIB Credit, will decrease or increase the long-term debt balance accordingly.

Restricted cash

Under the Madison Arrangement, the parties reserve cash in bank accounts to fund our activities to manage the portfolios. These accounts are custodial accounts for which the funds are restricted for this purpose. As of December 31, 2024 and 2023, the Company had \$24.2 million and \$5.9 million, respectively, of restricted cash included within the consolidated balance sheet attributable to the Madison Arrangement. Refer to Note 5, "*Cash, Cash Equivalents, Restricted Cash and Marketable Securities*", for a reconciliation of cash, cash equivalents, and restricted cash within the consolidated balance sheets.

Technicolor Contingent Consideration

As part of the Technicolor Acquisitions, we entered into a revenue-sharing arrangement with Technicolor that created a contingent consideration liability, which is accounted for under ASC 450—*Contingencies* under the asset acquisition framework when the liability is deemed probable and estimable. Under the revenue-sharing arrangement, Technicolor receives 42.5% of future cash receipts from new licensing efforts from the Madison Arrangement only, subject to certain conditions and hurdles. As of December 31, 2024 and 2023, the contingent consideration liability from the revenue-sharing arrangement was deemed not probable and is therefore not reflected within the consolidated financial statements.

11. COMMITMENTS

Minimum future payments for accounts payable and other purchase commitments, excluding commenced long-term operating leases for office space, as of December 31, 2024 were as follows (in thousands):

2025	\$23,179
2026	29
2027	22
2028	—
2029	—
Thereafter	—

Refer to Note 10, “*Obligations*,” for details of the Company’s long-term debt obligations and the revenue-sharing arrangement with Technicolor resulting from the Technicolor Acquisitions. Refer to Note 17, “*Leases*,” for maturities of the Company’s operating lease liabilities as of December 31, 2024.

Defined Benefit Plans

In connection with the Technicolor Acquisitions, we assumed certain defined benefit plans which are accounted for in accordance with ASC 715—*Compensation—Retirement Benefits*. These plans include a retirement lump sum indemnity plan and jubilee plan, both of which provide benefit payments to employees based upon years of service and compensation levels.

The combined accumulated projected benefit obligation related to these plans totaled \$4.9 million as of both December 31, 2024 and 2023. Service cost and interest cost for the combined plans totaled less than \$0.5 million in each of the years ended December 31, 2024, 2023, and 2022 and the weighted average discount rate and assumed salary increase rate for these plans were 3.3% and 3.0%, respectively. These plans are not required to be funded and were not funded as of December 31, 2024.

Expected future benefit payments under these plans as of December 31, 2024 were as follows (in thousands):

2025	\$ 369
2026	79
2027	277
2028	233
2029	477
2030-2034	3,022

12. LITIGATION AND LEGAL PROCEEDINGS

ARBITRATIONS AND COURT PROCEEDINGS

Lenovo

In fourth quarter 2024, the Company reached an agreement with Lenovo Group Limited and certain of its subsidiaries (“Lenovo”) to enter into binding arbitration to determine the final terms of a new patent license agreement, which will be effective from January 1, 2024. On November 6, 2024, the Company filed a request for arbitration with the International Chamber of Commerce. As part of the agreement to arbitrate, both parties agreed to dismiss all pending litigations between them; the below proceedings have since been dismissed.

UK Proceedings

In August 2019, the Company and certain of its subsidiaries filed a claim in the UK High Court against Lenovo. The claim, as amended, alleged infringement of five of the Company’s patents relating to 3G and/or 4G/

LTE standards. The Company sought, among other relief, injunctive relief to prevent further infringement of the asserted patents or, in the alternative, a determination of the terms of a FRAND license.

Between 2021 and 2023, three of the Company's European Patents were found by UK courts to be valid, essential and infringed by Lenovo. In March 2023, the UK High Court issued an order staying all deadlines with respect to the fourth and fifth technical trials.

On March 16, 2023, the UK High Court issued its order regarding judgment in the trial to determine how much Lenovo must pay for a license to the Company's portfolio of cellular assets, awarding the Company a lump sum of \$138.7 million for such license through December 31, 2023. On June 27, 2023, the court issued an order awarding the Company an additional \$46.2 million, thus increasing the total award to \$184.9 million, which was paid on July 11, 2023. The court also found that the Company should pay a portion of Lenovo's costs and granted both parties permission to appeal on certain grounds. Both parties appealed certain aspects of the ruling, and in July 2024, the UK Court of Appeal ruled in favor of InterDigital and awarded the Company an additional amount of \$55.2 million to a total of approximately \$240.1 million. It rejected Lenovo's appeal in its entirety and confirmed that Lenovo must pay for all of its past sales starting from 2007 through December 31, 2023. The court also found that Lenovo should pay the Company's costs for the appeal and reduced the costs that Lenovo was awarded from the initial decision. Lenovo sought permission to appeal, and permission to appeal was refused by the UK Court of Appeals. Lenovo filed an application to the UK Supreme Court requesting permission to appeal in August 2024, which was withdrawn.

On September 24, 2023, Lenovo filed a new claim in the UK High Court, which alleged invalidity of two of the Company's patents relating to 4G/LTE standards. Lenovo sought, among other relief, a declaration that the patents at issue were invalid, not essential, and not infringed, revocation of the patents at issue, and a declaration that, upon expiration of the current license in 2023, Lenovo is licensed under terms to be determined by the UK High Court through 2028 or, in the alternative, a determination of the terms of a FRAND license. In October 2023, Lenovo filed a request for an order that the Company indicate whether it is prepared to give an unconditional undertaking to enter into a global license on terms set by the UK Court, or failing that, a declaration that the Defendants are unwilling licensors; a hearing was held in December 2023 during which Lenovo agreed to stay its application. The Company filed a jurisdiction challenge in October 2023, and a hearing on such challenge took place in April 2024, following which, the jurisdiction challenge was denied. In November 2023, Lenovo filed an application seeking an expedited FRAND trial and an interim license until a FRAND decision is issued in the UK. A hearing on the interim license was held in February 2024; in March 2024 the UK High Court denied Lenovo's request for the interim license. A FRAND trial was set for June-July 2025.

District of Delaware Patent Proceedings

In August 2019, the Company and certain of its subsidiaries filed a complaint in the United States District Court for the District of Delaware (the "Delaware District Court") against Lenovo alleging that Lenovo infringes eight of the Company's U.S. patents by making, using, offering for sale, and/or selling Lenovo wireless devices with 3G and/or 4G LTE capabilities. As relief, InterDigital sought: (a) a declaration that the Company is not in breach of its relevant FRAND commitments with respect to Lenovo; (b) to the extent Lenovo does not agree to negotiate a worldwide patent license, does not agree to enter into binding international arbitration to set the terms of a FRAND license, and does not agree to be bound by the terms to be set by the UK High Court in the separately filed UK proceedings described above, an injunction prohibiting Lenovo from continued infringement; (c) damages, including enhanced damages for willful infringement and supplemental damages; and (d) attorneys' fees and costs.

In June 2023, the parties requested that the entire case be stayed pending resolution of all appeals in the UK proceedings, and this request was granted.

District of Delaware Antitrust Proceedings

In April 2020, Lenovo and Motorola Mobility LLC filed a complaint in the Delaware District Court against the Company and certain of its subsidiaries, alleging that the Company defendants violated Sections 1 and 2 of the Sherman Act in connection with, among other things, their licensing of 3G and 4G standards essential patents (“SEPs”). The complaint further alleged that the Company defendants have violated their commitment to the ETSI with respect to the licensing of 3G and 4G SEPs on FRAND terms and conditions. The complaint sought, among other things (i) rulings that the Company defendants have violated Sections 1 and 2 of the Sherman Act and are liable for breach of their ETSI FRAND commitments, (ii) a judgment that the plaintiffs are entitled to a license with respect to the Company’s 3G and 4G SEPs on FRAND terms and conditions, and (iii) injunctions against any demand for allegedly excessive royalties or enforcement of the Company defendants’ 3G and 4G U.S. SEPs against the plaintiffs or their customers via patent infringement proceedings.

In June 2020, the Company filed a motion to dismiss Lenovo’s Sherman Act claims with prejudice, and to dismiss Lenovo’s breach of contract claim with leave to re-file as a counterclaim in the Company’s legal proceeding against Lenovo in the Delaware District Court discussed above.

In March 2021, the Delaware District Court dismissed the Sherman Act Section 1 claim without prejudice, denied the motion to dismiss the Sherman Act Section 2 claim, and consolidated the Section 2 and breach of contract claims with Company’s Delaware patent proceeding discussed above.

International Trade Commission and Companion District Court Proceedings

In September 2023, the Company and certain of its subsidiaries filed a complaint in the United States International Trade Commission (the “International Trade Commission”) alleging that Lenovo infringes five of the Company’s U.S. patents by making, using, offering for sale, and/or selling certain electronic devices, including smartphones, computers, tablet computers, and components thereof that infringe certain claims of the asserted patents. As relief, the Company sought: (a) a limited exclusion order against Lenovo barring from entry into the United States all of Lenovo’s products that infringe the asserted patents; (b) cease and desist orders prohibiting Lenovo from importing, selling, offering for sale, marketing, advertising, and distributing, infringing products; and (c) a bond during the 60-day Presidential review period. An evidentiary hearing was held in August 2024.

Also in September 2023, the Company and certain of its subsidiaries filed a complaint in the United States District Court for the Eastern District of North Carolina (the “North Carolina District Court”) alleging that Lenovo infringes those same five of the Company’s U.S. patents. As relief, the Company sought: (a) a finding that Lenovo is liable for infringement of the asserted patents; (b) an injunction against further infringement; (c) damages, including enhanced damages for willful infringement and supplemental damages; and (d) costs.

Germany Proceedings

In September 2023, the Company filed a complaint with the Munich Regional Court against Lenovo and certain of its affiliates, alleging infringement of a European patent relating to cellular 4G/LTE and/or 5G standards. The Company sought, among other relief, injunctive relief to prevent further infringement of the asserted patents. In May 2024, the Munich Regional Court issued a judgment finding Lenovo infringed the Company’s European patent and that the Company complied with its FRAND obligations while Lenovo did not; the Court ordered Lenovo to cease and desist selling infringing products. The Company served Lenovo with an enforcement note of the judgment in May 2024. Lenovo appealed the judgment and requested a stay of the enforcement of the judgment, and in June 2024, the Munich Regional Court rejected Lenovo’s request.

OPPO, OnePlus and realme

In fourth quarter 2024, the Company entered into a license agreement with Guangdong OPPO Mobile Telecommunications Corp., Ltd. (“OPPO”) and certain of its subsidiaries and affiliates. As part of the license

agreement, both parties agreed to dismiss all pending litigations between them; the below proceedings have since been dismissed.

UK Proceedings

In December 2021, the Company filed a patent infringement claim in the UK High Court against OPPO and certain of its affiliates, OnePlus Technology (Shenzhen) Co., Ltd. (“OnePlus”) and certain of its affiliates, and realme Mobile Telecommunications (Shenzhen) Co., Ltd. (“realme”) and certain of its affiliates, alleging infringement of the Company’s European patents relating to cellular 3G, 4G/LTE or 5G standards. The Company was seeking, among other relief, injunctive relief to prevent further infringement of the asserted patents.

In March 2023, the parties agreed to stay all technical trials. The FRAND trial to determine the royalties to be paid under the license with OPPO was held in March and April 2024; a second hearing was held in September 2024 regarding the parties’ submissions relating to the UK Court of Appeal’s decision in the Lenovo litigation.

India Proceedings

In December 2021, the Company and certain of its subsidiaries filed patent infringement claims in the Delhi High Court in New Delhi, India against OPPO and certain of its affiliates, OnePlus and certain of its affiliates, and realme Mobile Telecommunication (India) Private Limited, alleging infringement of certain of the Company’s Indian patents relating to cellular 3G, 4G/LTE, and/or 5G, and HEVC standards. The Company was seeking, among other relief, injunctive relief to prevent further infringement of the asserted patents. In February 2024, the Delhi High Court granted the Company’s application for pro tem security, and OPPO appealed. Evidentiary trial proceedings began in October 2024 and were expected to take place through December 2024.

Germany Proceedings

In December 2021, a subsidiary of the Company filed three patent infringement claims, two in the Munich Regional Court and one in the Mannheim Regional Court, against OPPO and certain of its affiliates, OnePlus and certain of its affiliates, and realme and certain of its affiliates, alleging infringement of certain of the Company’s European patents relating to cellular 3G, 4G/LTE and/or 5G standards. The Company was seeking, among other relief, injunctive relief to prevent further infringement of the asserted patents. The Munich Regional Court held hearings in March and December 2023, and in December 2023, the Munich Regional Court issued a decision finding infringement and issuing an injunction against OPPO. OPPO appealed this decision. In March and November 2023, the Munich Regional Court entered stays of the proceedings in respect of specific patents.

China Proceedings

In January 2022, the Company was informed that OPPO had purportedly filed a complaint against the Company in the Guangzhou Intellectual Property Court (the “Guangzhou IP Court”) seeking a determination of a global FRAND royalty for the Company’s 3G, 4G, 5G, 802.11 and HEVC SEPs. In May 2022, the Company filed an application challenging, among other things, process of service and the jurisdiction of the Guangzhou IP Court. The Guangzhou IP Court denied the application, and the Company appealed that decision. The Supreme People’s Court denied the appeal, and an initial evidentiary hearing was held in October 2023.

Spain Proceedings

In March 2022, a subsidiary of the Company filed patent infringement claims in the Barcelona Commercial Courts against OPPO and certain of its affiliates, OnePlus and certain of its affiliates, and realme and certain of its affiliates. The Company filed an amended complaint in April 2022, alleging infringement of certain of its European patents relating to cellular 3G, 4G/LTE and/or 5G standards. The Company was seeking, among other relief, injunctive relief to prevent further infringement of the asserted patents. Evidentiary trial proceedings were scheduled to take place in May 2025.

Samsung

The Company reached an agreement with Samsung Electronics Co. Ltd. (“Samsung”) to enter into binding arbitration to determine the final terms of a renewed patent license agreement to certain of the Company’s patents, which will be effective from January 1, 2023. The Company and Samsung have also agreed not to initiate certain claims against the other during the arbitration. On March 31, 2023, the Company filed a request for arbitration with the International Chamber of Commerce.

On July 21, 2023, the International Chamber of Commerce confirmed the full tribunal for the arbitration. The two-week arbitration hearing was held in July 2024, and closing arguments were held on October 23, 2024. We expect a decision in early 2025.

Tesla

On December 5, 2023, Tesla and certain of its subsidiaries filed a claim in the UK High Court against the Company and Avanci. The claim alleges invalidity of three of the Company’s patents relating to 5G standards: European Patent (UK) Nos. 3,718,369, 3,566,413, and 3,455,985. Tesla sought, among other relief, a declaration that the patents at issue are invalid, not essential, and not infringed, revocation of the patents at issue, a declaration that the terms of the Avanci 5G Connected Vehicle platform license are not FRAND, and a determination of FRAND terms for a license between Tesla and Avanci covering its Avanci’s 5G Connected Vehicle platform. On March 8, 2024, the Company filed a jurisdiction challenge; the jurisdiction challenge was heard on May 24-25 and June 4, 2024, and on July 15, 2024 the UK High Court issued a judgment dismissing Tesla’s FRAND claims against the Company and Avanci, and maintaining Tesla’s patent claims against the Company. The patent claims against the Company were further stayed by the UK High Court, and a hearing on costs and permission to appeal was held on July 30, 2024. On July 16, 2024, Tesla sought permission to appeal the decision; the Company also sought permission to appeal on two limited grounds conditionally, should Tesla’s request for an appeal be granted. The appeal hearing was held on December 2-3, 2024.

Disney

In February 2025, the Company and certain of its subsidiaries filed claims in various courts in the United States, Germany, Brazil and at the Unified Patent Court (UPC) against The Walt Disney Company, including Disney+, Hulu and ESPN+, alleging infringement of certain of the Company’s video coding, high dynamic range, and implementation patents. The Company is seeking, among other relief, damages and injunctive relief to prevent further infringement of the asserted patents.

Other

We are party to certain other disputes and legal actions in the ordinary course of business, including arbitrations and legal proceedings with licensees regarding the terms of their agreements and the negotiation thereof. We do not currently believe that these matters, even if adversely adjudicated or settled, would have a material adverse effect on our financial condition, results of operations or cash flows. None of the preceding matters have met the requirements for accrual or disclosure of a potential range as of December 31, 2024, except as noted above.

13. COMPENSATION PLANS AND PROGRAMS

Compensation Programs

We use a variety of compensation programs to attract, retain and motivate our employees, and to more closely align employee compensation with company performance. These programs include, but are not limited to, short-term incentive awards tied to performance goals, cash awards to inventors for filed patent applications and patent issuances, and long-term incentives in the form of stock option awards, time-based RSU awards, performance-based RSU awards and cash awards.

Our long-term incentives typically include annual time-based RSU grants or cash awards with a three-year vesting period, as well as annual performance-based RSU grants or cash awards with a three to five-year performance period; as a result, in any one year, we are typically accounting for at least three active cycles. Additionally, from time to time, executive officers are awarded long term incentives or new hire grants that may include time-based RSUs, performance-based RSUs or options. We issue new shares of our common stock to satisfy our obligations under the share-based components of these programs. However, our Board of Directors has the right to authorize the issuance of treasury shares to satisfy such obligations in the future.

Equity Incentive Plans

On June 14, 2017, our shareholders adopted and approved the 2017 Equity Incentive Plan (the “2017 Plan”), under which officers, employees, non-employee directors and consultants can receive share-based awards such as RSUs, restricted stock and stock options as well as other stock or cash awards. The plan was amended in order to reserve an additional 1.8 million shares of our common stock for issuance under the 2017 Plan. Such amendment was adopted and approved by our shareholders on June 2, 2021. Upon the adoption of the 2017 Plan, the 2009 Stock Incentive Plan was terminated and all shares remaining available for grant under the 2009 Plan were canceled and rolled into the 2017 Plan. The number of shares available for issuance under the 2017 Plan, as amended, is equal to 4.2 million shares plus any shares subject to awards granted under the 2009 Plan that, on or after June 14, 2017, expire or otherwise terminate without having been exercised in full, or that are forfeited to or repurchased by us.

RSUs and Restricted Stock

We may issue RSUs to officers, employees, non-employee directors and consultants. Any cancellations of unvested RSUs granted under the Equity Plans will increase the number of shares remaining available for grant under the 2017 Plan. Time-based RSUs vest over periods generally ranging from one to three years from the date of the grant. Performance-based RSUs generally have a vesting period between two and five years. Milestone performance-based RSUs may vest at any time, upon achievement of the milestone goal, during the performance period, which is typically five years.

As of December 31, 2024, we had unrecognized compensation cost related to share-based awards of \$37.2 million, at current performance accrual rates. For time-based grants with graded vesting, we expect to amortize the associated unrecognized compensation cost using an accelerated method. For time-based grants that cliff vest, we expect to amortize the associated unrecognized compensation cost as of December 31, 2024, on a straight-line basis generally over the remaining vesting period.

Vesting of performance-based RSU awards is subject to attainment of specific goals established by the Human Capital Committee of the Board of Directors. Depending upon performance achievement against these goals, the number of shares that vest can be anywhere from 0 to 3 times the target number of shares.

Information with respect to current RSU activity is summarized as follows (in thousands, except per share amounts):

	Number of Unvested RSUs	Weighted Average Per Share Grant Date Fair Value
Balance at December 31, 2023	1,108	\$ 62.34
Granted*	517	104.08
Forfeited	(59)	77.17
Vested	(412)	64.81
Balance at December 31, 2024	<u>1,154</u>	<u>\$ 79.40</u>

- * These numbers include fewer than 0.1 million RSUs credited on unvested RSU awards as dividend equivalents. Dividend equivalents accrue with respect to unvested RSUs when and as cash dividends are paid on the Company's common stock, and vest if and when the underlying RSUs vest. Granted amounts include performance-based RSU awards at their maximum potential payout.

During 2024, 2023 and 2022, we granted approximately 0.5 million, 0.5 million and 0.7 million RSUs under the Equity Plans, respectively, with weighted-average per share grant date fair values of \$104.08, \$73.80 and \$55.15, respectively, assuming target payout for the performance-based awards. The total vest date fair value of the RSUs that vested in 2024, 2023 and 2022 was \$48.1 million, \$31.0 million and \$25.3 million, respectively. The weighted average per share grant date fair value of the awards that vested in 2024, 2023 and 2022 was \$64.81, \$54.95 and \$67.29, respectively.

Other Equity Grants

We grant equity awards to non-management Board members and may grant equity awards to certain consultants.

Stock Options

The 2009 Plan allowed, and the 2017 Plan allows, for the granting of incentive and non-qualified stock options, as well as other securities. The administrator of the Equity Plans, the Human Capital Committee of the Board of Directors, determines the number of options to be granted, subject to certain limitations set forth in the 2017 Plan. We grant stock options to a limited number of the employee base annually as part of our long-term incentive programs, which have generally vested over three years. During the year ended December 31, 2018, performance-based options were granted for the first time. The number of performance-based options which vest, if at all, is anywhere from 0 to 3 times the target number of options subject to the attainment of performance goals measured either during or at the end of the performance period. Performance-based options typically have a vesting period between two and five years. Milestone performance options may vest at any time, upon achievement of the milestone goal, during the performance period, which is typically five years.

Under the terms of the Equity Plans, the exercise price per share of each option, other than in the event of options granted in connection with a merger or other acquisition, cannot be less than 100% of the fair market value of a share of common stock on the date of grant. Options granted under the Equity Plans are generally exercisable for a period of between seven to ten years from the date of grant and may vest on the grant date, another specified date, over a period of time and/or dependent upon the attainment of specified performance goals. We also have less than 0.1 million options outstanding under a prior stock plan that do not expire.

The fair value for option awards is computed using the Black-Scholes pricing model, whose inputs and assumptions are determined as of the date of grant and which require considerable judgment. Expected volatility was based upon a combination of implied and historic volatilities. The weighted-average grant date fair value per option award granted during the years ended December 31, 2024, 2023 and 2022 was \$36.00, \$24.41, and \$20.28, respectively, based upon the assumptions included in the table below:

	Year Ended December 31,		
	2024	2023	2022
Expected term (in years)	6.6	7.5	8.0
Expected volatility	31.7%	32.8%	36.3%
Risk-free interest rate	4.2%	3.6%	2.2%
Dividend yield	1.5%	1.9%	2.3%

Information with respect to current year stock option activity is summarized as follows (in thousands, except per share amounts):

	Outstanding Options	Weighted Average Exercise Price
Balance at December 31, 2023	699	\$ 66.79
Granted*	250	105.42
Forfeited	—	—
Exercised	(3)	10.29
Balance at December 31, 2024	<u>946</u>	<u>\$ 77.18</u>

* *Granted amounts include performance-based option awards at their maximum potential payout.*

The weighted average remaining contractual life of our outstanding options was 8.0 years as of December 31, 2024. Options with an indefinite contractual life, which were granted between 1983 and 1986 under a prior stock plan, were assigned an original life in excess of 50 years for purposes of calculating the weighted average remaining contractual life. The majority of these options have an exercise price between \$9.00 and \$11.63.

The total intrinsic value of our outstanding options as of December 31, 2024 was \$110.2 million. Of the 0.9 million outstanding options as of December 31, 2024, 0.4 million were exercisable with a weighted-average exercise price of \$66.07. Options exercisable as of December 31, 2024, had total intrinsic value of \$54.7 million and a weighted average remaining contractual life of 7.6 years. The total intrinsic value of stock options exercised during the years ended December 31, 2024, 2023 and 2022 was \$0.5 million, \$5.4 million and \$0.3 million, respectively. In 2024, we recorded cash received from the exercise of options of \$0.1 million. Upon option exercise, we issued new shares of stock.

As of December 31, 2024, we had unrecognized compensation cost on our unvested stock options of \$4.3 million, at current performance accrual rates. As of December 31, 2024 and 2023, we had approximately 0.9 million and 0.7 million options outstanding, respectively, that had exercise prices less than the fair market value of our stock at the respective balance sheet date. These options would have generated cash proceeds to the Company of \$73.0 million and \$46.7 million, respectively, if they had been fully exercised on those dates.

Defined Contribution Plans

We have a 401(k) plan (“Savings Plan”) wherein employees can elect to defer compensation within federal limits. We match a portion of employee contributions. Our contribution expense to our Savings Plan and other defined contributions plans was approximately \$1.7 million, \$1.4 million and \$1.4 million for 2024, 2023 and 2022, respectively.

Under the Deferred Plan, eligible US employees may make tax-deferred contributions that cannot be made under the 401(k) Plan due to Internal Revenue Service limitations. We match 50% of a participant’s contributions up to 6% of the participant’s applicable compensation. From time to time InterDigital makes discretionary company contributions to the Deferred Plan on behalf of a participant.

14. TAXES

Our domestic/foreign pre-tax income consists of the following components for 2024, 2023 and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Pre-Tax Income by Jurisdiction			
Domestic	\$333,983	\$242,780	\$129,072
Foreign	95,433	(8,170)	(11,509)
Total	<u>\$429,416</u>	<u>\$234,610</u>	<u>\$117,563</u>

Our income tax provision consists of the following components for 2024, 2023 and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Current			
Federal	\$ 36,977	\$ 45,816	\$ 657
State	687	(229)	931
Foreign source withholding tax	32,578	12,444	5,754
	<u>70,242</u>	<u>58,031</u>	<u>7,342</u>
Deferred			
Federal	(38,193)	(41,922)	(17,022)
State	(144)	615	527
Foreign	9,760	(9,759)	—
Foreign source withholding tax	29,137	16,592	34,655
	<u>560</u>	<u>(34,474)</u>	<u>18,160</u>
Total	<u>\$ 70,802</u>	<u>\$ 23,557</u>	<u>\$ 25,502</u>

The deferred tax assets and liabilities were comprised of the following components at December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Net operating losses	\$ 95,751	\$ 112,634
Deferred revenue, net	46,073	48,590
Capitalized research and development	29,432	21,213
Amortization and depreciation	22,707	21,101
Debt amortization	9,334	16,093
Other	22,797	18,445
Deferred tax asset	226,094	238,076
Less: valuation allowance	(95,465)	(104,830)
Net deferred tax asset	<u>130,629</u>	<u>133,246</u>
Other	(2,475)	(4,307)
Deferred tax liability	<u>(2,475)</u>	<u>(4,307)</u>
Net deferred tax asset	<u>\$128,154</u>	<u>\$ 128,939</u>

The following is a reconciliation of income taxes at the federal statutory rate with income taxes recorded by the Company for the years ended December 31, 2024, 2023 and 2022:

	Year Ended December 31,		
	2024	2023	2022
Tax at U.S. statutory rate	21.0%	21.0%	21.0%
Non-deductible officers' compensation	1.5%	1.4%	1.5%
Global Intangible Low-Taxed Income	1.2%	0.3%	0.5%
Effect of rates different than statutory	0.8%	(0.8)%	(0.1)%
State tax provision	0.1%	0.2%	1.1%
Uncertain tax positions	0.1%	(0.4)%	1.5%
Non-creditable withholding taxes	—%	0.1%	0.4%
Other permanent differences	(0.2)%	0.5%	0.7%
Research and development tax credits	(0.4)%	(0.6)%	(1.7)%
Change in valuation allowance ^(a)	(0.6)%	(2.2)%	2.4%
Share-based compensation	(1.0)%	(1.3)%	0.3%
Foreign derived intangible income deduction	(5.4)%	(7.1)%	(5.3)%
Other	(0.6)%	(1.1)%	(0.6)%
Total tax provision	<u>16.5%</u>	<u>10.0%</u>	<u>21.7%</u>

- (a) In 2024 and 2023, the Company recorded a partial release of the valuation allowance it has in France due to income projected driven by recently signed agreements.

Valuation Allowances and Net Operating Losses

We establish a valuation allowance for any portion of our deferred tax assets for which management believes it is more likely than not that we will be unable to utilize the assets to offset future taxes. Given the binary nature of our business, at this time we believe it is more likely than not that the majority of our state net operating losses and net operating losses in certain subsidiaries in France, as well as our non-wholly owned subsidiaries in the United States and United Kingdom will not be utilized; therefore we have maintained a near full valuation allowance against our state, French and United Kingdom net operating losses as of December 31, 2024. We also maintain a valuation allowance against certain temporary differences other than the net operating losses in these jurisdictions.

At December 31, 2024, we had \$8.7 million in U.S net operating loss carryforwards, which can be indefinitely carried forward, as well as non-U.S. net operating loss carryforwards amounting to \$77.9 million which can be indefinitely carried forward under French statutes. In addition, we had U.S. state net operating loss carryforwards of \$1.4 billion, of which \$36.8 million can be indefinitely carried forward, while the remaining \$1.4 billion will expire in varying amounts from 2025 to 2044.

The Company recognizes deferred tax balances related to the undistributed earnings of subsidiaries when it expects that it will recover those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of the investments. On December 31, 2024, the Company does not have distributable earnings in foreign subsidiaries that would be subject to deferred taxes.

Uncertain Income Tax Positions

As of December 31, 2024, 2023 and 2022, we had \$13.8 million, \$14.4 million and \$16.1 million, respectively, of unrecognized tax benefits that, if recognized, would impact the Company's effective tax rate. The total amount of unrecognized tax benefits could change within the next twelve months for a number of reasons including audit settlements, tax examination activities and the recognition and measurement considerations under this guidance.

During 2024, we reduced the reserve previously established for the amended returns by \$0.7 million for the benefit available in the current year had it not been included on the amended returns.

During 2023, we reduced the reserve previously established for the amended returns by \$0.7 million for the benefit available in the current year had it not been included on the amended returns and reduced the reserve previously recorded for foreign withholding taxes by \$1.1 million due to favorable guidance from the taxing authorities in the United States.

During 2022, we established reserves of \$1.1 million related to uncertainty arising from our ability to credit foreign withholding taxes in jurisdictions without a tax treaty with the United States. We also reduced the reserve previously established for the amended returns by \$1.0 million for the benefit available in the current year had it not been included on the amended returns.

The following is a roll forward of our total gross unrecognized tax benefits, which if reversed would impact the effective tax rate, for the fiscal years 2024 through 2022 (in thousands):

	December 31,		
	2024	2023	2022
Balance as of January 1	\$14,385	\$16,052	\$15,694
Tax positions related to current year:			
Additions	165	91	1,264
Tax positions related to prior years:			
Additions	—	—	45
Reductions	(702)	(1,758)	(951)
Balance as of December 31	<u>\$13,848</u>	<u>\$14,385</u>	<u>\$16,052</u>

Our policy is to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company and its subsidiaries are subject to United States federal income tax, foreign income and withholding taxes and income taxes from multiple state jurisdictions. Our federal income tax returns for 2006 to the present, with the exception of 2011 and 2012, are currently open and will not close until the respective statutes of limitations have expired. The 2014, 2015 and 2018-2020 Federal income tax returns are currently under audit by the IRS. The statutes of limitations generally expire three years following the filing of the return or in some cases three years following the utilization or expiration of net operating loss carry forwards. The statute of limitations applicable to our open federal returns will expire at the end of 2027. The Company is subject to French corporate income tax on certain subsidiaries. The statute of limitations applicable to our open French returns will expire in 2026. Excluding the Korea Competent Authority Proceeding and the Finland Competent Authority Proceeding described in the section below, specific tax treaty procedures remain open for certain jurisdictions for 2014 to the present. Many of our subsidiaries have filed state income tax returns on a separate company basis. To the extent these subsidiaries have unexpired net operating losses, their related state income tax returns remain open. These returns have been open for varying periods, some exceeding ten years. The total amount of state net operating losses is \$1.4 billion.

Foreign Taxes

We pay foreign source withholding taxes on patent license royalties when applicable. We apply foreign source withholding tax payments against our United States federal income tax obligations to the extent we have foreign source income to support these credits. In 2024, 2023 and 2022, we paid \$23.3 million, \$12.0 million and \$5.5 million in foreign source withholding taxes, respectively, and applied these payments as credits against our United States federal tax obligation.

Between 2014 and 2024, we paid approximately \$141.9 million in foreign taxes to foreign governments that have tax treaties with the U.S., for which we have claimed foreign tax credits against our U.S. tax obligations, and for which the tax treaty procedures are still open. It is possible that as a result of tax treaty procedures, the U.S. government may reach an agreement with the related foreign governments that will result in a partial refund of foreign taxes paid with a related reduction in our foreign tax credits. Due to foreign currency fluctuations, any such agreement could result in foreign currency gain or loss.

On November 8, 2019, the Company received notification that its request for competent authority pertaining to Article 25 (Mutual Agreement Procedure) of the United States-Republic of Finland Income Tax Convention had been reviewed by the IRS and an agreement has been reached (the “Finland Competent Authority Proceeding”). As a result of this agreement, the Company does not anticipate any tax consequences.

15. NET INCOME PER SHARE

Basic Earnings Per Share (“EPS”) is calculated by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if options or other securities with features that could result in the issuance of common stock were exercised or converted to common stock. The following table reconciles the numerator and the denominator of the basic and diluted net income per share computation (in thousands, except for per share data):

	Year Ended December 31,		
	2024	2023	2022
Net income applicable to common shareholders	\$358,614	\$214,069	\$93,693
Weighted-average shares outstanding:			
Basic	25,325	26,860	30,106
Dilutive effect of stock options, RSUs, and warrants	1,993	704	379
Dilutive effect of convertible securities	2,393	538	—
Diluted	<u>29,711</u>	<u>28,102</u>	<u>30,485</u>
Earnings Per Share:			
Basic	\$ 14.16	\$ 7.97	\$ 3.11
Dilutive effect of stock options, RSUs, and warrants	(0.87)	(0.19)	(0.04)
Dilutive effect of convertible securities	(1.22)	(0.16)	—
Diluted	<u>\$ 12.07</u>	<u>\$ 7.62</u>	<u>\$ 3.07</u>

Certain shares of common stock issuable upon the exercise or conversion of certain securities have been excluded from our computation of earnings per share because the strike price or conversion rate, as applicable, of such securities was greater than the average market price of our common stock for the years ended December 31, 2024, 2023 and 2022, as applicable, and, as a result, the effect of such exercise or conversion would have been anti-dilutive. Set forth below are the securities and the weighted average number of shares of common stock underlying such securities that were excluded from our computation of earnings per share for the periods presented (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Restricted stock units and stock options	1	106	504
Warrants	<u>6,271</u>	<u>7,488</u>	<u>6,444</u>
Total	<u>6,272</u>	<u>7,594</u>	<u>6,948</u>

Convertible Notes and Warrants

Refer to Note 10, “*Obligations*,” for information about the Company’s convertible notes and warrants and related conversion and strike prices. During periods in which the average market price of the Company’s common stock is above the applicable conversion price of the Company’s convertible notes, or above the strike price of the Company’s outstanding warrants, the impact of conversion or exercise, as applicable, would be dilutive and such dilutive effect is reflected in diluted EPS. As a result, in periods where the average market price of the Company’s common stock is above the conversion price or strike price, as applicable, under the if-converted method, the Company calculates the number of shares issuable under the terms of the convertible notes and the warrants based on the average market price of the stock during the period, and includes that number in the total diluted shares outstanding for the period.

16. EQUITY TRANSACTIONS

Repurchase of Common Stock

In June 2014, our Board of Directors authorized a \$300 million share repurchase program (the “Share Repurchase Program”). Subsequently our Board of Directors authorized five \$100 million increases to the program, respectively, and an additional \$333 million in December 2022 and an additional \$235 million in December 2023, bringing the total amount of the Share Repurchase Program to approximately \$1.4 billion. The Company may repurchase shares under the Share Repurchase Program through open market purchases, pre-arranged trading plans or privately negotiated purchases.

The table below sets forth the total number of shares repurchased and the dollar value of shares repurchased under the Share Repurchase Program (in thousands). As of December 31, 2024, there was approximately \$229.5 million remaining under the Share Repurchase Program authorization.

	Share Repurchase Program	
	# of Shares	Value
2024	644	\$ 66,726
2023	4,411	339,704
2022	1,224	74,445
2021	458	30,000
2020	6	349
2019	2,962	196,269
2018	1,478	110,505
2017	107	7,693
2016	1,304	64,685
2015	1,836	96,410
2014	3,554	152,625
Total	17,984	\$1,139,411

In 2023, we commenced a modified “Dutch auction” tender offer (the “Tender Offer”), which resulted in the repurchase of 2.7 million shares of our common stock at a price of \$72.98 per share, for an aggregate cost of \$199.9 million, excluding fees, expenses and excise tax relating to the Tender Offer.

Dividends

Cash dividends on outstanding common stock declared in 2024 and 2023 were as follows (in thousands, except per share data):

	<u>Per Share</u>	<u>Total</u>	<u>Cumulative by Fiscal Year</u>
2024			
First quarter	\$0.40	\$10,155	\$10,155
Second quarter	0.40	10,052	20,207
Third quarter	0.45	11,366	31,573
Fourth quarter	0.45	11,557	43,130
	<u>\$1.70</u>	<u>\$43,130</u>	
2023			
First quarter	\$0.35	\$ 9,449	\$ 9,449
Second quarter	0.35	9,273	18,722
Third quarter	0.40	10,348	29,070
Fourth quarter	0.40	10,226	39,296
	<u>\$1.50</u>	<u>\$39,296</u>	

We increased the quarterly cash dividend by \$0.05 per share in both 2023 and 2024 to raise the dividend payable from \$0.35 to \$0.45 per share. In February 2025, we announced an additional increase in the quarterly cash dividend by \$0.15 per share, beginning with the quarterly dividend payable in second quarter 2025. We currently expect to continue to pay dividends in accordance with our dividend policy; however, continued payment of cash dividends and changes in the Company's dividend policy will depend on the Company's earnings, financial condition, capital resources and capital requirements, alternative uses of capital, restrictions imposed by any existing debt, economic conditions and other factors considered relevant by our Board of Directors.

17. LEASES

The Company enters into operating leases primarily for real estate to support research and development ("R&D") sites and general office space in North America, with additional locations in Europe, China, and Canada. The Company does not currently have any finance leases. Certain of our leases include options to extend the lease at our discretion at the end of the lease term, or terminate the lease early subject to certain conditions and penalties. We do not include any renewal options in our lease terms for calculating our lease liabilities, as the renewal options allow us to maintain operational flexibility and we are not reasonably certain we will exercise these options.

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the specific facts and circumstances present. Operating lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable, and, as such, the Company utilizes its incremental borrowing rate as the discount rate based on information available on the lease commencement date. Our incremental borrowing rate represents the rate we would incur to borrow on a collateralized basis over a similar term for an amount equal to the lease payments in a similar economic environment. The table below includes the balances of operating lease right-of-use assets and operating lease liabilities as of December 31, 2024 and 2023 (in thousands):

	<u>Balance Sheet Classification</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Assets			
Operating lease right-of-use assets, net	Other non-current assets, net	\$15,218	\$15,746
Total Lease Assets		<u>15,218</u>	<u>15,746</u>
Liabilities			
Operating lease liabilities — Current	Other accrued expenses	3,398	2,879
Operating lease liabilities — Noncurrent	Other long-term liabilities	<u>15,772</u>	<u>17,385</u>
Total Lease Liabilities		<u>\$19,170</u>	<u>\$20,264</u>

The components of lease costs which were included within operating expenses in our consolidated statement of income were as follows (in thousands):

	<u>Year Ended December 31,</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating lease cost	\$3,982	\$3,821	\$6,243
Short-term lease cost	246	388	343
Variable lease cost	1,376	1,316	1,522

For the years ended December 31, 2024, 2023, and 2022, we did not have any sublease income. Cash paid for amounts included in the measurement of operating lease liabilities for the year ended December 31, 2024 and 2023 was \$4.1 million and \$4.4 million, respectively, and was included in net cash provided by operating activities in our consolidated statement of cash flows. As of December 31, 2024, the weighted average remaining operating lease term was 5.3 years and the weighted average discount rate used to determine the operating lease liabilities was 6.2%. As of December 31, 2024, there have been no leases entered into that have not yet commenced.

The maturities of our operating lease liabilities as of December 31, 2024, excluding short-term leases with terms less than 12 months, were as follows (in thousands):

<u>Maturity of Operating Lease Liabilities</u>	
2025	\$ 4,458
2026	4,336
2027	4,155
2028	3,702
2029	3,335
Thereafter	<u>2,490</u>
Total lease payments	22,476
Less: Imputed interest	<u>(3,306)</u>
Present value of lease liabilities	<u>\$19,170</u>

18. OTHER INCOME (EXPENSE), NET

The amounts included in “*Other income (expense), net*” in the consolidated statements of income for the year ended December 31, 2024, 2023 and 2022 were as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Interest and investment income	\$40,395	\$46,628	\$ 14,452
Loss on extinguishment of long-term debt	—	—	(11,190)
Other	(5,070)	11,184	(6,719)
Other income (expense), net	<u>\$35,325</u>	<u>\$57,812</u>	<u>\$ (3,457)</u>

Interest and investment income is mostly derived from our short-term investments and changes are primarily due changes in the average amounts held in short-term investments and market conditions. Refer to Note 10, “*Obligations*,” for further information on the \$11.2 million loss on extinguishment of long-term debt recognized during the year ended December 31, 2022.

The change in Other was primarily due to fair value adjustments of our investments and pension obligation resulting in \$5.4 million and \$12.1 million of net gains in 2024 and 2023, respectively, and \$2.4 million of net losses in 2022. Additionally, the change is due to net losses on foreign currency translation arising primarily from euro translation of our foreign subsidiaries of \$7.9 million and \$3.9 million in 2024 and 2022, respectively, and a \$1.0 million foreign currency translation net gain in 2023.

19. RESTRUCTURING ACTIVITIES

During 2021, we announced that, as a result of a strategic review of our research and innovation priorities, we commenced the process of a collective economic layoff in which we proposed a reduction in force of our research and innovation unit. We expanded our restructuring efforts to include general and administrative functions largely centered in the U.S. During 2024 and 2023, we did not recognize any restructuring expenses, and the Company considers the plan to be complete. We do not anticipate further restructuring charges and no there are no remaining restructuring liabilities.

As part of the Company’s evaluation of its flexible work policy and the impact of returning to the office, the Company evaluated its current office space footprint and its expected needs going forward. As the result of this evaluation, during 2022, we recognized a \$2.4 million impairment, comprised of \$0.4 million of property and equipment and \$2.0 million of right of use assets, related to the abandonment of portions of three of our leased properties, which was included within “*Restructuring activities*” in the consolidated statement of income.

The restructuring expenses included in “*Restructuring activities*” in the consolidated statements of income for the years ending December 31, 2024, 2023, and 2022 were as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Asset impairment	\$—	\$—	\$2,427
Severance and other benefits	—	—	305
Outside services and other associated costs	—	—	548
Total	<u>\$—</u>	<u>\$—</u>	<u>\$3,280</u>

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

None.

Item 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and its Chief Financial Officer, with the assistance of other members of management, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2024. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Management, including the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of internal control over financial reporting as of December 31, 2024. Management based this assessment on criteria for effective internal control over financial reporting described in "*Internal Control — Integrated Framework*" issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). Based on this assessment, management determined that, as of December 31, 2024, the Company maintained effective internal control over financial reporting.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report that appears under Part II, Item 8, of this Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during fourth quarter 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION.

During fourth quarter 2024, the following Section 16 officers adopted, modified or terminated “Rule 10b5-1 trading arrangements” (as defined in Item 408 of Regulation S-K of the Exchange Act):

Name	Action	Date	Trading Arrangement		Maximum Shares to be Sold	Expiration Date
			Rule 10b5-1	Non-Rule 10b5-1		
Jean Rankin	Adopt	December 16, 2024	X		3,278	June 30, 2025
Liren Chen	Adopt	December 2, 2024	X		100,000 ¹	August 29, 2025
S. Doug Hutcheson	Adopt	November 22, 2024	X		8,398	November 21, 2025
Richard Brezski	Adopt	November 14, 2024	X		31,530	August 29, 2025
Eeva Hakoranta	Adopt	November 19, 2024	X		5,150	August 19, 2025
Jean Rankin	Terminate	December 16, 2024	X		599	June 30, 2025

1) Consists of stock options to be exercised.

Item 9C. DISCLOSURES REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information required by this item is incorporated by reference to the information following the captions “Election of Directors,” “EXECUTIVE OFFICERS,” “Delinquent Section 16(a) Reports,” “Code of Ethics,” “Nominating and Corporate Governance Committee” and “Audit Committee” in the definitive proxy statement to be filed pursuant to Regulation 14A in connection with our 2024 annual meeting of shareholders not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K (the “Proxy Statement”).

We also have an insider trading policy which governs the purchase, sale and/or other dispositions of our securities by our directors, executive officers and employees that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. A copy of our insider trading policy is filed as Exhibit 19 to this Annual Report on Form 10-K.

Item 11. EXECUTIVE COMPENSATION.

The information required by this item is incorporated by reference to the information following the captions “EXECUTIVE COMPENSATION” and “DIRECTOR COMPENSATION” in the Proxy Statement.

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

The information required by this item is incorporated by reference to the information following the captions “EQUITY COMPENSATION PLAN INFORMATION” and “SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT” in the Proxy Statement.

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

The information required by this item is incorporated by reference to the information following the captions “CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS” and “Director Independence” in the Proxy Statement.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information required by this item is incorporated by reference to the information following the captions “Fees of Independent Registered Public Accounting Firm” and “Audit Committee Pre-Approval Policy for Audit and Non-Audit Services of Independent Registered Public Accounting Firm” in the Proxy Statement.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

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

(1) Financial Statements.

The information required by this item begins on Page 61.

(2) Financial Statement Schedules.

The following financial statement schedule of InterDigital is included herewith and should be read in conjunction with the Financial Statements included in this Item 15.

Valuation and Qualifying Accounts

	<u>Balance Beginning of Period</u>	<u>Increase/ (Decrease)</u>	<u>Reversal of Valuation Allowance</u>	<u>Balance End of Period</u>
2024 valuation allowance for deferred tax assets	\$104,830	\$ (9,365)(a)	\$ —	\$ 95,465
2023 valuation allowance for deferred tax assets	\$122,217	\$ (7,628)(a)	\$ (9,759)	\$104,830
2022 valuation allowance for deferred tax assets	\$151,522	\$(29,305)(a)	\$ —	\$122,217
2024 reserve for uncollectible accounts	\$ —	\$ —	\$ —	\$ —
2023 reserve for uncollectible accounts	\$ —	\$ —	\$ —	\$ —
2022 reserve for uncollectible accounts	\$ 322	\$ —	\$ (322)	\$ —

(a) The decrease was primarily related to the decrease in Pennsylvania state tax rate and utilization of certain French deferred tax assets. There was a partial release of valuation allowance against deferred tax assets in France due to the Samsung deal in 2024.

(3) Exhibits.

See Item 15(b) below.

(b)

<u>Exhibit Number</u>	<u>Exhibit Description</u>
*3.1	Amended and Restated Articles of Incorporation of InterDigital (Exhibit 3.1 to InterDigital’s Current Report on Form 8-K filed on June 7, 2011).
*3.2	Amended and Restated Bylaws of InterDigital (Exhibit 3.1 to InterDigital’s Current Report on Form 8-K filed on July 15, 2022).
*4.1	Specimen Stock Certificate of InterDigital (Exhibit 4.3 to InterDigital’s Quarterly Report on Form 10-Q filed on April 28, 2011).
*4.2	Description of InterDigital’s Securities (Exhibit 4.2 to InterDigital’s Annual Report on Form 10-K for the year ended December 31, 2020).

<u>Exhibit Number</u>	<u>Exhibit Description</u>
*4.3	Indenture, dated May 27, 2022, between InterDigital, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to InterDigital's Form 8-K filed on May 27, 2022).
*4.4	Form of 3.50% Senior Convertible Note due 2027 (included in Exhibit 4.1 to InterDigital's Current Report on Form 8-K filed on May 27, 2022).
Benefit Plans	
†*10.1	Non-Qualified Stock Option Plan, as amended (Exhibit 10.4 to InterDigital's Annual Report on Form 10-K for the year ended December 31, 1991).
†*10.2	Amendment to Non-Qualified Stock Option Plan (Exhibit 10.31 to InterDigital's Quarterly Report on Form 10-Q filed on August 14, 2000).
†*10.3	Amendment to Non-Qualified Stock Option Plan, effective October 24, 2001 (Exhibit 10.6 to InterDigital's Annual Report on Form 10-K for the year ended December 31, 2001).
†*10.4	2009 Stock Incentive Plan (Exhibit 99.1 to InterDigital's Registration Statement on Form S-8 filed on June 4, 2009 (File No. 333-159743)).
†*10.5	Amendment to 2009 Stock Incentive Plan, effective as of June 12, 2013 (Exhibit 10.1 to InterDigital's Quarterly Report on Form 10-Q filed on July 26, 2013).
†*10.6	2015 Amendment to 2009 Stock Incentive Plan, effective as of June 11, 2015 (Exhibit 10.1 to InterDigital's Quarterly Report on Form 10-Q filed on July 30, 2015).
†*10.7	2009 Stock Incentive Plan, Term Sheet and Standard Terms and Conditions for Stock Options (Exhibit 10.5 to InterDigital's Current Report on Form 8-K filed on January 28, 2013).
†*10.8	2009 Stock Incentive Plan, Term Sheet and Standard Terms and Conditions for Time-Based Restricted Stock Units (Exhibit 10.3 to InterDigital's Quarterly Report on Form 10-Q filed on April 29, 2015).
†*10.9	2009 Stock Incentive Plan, Term Sheet and Standard Terms and Conditions for Performance-Based Restricted Stock Units (Exhibit 10.4 to InterDigital's Quarterly Report on Form 10-Q filed on April 29, 2015).
†*10.10	2009 Stock Incentive Plan, Term Sheet and Standard Terms and Conditions for Stock Options (Exhibit 10.5 to InterDigital's Quarterly Report on Form 10-Q filed on April 29, 2015).
†*10.11	2009 Stock Incentive Plan, Term Sheet for Restricted Stock Units (Non-Employee Directors) (Exhibit 10.3 to InterDigital's Quarterly Report on Form 10-Q filed on July 26, 2013).
†*10.12	2009 Stock Incentive Plan, Standard Terms and Conditions for Restricted Stock Units (Non-Employee Directors) (Exhibit 10.4 to InterDigital's Quarterly Report on Form 10-Q filed on July 26, 2013).
†*10.13	2017 Equity Incentive Plan (Exhibit 10.1 to InterDigital's Registration Statement on Form S-8 filed on June 15, 2017 (File No. 333-218755)).
†*10.14	2017 Equity Incentive Plan, Form of Agreement for Time-Based Restricted Stock Unit Awards (Exhibit 10.2 to InterDigital's Current Report on Form 8-K filed on June 16, 2017).
†*10.15	2017 Equity Incentive Plan, Form of Agreement for Performance-Based Restricted Stock Unit Awards (Exhibit 10.3 to InterDigital's Current Report on Form 8-K filed on June 16, 2017).
†*10.16	2017 Equity Incentive Plan, Form of Agreement for Option Awards (Exhibit 10.4 to InterDigital's Current Report on Form 8-K filed on June 16, 2017).

<u>Exhibit Number</u>	<u>Exhibit Description</u>
†*10.17	2017 Equity Incentive Plan, Form of Agreement for Restricted Stock Unit Awards to Non-Employee Directors (Exhibit 10.18 to InterDigital’s Annual Report on Form 10-K for the year ended December 31, 2017).
†*10.18	Compensation Program for Non-Management Directors (as amended March 2017) (Exhibit 10.1 to InterDigital’s Current Report on Form 8-K filed on April 3, 2017).
†*10.19	2017 Equity Incentive Plan, Form of Term Sheet for 2018 Performance-Based Restricted Stock Unit Awards (Exhibit 10.1 to InterDigital, Inc.’s Current Report on Form 8-K filed on July 9, 2018).
†*10.20	2017 Equity Incentive Plan, Form of Term Sheet for 2018 Performance-Based Stock Option Awards (Exhibit 10.2 to InterDigital, Inc.’s Current Report on Form 8-K filed on July 9, 2018).
†*10.21	2017 Equity Incentive Plan, Form of Agreement for Time-Based Restricted Stock Unit Awards (revised October 2018) (Exhibit 10.3 to InterDigital’s Quarterly Report on Form 10-Q filed on November 1, 2018).
†*10.22	2017 Equity Incentive Plan, Form of Agreement for Performance-Based Restricted Stock Unit Awards (revised October 2018) (Exhibit 10.4 to InterDigital’s Quarterly Report on Form 10-Q filed on November 1, 2018).
†*10.23	2017 Equity Incentive Plan, Form of Agreement for Stock Option Awards (revised October 2018) (Exhibit 10.5 to InterDigital’s Quarterly Report on Form 10-Q filed on November 1, 2018).
†*10.24	InterDigital Inc. Amended Executive Severance and Change in Control Policy (Exhibit 10.1 to InterDigital’s Quarterly Report on Form 10-Q filed on August 1, 2024).
†*10.25	2017 Equity Incentive Plan, Form of Term Sheet for Performance-Based Restricted Stock Unit Awards (revised July 2024).(Exhibit 10.2 to InterDigital’s Quarterly Report on Form 10-Q filed on August 1, 2024).
†*10.26	2017 Equity Incentive Plan, Form of Term Sheet for Performance-Based Stock Option Awards (revised July 2024).(Exhibit 10.3 to InterDigital’s Quarterly Report on Form 10-Q filed on August 1, 2024).
10.27	Amended Compensation Program for Non-Management Directors
*10.28	Amended and Restated Stock Ownership Guidelines for Directors and Executive Officers (Exhibit 10.28 to InterDigital’s Annual Report on Form 10-K for the year ended December 31, 2023).
*10.29	Amended and Restated Deferred Compensation Plan (Exhibit 10.29 to InterDigital’s Annual Report on Form 10-K for the year ended December 31, 2023).
Employment-Related Agreements	
†*10.30	Form of Indemnity Agreement between InterDigital and certain of its directors and executive officers (Exhibit 10.27 to InterDigital’s Annual Report on Form 10-K for the year ended December 31, 2021).
†*#10.31	Executive Agreement between InterDigital International, LLC and Eeva Hakoranta, dated June 2, 2020 (Exhibit 10.28 to InterDigital’s Annual Report on Form 10-K for the year ended December 31, 2021).
†*10.32	Offer Letter Between InterDigital and Liren Chen dated March 13, 2021 (Exhibit 10.2 to InterDigital’s Quarterly Report on Form 10-Q filed on May 6, 2021).

<u>Exhibit Number</u>	<u>Exhibit Description</u>
†*#10.33	Offer Letter between InterDigital, Inc. and Rajesh Pankaj dated June 16, 2022 (Exhibit 10.5 to InterDigital's Quarterly Report on Form 10-Q filed on August 4, 2022).
Other Material Contracts	
*10.34	Form of Convertible Note Hedge Transaction Confirmation (Exhibit 10.2 to InterDigital's Current Report on Form 8-K filed on May 27, 2022).
*10.35	Form of Warrant Transaction Confirmation (Exhibit 10.3 to InterDigital's Current Report on Form 8-K filed on May 27, 2022).
*10.36	Form of Unwind Agreement (Exhibit 10.4 to InterDigital's Form 8-K filed on May 27, 2022).
19	Insider Trading Policy
21	Subsidiaries of InterDigital.
23.1	Consent of PricewaterhouseCoopers LLP.
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
*97	Amended and Restated Clawback Policy (Exhibit 97 to InterDigital's Annual Report on Form 10-K for the year ended December 31, 2023).
101.INS	XBRL Instance Document—The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
<hr/>	
*	Incorporated by reference to the previous filing indicated.
†	Management contract or compensatory plan or arrangement.
#	Certain personally identifiable information has been omitted from this exhibit pursuant to Item 601(a)(6) under Regulation S-K.
+	This exhibit will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such exhibit will not be deemed to be incorporated by reference into any filing under the Securities Act or Securities Exchange Act, except to the extent that InterDigital, Inc. specifically incorporates it by reference.

Item 16. FORM 10-K SUMMARY.

None.

SIGNATURES

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

INTERDIGITAL, INC.

Date: February 6, 2025

By: /s/ Liren Chen
Liren Chen
President and Chief Executive Officer

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

Date: February 6, 2025

/s/ S. Douglas Hutcheson
S. Douglas Hutcheson, Chairman of the Board of Directors

Date: February 6, 2025

/s/ Derek Aberle
Derek Aberle, Director

Date: February 6, 2025

/s/ Samir Armaly
Samir Armaly, Director

Date: February 6, 2025

/s/ Joan H. Gillman
Joan H. Gillman, Director

Date: February 6, 2025

/s/ John A. Kritzmacher
John A. Kritzmacher, Director

Date: February 6, 2025

/s/ John D. Markley, Jr.
John D. Markley, Jr., Director

Date: February 6, 2025

/s/ Jean F. Rankin
Jean F. Rankin, Director

Date: February 6, 2025

/s/ Liren Chen
Liren Chen, Director, President and Chief Executive Officer
(Principal Executive Officer)

Date: February 6, 2025

/s/ Richard J. Brezski
Richard J. Brezski, Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

INTERDIGITAL, INC.

Compensation Program for Non-Management Directors

Base Annual Board Retainer:	\$65,000
Chairman of the Board:	\$75,000
Audit Committee Chair:	\$30,000
Compensation Committee Chair:	\$25,000
Investment Committee Chair:	\$15,000
Nominating and Corporate Governance Committee Chair:	\$15,000
Audit Committee Members:	\$12,000
Compensation Committee Members:	\$10,000
Investment Committee Members:	\$7,500
Nominating and Corporate Governance Committee Members:	\$7,500
Annual RSU Award:	\$200,000 of RSUs

- All cash payments and RSU grants shall be based on service for a full year¹; pro rata payments and grants shall be made for service of less than one year. Cash payments shall be made on a quarterly basis.
- This program is designed to compensate each non-management director for participating in up to ten (10) Board meetings per year and up to ten (10) meetings per year for each Committee on which the non-management director serves. Additional compensation will be paid to each non-management director for participating in meetings in excess of these thresholds, as follows:
 - Each additional Board meeting: \$4,000
 - Each additional Committee meeting: \$1,000
- In addition, non-management directors will be paid a per diem fee of \$1,000 for attendance at or participation in events, conferences or meetings, in their capacity as a director, at the request of InterDigital, Inc. senior management, *provided that* such attendance or participation requires a significant time commitment and would be considered outside of the director's typical Board and/or Committee duties. Any per diem fee payments will be subject to the approval of the Compensation Committee of the Board of Directors.
- Both cash payments and RSUs may be deferred. An election to defer must be made in the calendar year preceding the year in which services are rendered and the compensation is earned (i.e., elections to defer must be made by December 31 of each year for the deferral to apply to the next year's cash payments and/or RSU award(s)).
- The terms of this program shall be periodically reviewed by the Compensation Committee of the Board of Directors.

May 2024

¹ Full board term completion, even if less than 365 days, is considered a full year. Amendment to terms of RSU Awards to provide that vesting will occur the earlier of (i) the first anniversary of grant or (ii) the day prior to the next annual shareholder's meeting.

INTERDIGITAL, INC. INSIDER TRADING POLICY**Introduction**

The Board of Directors (the “Board”) of InterDigital, Inc. has adopted the following policy (this “Policy”) regarding trading in securities by its directors, officers, employees and consultants. This Policy is designed to promote compliance with certain securities laws and to protect the Company and you from the serious liabilities and penalties that can result from the violation of such securities laws. For purposes of this Policy, all references to the “Company” refer to InterDigital, Inc. and all of its subsidiaries.

Federal and state securities laws prohibit buying, selling or making other transfers of securities by persons who are aware of Material Nonpublic Information, as described below. These laws also prohibit persons with such information from disclosing it to others who trade. If you violate the federal insider trading laws, you may have to pay civil fines of up to three times the profit gained (or loss avoided) by such trading, as well as criminal fines of up to \$5,000,000. You also may have to serve a jail sentence of up to 20 years. In addition, the Company could also be subject to paying three times the profit gained (or loss avoided) as a result of your insider trading violations, as well as a substantial civil fine.

The Securities and Exchange Commission (“SEC”), NASDAQ and state regulators (as well as the New York State Attorney General and the Department of Justice) are very effective at detecting and pursuing insider trading cases. The SEC has successfully prosecuted cases against employees trading through foreign accounts, trading by family members and friends and trading involving only a small number of shares. Therefore, it is important that you understand the breadth of activities that constitute illegal insider trading.

You must carefully read this Policy and follow its directives at all times. Failure to adhere to this Policy or certify as to the matters contained in the attached acknowledgment form may result in immediate disciplinary measures being taken against you, including, where appropriate, termination of employment or service with the Company.

If you have any questions regarding this Policy, you should contact the Legal Department.

What is “Material Nonpublic Information?”

1. MATERIAL INFORMATION

Material information generally means information a reasonable investor would consider important in making an investment decision to purchase, sell or hold securities. Either positive or negative information may be material. Information that could reasonably be expected to affect market price, whether positively or negatively, is material. Other common examples of material information include: information concerning a potential business acquisition, internal information about revenues, earnings or other aspects of financial performance, important business developments, the acquisition or loss of a major customer, significant litigation developments, an important transaction, significant developments in research and development or relating to intellectual property, major personnel changes, such as changes in senior management or lay-offs, material cyber/security events, or major events involving the securities of the Company, such as stock repurchase programs, option repricings or changes in dividend policies. Please note that this list is merely illustrative and not exhaustive. Investigators will scrutinize a questionable trade after the fact with the benefit of hindsight, so you should always err on the side of deciding that the information is material and not trade. If you have questions regarding specific transactions, please contact the Legal Department.

2. NONPUBLIC INFORMATION

Nonpublic information is information that is not generally known or available to the public. Information is considered to be available to the public only when:

- it has been released to the public by the Company through appropriate channels (e.g., by means of a press release, SEC filing or a widely disseminated statement from a senior officer); *and*
- enough time has elapsed to permit the market to absorb and evaluate the information.

You should generally consider information to be nonpublic until one full trading day has elapsed following public disclosure. For example, if the Company makes a public announcement before the commencement of trading on a Monday (i.e., before the market opens), you will generally be permitted to commence trading in the Company's securities on the Tuesday of that week, because one full trading day would have elapsed (all of Monday). If, however, the Legal Department imposes a longer time period, you will be obligated to refrain from trading until such longer period elapses.

Trading in the Company's Securities and Securities of Other Public Companies

The Company requires compliance with the following rules and procedures with respect to transactions in the Company's securities and the securities of other public companies, as applicable. Securities not only refers to common stock, but also includes, without limitation, preferred stock, notes and other debt instruments, derivative securities, warrants, options, restricted stock units, other stock-based awards, etc. For example, any sale of Company stock that you acquire through the vesting of restricted stock or restricted stock units granted to you by the Company is governed by this Policy. In addition to such sales, references to "trading" and "transactions" in this Policy *include*, among other things:

- purchases and sales of securities in public markets;
- transfers of securities to third parties including trusts;
- sales of the Company's securities obtained through (i) the exercise of stock options (including same-day sales and cashless exercises), (ii) other stock-based awards granted by the Company or (iii) participation in a Company-sponsored employee stock purchase plan;
- elections to participate in a Company-sponsored employee stock purchase plan and subsequent changes in the amount of your periodic contributions;
- (i) any election to enroll in, or increase or decrease the percentage of your periodic contributions to, the Company's Savings and Protection Plan (the "401(k) Plan"), if such election results in a change to the dollar amount of your periodic contributions used to purchase Company securities via the Company stock fund, or (ii) any election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund;
- making gifts of the Company's securities (including charitable donations); or
- using the Company's securities to secure a loan.

Conversely, references to "trading" and "transactions" in this Policy *exclude*:

- the exercise of Company stock options or the vesting of Company restricted stock, restricted stock units or other stock-based awards if no shares are subsequently sold;
- purchases of the Company's securities through a Company-sponsored employee stock purchase plan or the Company's 401(k) Plan resulting from periodic contributions pursuant to payroll deduction elections;
- indirect purchases or sales of the Company's securities as a result of ownership in an investment account over which you have no discretion (e.g., mutual funds, ETFs).

For example, the mere vesting of restricted stock or restricted stock units granted to you by the Company does not constitute "trading" in the Company's securities and therefore is not governed by this Policy. Similarly, should you elect to have the Company withhold some shares to satisfy tax withholding obligations upon the vesting of your restricted stock or restricted stock units, the exercise of such tax withholding right also does not constitute "trading" in the Company's securities and is not governed by this Policy.

1. POLICY AGAINST INSIDER TRADING

Neither you nor anyone who lives in your household, nor any partnership in which you are a general partner, trust of which you are a trustee, estate of which you are an executor or investment fund or similar vehicle over which you exercise investment discretion may trade in the Company's securities when you are aware of Material Nonpublic Information about the Company. Without limiting the generality of the foregoing, Material Nonpublic Information shall be deemed to include knowledge of the planned and impending establishment or modification of any Company share repurchase plan or program. For purposes of this Policy, members of your household also include family members who do not live in your home but whose transactions in Company securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before trading in Company securities). This restriction extends beyond your date of employment or service with the Company; it applies to you so long as you are in possession of Material Nonpublic Information. This policy against insider trading also applies to trading in securities of other public companies. You may not trade in securities of any public company at a time when you are in possession of Material Nonpublic Information about such company.

2. BLACKOUT POLICY

No director, officer of the Company subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other person designated and notified by the Legal Department from time to time of their insider status (together with directors and officers, "Insiders") nor any member of an Insider's household may trade in the Company's securities during a Blackout Period. Blackout Periods will be determined in the sole discretion of the Legal Department. Insiders will be notified about the timing of Blackout Periods, which will generally commence on the first day of the first month of each fiscal quarter and end one (1) full trading day after the release of revenue guidance for such fiscal quarter. In addition, no director or officer of the Company subject to Section 16 of the Exchange Act may trade in the Company's securities during the four (4) trading days following the public announcement of a Company share repurchase plan or program or an increase of an existing Company share repurchase plan or program. To avoid even the appearance of impropriety, the Blackout Periods apply whether or not an Insider is, or a member of an Insider's household is, aware of Material Nonpublic Information about the Company.

3. SPECIAL BLACKOUT PERIODS

From time to time, the Company may also temporarily prohibit trading in the Company's securities due to specific developments or circumstances involving Material Nonpublic Information. In such event (a "Special Blackout Period"), the Legal Department will notify you that neither you nor any member of your household may engage in any transactions involving the Company's securities until you receive a subsequent notification that such restriction has been lifted. During a Special Blackout Period, you should not trade in the Company's securities, and you should not inform anyone within or outside the Company about the existence of the Special Blackout Period or the fact that you are prohibited from trading. There may be quarters during which the existence of Material Nonpublic Information means that you are restricted from trading and the window to trade does not open.

4. PRECLEARANCE POLICY

Insiders must request preclearance from the Legal Department to trade in the Company's securities by such Insider or by any member of such Insider's household. Executive Officers of the Company must request preclearance from the Chief Executive Officer or Chief Financial Officer, in addition to the Legal Department. Any such preclearance may be approved or denied, in the sole discretion of the Legal Department and/or the Chief Executive Officer or Chief Financial Officer and for any reason, irrespective of whether there exists any Material Nonpublic Information. If clearance to trade is approved, transactions must be executed within five (5) business days after the approval is obtained, but it may not be executed under any circumstances if the Insider is aware of Material Nonpublic Information concerning the Company or if preclearance is revoked by the Legal Department for any reason. If the transaction is not completed within the period described above, clearance to trade must be approved again before it may be executed. If clearance to trade is not approved under the

preclearance policy, the Insider should refrain from initiating any transaction in the Company's securities, and the Insider should not inform anyone within or outside the Company of the restriction.

5. REGULATION BTR BLACKOUTS

Insiders may also be subject to trading blackouts pursuant to Regulation Blackout Trading Restriction, or Regulation BTR, under U.S. federal securities laws. In general, Regulation BTR prohibits any director or executive officer from engaging in certain transactions involving Company securities during periods when 401(k) plan participants are prevented from purchasing, selling or otherwise acquiring or transferring an interest in certain securities held in individual account plans. Any profits realized from a transaction that violates Regulation BTR are recoverable by the Company, regardless of the intentions of the director or officer effecting the transaction. In addition, individuals who engage in such transactions are subject to sanction by the SEC as well as potential criminal liability.

The Company will notify directors and officers if they are subject to a blackout trading restriction under Regulation BTR. Failure to comply with an applicable trading blackout in accordance with Regulation BTR is a violation of law and this Policy.

6. PROHIBITION AGAINST TIPPING

You may not disclose Material Nonpublic Information about the Company or any other public company to another person, or suggest to another person that he or she trade, or otherwise assist another person with such a trade while you are aware of Material Nonpublic Information about the Company or another public company, as applicable. This practice, known as "tipping," also violates the securities laws and can result in the same civil and criminal penalties that apply if you were to engage in insider trading directly, even if you do not receive any money or derive any benefit from trades made by the person(s) to whom you passed Material Nonpublic Information. Accordingly, in addition to your general obligations to maintain the confidentiality of information obtained through your employment (see the discussion below captioned "Confidentiality and Communications") and to refrain from trading while in the possession of such information, you must take the utmost care not to discuss Material Nonpublic Information about the Company and its securities, as well as information about other public companies, with family members, friends or other persons. This prohibition does not restrict legitimate business communications on a "need to know" basis, where you have a basis to expect that the other person will not trade while in possession of the information.

Responding to outside inquiries for information

In the event you receive an inquiry from someone outside of the Company, such as a stock analyst, for information, you should refer the inquiry to the Legal Department or the Company's Investor Relations Department. The Company is required under Regulation FD (Fair Disclosure) of the U.S. federal securities laws to avoid the selective disclosure of Material Nonpublic Information. In general, the regulation provides that when a public company discloses Material Nonpublic Information, it must provide broad, non-exclusionary access to the information. Violations of this regulation can subject the company to SEC enforcement actions, which may result in injunctions and severe monetary penalties. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release in compliance with applicable law.

7. PROHIBITION AGAINST SPECULATIVE TRANSACTIONS, HEDGING, PLEDGING AND TRADING ON MARGIN

It is against Company policy for you to engage in speculative transactions in Company securities. As such, it is against Company policy for you to trade in puts or calls in the Company's securities or to sell Company securities short. You are also prohibited from day trading in the Company's securities. For purposes of this Policy, "day trading" means any market sale followed by a market purchase, or vice versa, of Company securities

within fourteen (14) days (excluding an exercise of Company-granted stock options and purchases and sales under the 401(k) Plan).

Because certain forms of hedging transactions, such as zero cost collars and forward sale contracts, in certain instances involve the establishment of a short position (or an equivalent position) in Company securities and limit or eliminate the ability to profit from an increase in, or limit or eliminate exposure to a decrease in, the value of Company securities, you are prohibited from engaging in any hedging transactions involving Company securities.

Additionally, because securities held on margin (or margined) or pledged as collateral may be sold without your consent if you fail to meet a margin call or if you default on a loan, a margin or foreclosure sale may result in unlawful insider trading. Because of this danger, you must consult with the Company's Chief Legal Officer with regard to including Company securities in a margin account or pledging Company securities as collateral for a loan.

Pearranged Trading Plans

The SEC has adopted Rule 10b5-1(c) under the Exchange Act, which provides for an affirmative defense against insider trading liability if trades occur pursuant to a pearranged trading plan that meets specified conditions. The Company authorizes the use of such pearranged trading plans by Insiders and others under certain conditions. Only transactions made by an Insider pursuant to a trading plan that (i) meets the requirements set forth below and (ii) has been approved by the Company's Legal Department (each such trading plan that meets the foregoing requirements, an "Approved Plan") are eligible for exemption from the policies set forth above regarding trading in the Company's securities. Insiders should recognize, however, that transactions made pursuant to an Approved Plan do not eliminate the risk that an Insider may be sued by a shareholder or have an action brought against the Insider by the SEC or a state authority under insider trading laws. An Approved Plan will merely provide an Insider with an affirmative defense to such claims and an exemption from the policies set forth above relating to trading in the Company's securities. Moreover, while Approved Plans are subject to review and approval by the Company, the Insider or individual using the Approved Plan is ultimately responsible for compliance with Rule 10b5-1 and ensuring that the Approved Plan complies with applicable securities laws including Rule 10b-5.

To establish an Approved Plan, an Insider must, at a time when the Insider does not possess Material Nonpublic Information and that is not a Blackout Period or Special Blackout Period, and when acting in good faith and not as a part of a scheme to evade the federal insider trading laws:

- enter into a binding contract to purchase or sell securities;
- instruct another person to purchase or sell securities for the Insider's account; or
- adopt a written plan for trading securities.

Furthermore, such contract, instruction or plan must:

- specify the amount of securities to be purchased or sold and the price at which and the date on which the securities are to be purchased or sold or include a written formula or algorithm for determining the amount of securities to be purchased or sold and the price at which and the date on which the securities are to be purchased or sold; and
- not permit any subsequent influence by the Insider over how, when or whether to effect purchases or sales and require that any third person who does exercise such influence not be aware of any Material Nonpublic Information when doing so.

In addition, please be advised that many brokers executing Approved Plans require that a certain period of time elapse between entry into or modification of the plan and the first transaction(s) under the plan. Additionally, while transactions effected under an Approved Plan are exempt from the policies set forth above regarding trading in the Company's securities, such transactions must nonetheless be made in accordance with applicable securities laws, including Rule 144 and Section 16 of the Exchange Act, as applicable.

The Company may publicly disclose information regarding trading plans that you may enter. Approved Plans may be modified or suspended only with the approval of the Legal Department. Under no circumstances may an Insider modify or suspend an Approved Plan at a time when the Insider is aware of Material Nonpublic Information.

The Company shall have the right to require cessation of transactions effected pursuant to an Approved Plan at certain times.

Confidentiality and Communications

Serious problems for the Company could result from any unauthorized disclosure of internal information about the Company or confidential information about our customers, prospective customers, partners or vendors, or entities similarly situated, whether or not for the purpose of facilitating improper trading in the Company's securities. Consequently, you are hereby reminded of your obligations relating to confidentiality and communications under the Company's Code of Ethics.

Consequence of Violation of this Policy

The Company considers strict compliance with this Policy to be a matter of the utmost importance. Violation of this Policy could cause legal liability and other adverse consequences for you and the Company. Violations of this Policy will be considered by the Company as grounds for immediate dismissal from the Company or other disciplinary action. Violations of this Policy might also expose you to severe criminal penalties as well as civil liability under the federal and state securities laws, as discussed above.

Warning Regarding Possible Inability to Sell

Trading in the Company's securities will be prohibited from time to time pursuant to Blackout Periods, Special Blackout Periods, because of the existence of Material Nonpublic Information and/or for any other reason, in the sole discretion of the Legal Department and/or the Chief Executive Officer or Chief Financial Officer. Anyone purchasing the Company's securities must consider the inherent risk that the sale of securities could be prohibited at a time when you desire to sell such securities. The next opportunity to sell might not occur until after an extended period, during which the market price of the securities might decline. As discussed above, you may continue to be subject to the restrictions of this Policy even following your separation from the Company.

Resolving Doubts

If you have any doubt as to your responsibilities under this Policy, seek clarification and guidance from the Legal Department before you act. Do not try to resolve uncertainties on your own.

Effective Date

This Policy shall be effective immediately. This Policy is subject to amendment by the Company's Chief Legal Officer at any time, provided that the Board will be apprised of any material changes at the next regular Board meeting following any such change.

Amended as of May 23, 2023

SUBSIDIARIES OF INTERDIGITAL, INC.

<u>Subsidiary</u>	<u>Jurisdiction / State of Incorporation or Organization</u>
DRNC Holdings, Inc.	Delaware
InterDigital Administrative Solutions, Inc.	Pennsylvania
InterDigital Belgium, LLC	Delaware
InterDigital Canada Ltee.	Delaware
InterDigital Capital, Inc.	Delaware
InterDigital CE Intermediate, SAS	France
InterDigital CE Patent Holdings, SAS	France
InterDigital Charitable Foundation, Inc.	Delaware
InterDigital Communications, Inc.	Delaware
InterDigital Europe, Ltd.	United Kingdom
InterDigital Finland Oy	Finland
InterDigital Germany GmbH	Germany
InterDigital Holdings, Inc.	Delaware
InterDigital Madison Patent Holdings, SAS	France
InterDigital Patent Holdings, Inc.	Delaware
InterDigital Technologies (Beijing) co., Ltd.	China
InterDigital VC Holdings, Inc.	Delaware
InterDigital Wireless, Inc.	Pennsylvania
NexStar Capital, LLC	Delaware
NexStar Partners GP, L.P.	Delaware
NexStar Partners, L.P.	Delaware
NexStar Strategic Investments, LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-279054 and 333-218755) of InterDigital, Inc. of our report dated February 6, 2025 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
February 6, 2025

CERTIFICATIONS

I, Liren Chen, certify that:

1. I have reviewed this Annual Report on Form 10-K of InterDigital, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2025

/s/ Liren Chen

Liren Chen
President and Chief Executive Officer

CERTIFICATIONS

I, Richard J. Brezski, certify that:

1. I have reviewed this Annual Report on Form 10-K of InterDigital, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2025

/s/ Richard J. Brezski

Richard J. Brezski
Chief Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Annual Report on Form 10-K of InterDigital, Inc. (the “Company”) for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Liren Chen, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 6, 2025

/s/ Liren Chen

Liren Chen
President and Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Annual Report on Form 10-K of InterDigital, Inc. (the “Company”) for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Richard J. Brezski, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 6, 2025

/s/ Richard J. Brezski

Richard J. Brezski
Chief Financial Officer

[THIS PAGE INTENTIONALLY LEFT BLANK]



InterDigital, Inc.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held June 11, 2025

TO THE SHAREHOLDERS OF INTERDIGITAL, INC.:

We are pleased to invite you to attend our 2025 annual meeting of shareholders, which will be held on Wednesday, June 11, 2025, at 2:00 PM Eastern Time. This year's annual meeting will be held as a virtual meeting. You will be able to attend and participate in the annual meeting online via a live webcast by visiting www.virtualshareholdermeeting.com/IDCC2025. In addition to voting by submitting your proxy prior to the annual meeting, you also will be able to vote your shares electronically during the annual meeting. Further details regarding the virtual meeting are included in the accompanying proxy statement. At the annual meeting, the holders of our outstanding common stock will act on the following matters:

1. Election of the eight director nominees named in the proxy statement, each for a term of one year;
2. Adoption and approval of our 2025 Equity Incentive Plan;
3. Advisory resolution to approve executive compensation;
4. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2025; and
5. Such other business as may properly come before the annual meeting.

We are pleased to be using the Securities and Exchange Commission rules that allow companies to furnish proxy materials to their shareholders primarily over the Internet. We believe that this process expedites shareholders' receipt of the proxy materials, lowers the costs of the annual meeting and helps to conserve natural resources. We also believe that hosting a virtual meeting enables participation by more of our shareholders in our annual meeting while lowering the cost of conducting the meeting. Shareholders attending the virtual meeting will be afforded substantially the same rights and opportunities to participate as they would at an in-person meeting. On or about April 25, 2025, we began mailing our shareholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access our 2025 proxy statement and 2024 annual report, and how to vote online. The Notice also includes instructions on how to request a paper copy of the proxy materials, including the notice of annual meeting, 2025 proxy statement, 2024 annual report and proxy card.

All holders of record of shares of our common stock (Nasdaq: IDCC) at the close of business on April 16, 2025 are entitled to vote at the annual meeting and at any postponements or adjournments of the annual meeting. Your vote is important. Regardless of whether you plan to attend the annual meeting, please cast your vote as instructed in the Notice as promptly as possible. Alternatively, if you wish to receive paper copies of your proxy materials, including the proxy card, please follow the instructions in the Notice. Once you receive paper copies of your proxy materials, please complete, sign, date and promptly return the proxy card in the postage-prepaid return envelope provided, or follow the instructions set forth on the proxy card to vote your shares over the Internet or by telephone. Your prompt response is necessary to ensure that your shares are represented at the annual meeting. Voting by Internet, telephone or mail will not affect your right to vote at the annual meeting if you decide to attend the virtual meeting through www.virtualshareholdermeeting.com/IDCC2025. If you are a shareholder who holds stock in a brokerage account (a "street name" holder), you will receive instructions from the holder of record, which you must follow in order for your shares to be voted. Certain of these institutions offer Internet and telephone voting.

IF YOU PLAN TO ATTEND THE ANNUAL MEETING:

The annual meeting will be held as a virtual meeting and begin promptly at 2:00 PM Eastern Time. In order to attend and participate in the annual meeting, you will need to visit www.virtualshareholdermeeting.com/IDCC2025 and follow the instructions that are included in the Notice, on your proxy card or in the voting instructions accompanying your proxy materials. You will also need the 16-digit control number provided therein. Online check-in will begin at 1:30 PM Eastern Time. Please allow sufficient time to complete the online check-in process.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read 'Joshua D. Schmidt', written over a white background.

JOSHUA D. SCHMIDT
Chief Legal Officer and Corporate Secretary

April 25, 2025
Wilmington, Delaware

TABLE OF CONTENTS

	<u>Page</u>
INTERNET AVAILABILITY OF PROXY MATERIALS	3
ABOUT THE ANNUAL MEETING AND VOTING	3
GOVERNANCE OF THE COMPANY	8
Business Conduct	8
Director Independence	8
Board Leadership	9
Board Oversight of Risk	9
Board Structure and Committee Membership	9
Board Self-Evaluation Process	15
Communications with the Board	15
Communications About Accounting Matters	15
DIRECTOR COMPENSATION	16
2024 Director Compensation Table	17
PROPOSALS TO BE VOTED ON	19
Election of Directors	19
Adoption and Approval of 2025 Equity Incentive Plan	23
Advisory Resolution to Approve Executive Compensation	34
Ratification of Appointment of Independent Registered Public Accounting Firm	35
REPORT OF THE AUDIT COMMITTEE	37
EXECUTIVE OFFICERS	38
EXECUTIVE COMPENSATION	40
Compensation Discussion and Analysis	40
Human Capital Committee Report	54
Summary Compensation Table	55
Grants of Plan Based Awards in 2024	57
Outstanding Equity Awards at 2024 Fiscal Year End	59
Option Exercises and Stock Vested in 2024	61
Nonqualified Deferred Compensation	61
Potential Payments upon Termination or Change in Control	63
Pay Versus Performance	69
Chief Executive Officer Pay Ratio	74
EQUITY COMPENSATION PLAN INFORMATION	75
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	76
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	78
DELINQUENT SECTION 16(A) REPORTS	79
OTHER MATTERS	80
Shareholder Proposals	80
Proxy Solicitation Costs and Potential Savings	80
Annual Report on Form 10-K	81
Other Business	81
APPENDIX A	A-1
APPENDIX B	B-1

INTERDIGITAL, INC.
200 Bellevue Parkway, Suite 300
Wilmington, Delaware 19809-3727

PROXY STATEMENT

This proxy statement contains information relating to our annual meeting of shareholders to be held on Wednesday, June 11, 2025, at 2:00 PM Eastern Time, and at any postponements or adjournments thereof. This year's annual meeting of shareholders will be held as a virtual meeting. Shareholders attending the virtual meeting will be afforded the same rights and opportunities to participate as they would at an in-person meeting. You will be able to attend and participate in the annual meeting online via a live webcast by visiting www.virtualshareholdermeeting.com/IDCC2025. In addition to voting by submitting your proxy prior to the annual meeting, you also will be able to vote your shares electronically during the annual meeting. Your proxy for the annual meeting is being solicited by our Board of Directors (the "Board").

INTERNET AVAILABILITY OF PROXY MATERIALS

As permitted by Securities and Exchange Commission ("SEC") rules, we are making this proxy statement and our annual report available to our shareholders primarily via the Internet, rather than mailing printed copies of these materials to each shareholder. We believe that this process will expedite shareholders' receipt of the proxy materials, lower the costs of the annual meeting and help to conserve natural resources. On or about April 25, 2025, we began mailing to each shareholder (other than those who previously requested electronic delivery of all materials or previously elected to receive delivery of a paper copy of the proxy materials) a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access and review the proxy materials, including our proxy statement and our annual report, on the Internet and how to access an electronic proxy card to vote on the Internet or by telephone. The Notice also contains instructions on how to receive a paper copy of the proxy materials. If you receive the Notice by mail, you will not receive a printed copy of the proxy materials unless you request one. If you receive the Notice by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders
to be Held on June 11, 2025:**
The Notice of Meeting and Proxy Statement and 2024 Annual Report are available at
<http://ir.interdigital.com/FinancialDocs>.

ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At our annual meeting, shareholders will act upon the matters outlined in the Notice provided with this proxy statement, including the election of directors, the approval of the 2025 Equity Incentive Plan, the advisory resolution to approve executive compensation, the ratification of the appointment of our independent registered public accounting firm, and such other business as may properly come before the annual meeting.

Who may attend the annual meeting?

You are entitled to participate in the annual meeting only if you were a shareholder of record as of the close of business on April 16, 2025 or if you hold a valid proxy for the annual meeting. As noted above, this year's annual meeting will be held as a virtual meeting that you may attend online via a live webcast by visiting www.virtualshareholdermeeting.com/IDCC2025. Shareholders attending the virtual meeting will be afforded the same rights and opportunities to participate as they would at an in-person meeting.

In order to attend and participate in the annual meeting, you will need to visit www.virtualshareholdermeeting.com/IDCC2025 and follow the instructions that are included in the Notice, on your proxy card or in the instructions accompanying your proxy materials. You will be required to complete an online check-in process, for which you will need the 16-digit control number provided on your Notice, your proxy card or the instructions accompanying your proxy materials. If you do not have your control number, you will not be able to join the annual meeting, vote at the annual meeting or ask questions. Online check-in will begin at 1:30 PM Eastern Time, and the annual meeting will begin promptly at 2:00 PM Eastern Time. Please allow sufficient time to complete the online check-in process.

Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership and how to obtain any information you may need, are posted at www.virtualshareholdermeeting.com/IDCC2025.

Who is entitled to vote at the annual meeting?

Only shareholders of record at the close of business on April 16, 2025, the record date, are entitled to receive notice of, and to vote at, the annual meeting. If you were a shareholder on that date, you will be entitled to vote all of the shares of common stock that you held on that date at the annual meeting, or any postponements or adjournments of the annual meeting. There were 25,952,236 shares of our common stock outstanding on the record date.

What are the voting rights of the holders of the company's common stock?

Each share of our common stock outstanding on the record date will be entitled to one vote on each director nominee and one vote on each other matter considered at the annual meeting.

What constitutes a quorum?

A quorum is the minimum number of our shares of common stock that must be represented at a duly called meeting, which includes participation by electronic means such as a live webcast, or by proxy in order to conduct business legally at such meeting. For the annual meeting, the presence, live at the meeting or by proxy, of the holders of a majority of the shares entitled to vote will be considered a quorum. If you are a registered shareholder, voting by Internet or telephone or, if you requested a paper copy of the proxy materials, by mail, or attendance at the annual meeting, will cause you to be counted in the determination of a quorum. If you are a street name shareholder, your broker or other nominee will vote your shares pursuant to your instructions, and such shares will count in the determination of a quorum. If you do not provide any specific voting instructions to your broker or other nominee, your shares will still count for purposes of attaining a quorum, so long as you provide voting instructions for at least one matter or your broker or other nominee votes with respect to a matter for which they do not require your instructions, such as the ratification of the appointment of our independent registered public accounting firm.

How do I vote?

If you are a registered shareholder, you may vote by Internet or telephone by following the instructions in the Notice. If you requested a paper copy of the proxy materials, you also may submit your proxy by mail by following the instructions included with your proxy card. The deadline for submitting your proxy by Internet or telephone is 11:59 PM Eastern Time on June 10, 2025. The designated proxy will vote according to your instructions. If you attend the live webcast of the annual meeting, you also will be able to vote your shares electronically at the meeting up until the time the polls are closed.

If you are a street name holder, your broker or nominee firm is the legal, registered owner of the shares, and it may provide you with a Notice. Follow the instructions on the Notice to access our proxy materials and vote or to request a paper or email copy of our proxy materials. If you receive these materials in paper form, the

materials include a voting instruction card so that you can instruct your broker or nominee how to vote your shares. Please check your Notice or voting instruction card or contact your broker or other nominee to determine whether you will be able to deliver your voting instructions by Internet or telephone in advance of the meeting and whether, if you attend the live webcast of the annual meeting, you will be able to vote your shares electronically at the meeting up until the time the polls are closed.

If you own shares through a retirement or savings plan or other similar plan, you may submit your voting instructions by Internet, telephone or mail by following the instructions included with your voting instruction card. The deadline for submitting your voting instructions by Internet or telephone is 11:59 PM Eastern Time on June 8, 2025. The trustee or administrator of the plan will vote according to your instructions and the rules of the plan.

If you sign and submit your proxy without specifying how you would like your shares voted, your shares will be voted in accordance with the Board's recommendations specified below under "What are the Board's recommendations?" and in accordance with the discretion of the proxy holders with respect to any other matters that may be voted upon at the annual meeting.

Even if you plan to attend the annual meeting, we recommend that you also submit your proxy card or vote by Internet or telephone by the applicable deadline so that your vote will be counted if you later decide not to attend the meeting.

Can I change my vote after I return my proxy or voting instruction card?

If you are a registered shareholder, you may revoke or change your vote at any time before the proxy is voted by filing with our Corporate Secretary either a written notice of revocation or a duly executed proxy bearing a later date. If you attend the live webcast of the annual meeting, you may revoke your proxy or change your proxy vote by voting electronically at the meeting. Your attendance at the annual meeting will not by itself revoke a previously granted proxy.

If your shares are held in street name or you hold shares through a retirement or savings plan or other similar plan, please check your voting instruction card or contact your broker, nominee, trustee or administrator to determine whether you will be able to revoke or change your vote.

Will my vote be confidential?

It is our policy to maintain the confidentiality of proxy cards, ballots and voting tabulations that identify individual shareholders except as might be necessary to meet any applicable legal requirements and, in the case of any contested proxy solicitation, as might be necessary to allow proper parties to verify proxies presented by any person and the results of the voting.

What are the Board's recommendations?

The Board recommends that you vote:

- ***For*** election of each of the director nominees named in this proxy statement (see Proposal 1);
- ***For*** the adoption and approval of our 2025 Equity Incentive Plan; (see Proposal 2);
- ***For*** the advisory resolution to approve executive compensation (see Proposal 3); and
- ***For*** ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2025 (see Proposal 4).

What vote is required to approve each proposal?

Election of directors. We have adopted majority voting in uncontested director elections. Accordingly, under our articles of incorporation and bylaws, director nominees must receive the affirmative vote of a majority of the votes cast in order to be elected. A majority of the votes cast means that the number of votes cast “for” a director nominee must exceed the number of votes cast “against” that nominee. Abstentions, while included for purposes of attaining a quorum, will have no effect on the outcome of director elections. Under Pennsylvania law and our articles of incorporation and bylaws, an incumbent director who does not receive the votes required to be re-elected remains in office until his or her successor is elected and qualified, thereby continuing as a “holdover” director. Under the director resignation policy in our corporate governance principles, a director who is not re-elected must tender his or her resignation to the Nominating and Corporate Governance Committee of the Board, which will make a recommendation to the Board as to whether or not the resignation offer should be accepted. In deciding whether to accept the resignation offer, the Board will consider the recommendation of the Nominating and Corporate Governance Committee as well as any additional information and factors that the Board believes to be relevant. The Board will act on the Nominating and Corporate Governance Committee’s recommendation within ninety (90) days following certification of the election results.

Adoption and approval of the 2025 Equity Incentive Plan. The affirmative vote of a majority of the votes cast is required for approval. Abstentions, while included for purposes of attaining a quorum, will have no effect on the outcome of the proposal.

Advisory resolution to approve executive compensation. The affirmative vote of a majority of the votes cast is required for approval. Because the vote is advisory, it will not be binding on the Board or the company. Abstentions, while included for purposes of attaining a quorum, will have no effect on the outcome of the proposal.

Ratification of the appointment of PricewaterhouseCoopers LLP. The affirmative vote of a majority of the votes cast is required for ratification. Abstentions, while included for purposes of attaining a quorum, will have no effect on the outcome of the proposal. Ratification of the appointment of our independent registered public accounting firm is not legally required. The Board asks shareholders to ratify the appointment as a matter of good corporate governance. If shareholders do not ratify the appointment, the Audit Committee of the Board will consider whether it is appropriate to select another independent registered public accounting firm in future years.

What is a “broker non-vote”?

If you hold your shares in street name through a broker or other nominee, your broker or nominee may not be permitted to exercise voting discretion with respect to non-routine matters if you do not provide voting instructions. “Broker non-votes” are shares held in street name by a broker or nominee that is present or represented by proxy at a shareholders’ meeting to vote, but for which the beneficial owner has not provided the record holder with instructions on how to vote on a non-routine matter. For the annual meeting, if you do not provide specific voting instructions, your broker or nominee may not exercise voting discretion with respect to Proposal 1, the election of directors, Proposal 2, the adoption and approval of the 2025 Equity Incentive Plan or Proposal 3, the advisory vote on executive compensation. If you do not provide specific voting instructions, your broker or nominee may exercise voting discretion with respect to Proposal 4, the ratification of the appointment of the company’s independent registered public accounting firm. Therefore, we do not expect any broker non-votes to occur for Proposal 4, but broker-non-votes may occur for Proposals 1, 2 and 3. Broker non-votes will be counted for the purposes of calculating whether a quorum is present at the annual meeting but will have no effect on the outcome of the vote.

How do I ask questions at the annual meeting?

We have designed the virtual annual meeting to provide substantially the same opportunities to participate as shareholders would have at an in-person meeting. The virtual annual meeting format allows shareholders to

communicate with the company during the annual meeting so they can ask questions of our management and Board, as appropriate. If you wish to submit a question during the annual meeting, you may do so by logging into the virtual meeting platform at www.virtualshareholdermeeting.com/IDCC2025, typing your question into the “Ask a Question” field and clicking “Submit.”

We reserve the right to exclude questions regarding topics that are not pertinent to meeting matters or company business or are inappropriate. If we receive substantially similar questions, we may group such questions together and provide a single response to avoid repetition. Any questions that are appropriate and pertinent to the annual meeting will be answered in the live Q&A session during the annual meeting, subject to time constraints. Any such questions that cannot be answered during the annual meeting due to time constraints will be posted and answered on our Investor Relations website, <http://ir.interdigital.com>, as soon as practicable after the annual meeting.

Additional information regarding the ability of shareholders to ask questions during the annual meeting, related rules of conduct, and other materials for the annual meeting will be available during the annual meeting at www.virtualshareholdermeeting.com/IDCC2025.

How do I access technical support during the annual meeting?

If you encounter any difficulties accessing the virtual annual meeting during the check-in or meeting time, please call the technical support number that will be posted on the virtual meeting login page for assistance. Technical support will be available beginning approximately 15 minutes prior to the start of the annual meeting through its conclusion. Additional information regarding matters addressing technical and logistical issues, including technical support during the annual meeting, will be available at www.virtualshareholdermeeting.com/IDCC2025. The virtual annual meeting platform is fully supported across browsers (Edge, Firefox, Chrome, and Safari) and devices (desktops, laptops, tablets, and smartphones) running the most updated version of applicable software and plugins. You should ensure that you have a strong internet connection if you intend to attend and/or participate in the annual meeting.

GOVERNANCE OF THE COMPANY

Where can I find information about the governance of the company?

The company has adopted corporate governance principles that, along with the charters of each of the Board committees, provide the framework for the governance of the company. The Nominating and Corporate Governance Committee is responsible for annually reviewing the principles and recommending any proposed changes to the Board for approval. A copy of our corporate governance principles is posted on the Investor Relations page of our corporate website along with the charters of each of our Board committees and other information about our governance practices. We will provide to any person without charge a copy of any of these documents upon written request to our Corporate Secretary at our principal executive offices: InterDigital, Inc., 200 Bellevue Parkway, Suite 300, Wilmington, Delaware 19809-3727.

Business Conduct

Does the company have a code of ethics?

We have adopted a Code of Ethics that applies to all directors, officers, employees and consultants, including our principal executive, financial and accounting officers or persons performing similar functions. The Audit Committee is responsible for annually reviewing the Code of Ethics and recommending any proposed changes to the Board for approval. A copy of our Code of Ethics is available on the Investor Relations page of our corporate website. We intend to disclose future amendments to certain provisions of the Code of Ethics, or any waiver of such provisions granted to executive officers and directors, on the website within four business days following the date of such amendment or waiver. We will provide to any person without charge a copy of our Code of Ethics upon written request to our Corporate Secretary at InterDigital, Inc., 200 Bellevue Parkway, Suite 300, Wilmington, Delaware 19809-3727.

Does the company have a policy governing insider trading?

We have adopted an insider trading policy which governs the purchase, sale and/or other dispositions of our securities by our directors, officers, employees and consultants that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. In addition, this policy prohibits directors, officers, employees and consultants of the company from engaging in any hedging transactions involving company stock. We have also implemented processes for the company that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. A copy of our insider trading policy was filed as Exhibit 19 to our Annual Report on Form 10-K for the year ended December 31, 2024.

Director Independence

Which directors are considered independent, and how does the Board determine their independence?

Each year, prior to the annual meeting of shareholders, the Board reviews and assesses the independence of its directors and makes a determination as to the independence of each director. During this review, the Board considers transactions and relationships between each director or any member of his or her immediate family and our company and its subsidiaries and affiliates. As a result of these reviews, the Board affirmatively determined that each of Mses. Joan H. Gillman and Jean F. Rankin, Messrs. Derek K. Aberle, Samir Armaly, S. Douglas Hutcheson, John A. Kritzmacher and John D. Markley, Jr. are “independent” under applicable SEC rules and listing standards of the Nasdaq Stock Market.

Board Leadership

Who is the Chairman of the Board, and are the positions of Chairman of the Board and Chief Executive Officer separated?

Mr. Hutcheson, who is an independent director, has served as Chairman of the Board since June 2015. The Board has a general policy that the positions of Chairman of the Board and Chief Executive Officer should be held by separate persons as an aid in the Board's oversight of management. This policy is affirmed in the Board's published corporate governance principles, which mandate that the Chairman of the Board be an independent director. The Board believes that this leadership structure is appropriate for the company at this time because of the advantages of having an independent chairman for matters such as communications and relations between the Board and the Chief Executive Officer and other senior management, reaching consensus on company strategies and policies, and facilitating robust Board, committee and Chief Executive Officer evaluation processes. The Board periodically reviews its leadership structure to determine whether it is appropriate given the specific characteristics and circumstances of the company.

Board Oversight of Risk

What is the Board's role in risk oversight?

The Board is responsible for overseeing the major risks facing the company and the company's enterprise risk management ("ERM") efforts. The Board has delegated to the Audit Committee primary responsibility for overseeing and monitoring these efforts. Under its charter, the Audit Committee is responsible for discussing with management and the company's independent registered public accounting firm significant risks and exposures relating to the company's quarterly and annual financial statements and assessing management's steps to mitigate them, and for reviewing corporate insurance coverage and other risk management programs, including those related to cybersecurity, information and technology security and data privacy related risks. At least quarterly, the Audit Committee receives presentations and reports directly from the company's Chief Legal Officer, who leads the company's day-to-day ERM efforts. The Audit Committee briefs the Board on the company's ERM activities as part of its regular reports to the Board on the activities of the committee, and the Chief Legal Officer also periodically delivers presentations and reports to the full Board as appropriate. Additionally, the Audit, Finance and Human Capital Committees are responsible for overseeing specific risks that have been delegated to such committees and receive quarterly updates from the management team on such risks.

Board Structure and Committee Membership

What is the size of the Board, and how often are directors elected?

The Board currently has eight directors. All directors are subject to election for one-year terms at each annual meeting of shareholders.

How often did the Board meet during 2024?

The Board met four times during 2024. Each director is expected to attend each meeting of the Board and those committees on which he or she serves. Each director attended at least 75% of the aggregate of all Board meetings and meetings of committees on which the director served during 2024. We typically schedule one of the meetings of the Board on the day immediately preceding or following our annual meeting of shareholders, and it is the policy of the Board that directors are expected to attend our annual meeting of shareholders absent unusual circumstances. All eight of our directors attended the 2024 annual meeting of shareholders.

What are the roles of the primary Board committees?

The Board has standing Audit, Human Capital (formerly Compensation), Finance, and Nominating and Corporate Governance Committees. The Board also forms additional standing or ad hoc committees from time to

time. Each of the Audit, Human Capital, and Nominating and Corporate Governance Committees is composed entirely of independent directors, as determined by the Board in accordance with applicable SEC rules and listing standards of the Nasdaq Stock Market. Mr. Chen does not serve on any of the committees but generally attends each committee meeting. Each of the Board committees operates under a written charter that has been approved by the Board. The following table provides information about the current membership of the committees and the number of meetings each committee held in 2024.

<u>Name</u>	<u>Audit Committee</u>	<u>Human Capital Committee</u>	<u>Nominating and Corporate Governance Committee</u>	<u>Finance Committee</u>
Samir Armaly	X		X	
Derek K. Aberle		X		X
Joan H. Gillman	X			Chair
S. Douglas Hutcheson		X		X
John A. Kritzmacher	Chair		X	
John D. Markley, Jr.		X	Chair	
Jean F. Rankin		Chair	X	
Number of Meetings in 2024	9	5	4	4

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the company's corporate accounting, financial reporting practices, audits of its financial statements and compliance with applicable requirements regarding the maintenance of accurate books and records. Among other things, the committee:

- Reviews the company's annual and quarterly financial statements and discusses them with management and the company's independent registered public accounting firm;
- Appoints, compensates, retains, evaluates, oversees the work of (including resolution of disagreements between management and the company's independent registered public accounting firm regarding financial reporting) and, if deemed appropriate, replaces the company's independent registered public accounting firm;
- Reviews and discusses the company's practices with respect to risk assessment and risk management, including but not limited to the specific risks associated with the matters set forth for Audit Committee oversight in the committee's charter, and discusses with management and the company's independent registered public accounting firm significant risks and exposures and assesses management's steps to minimize them;
- Receives from the company's independent registered public accounting firm reports required by applicable SEC rules and professional standards, including reviewing and discussing with the company's independent registered public accounting firm the matters required to be discussed under applicable requirements of the Public Company Accounting Oversight Board and the SEC;
- Reviews the adequacy and effectiveness of the company's system of internal control over financial reporting and disclosure controls and procedures;
- Reviews and approves, at least annually, the management, scope, plans, budget, staffing and relevant processes and programs of the company's internal audit function;
- Establishes and oversees procedures for receiving and handling reports of potential misconduct, including violations of law or the company's Code of Ethics and complaints received by the company regarding accounting, internal accounting controls, auditing or federal securities law matters and the confidential, anonymous submission by the company's employees of concerns regarding questionable accounting, auditing or federal securities law matters;

- Oversees the company's other compliance policies and programs, including the implementation and effectiveness of the company's Code of Ethics;
- Oversees the company's compliance with data privacy rules and regulations;
- Oversees and reviews the company's cybersecurity, information and technology security and data privacy frameworks, policies, programs, opportunities, and risk profile; and the company's business continuity and disaster recovery plans and capabilities and the effectiveness of the company's escalation procedures;
- Oversees and monitors the company's ERM efforts; and
- Reviews and provides guidance to the Board with respect to tax planning, corporate insurance coverage and implementation of new or revised accounting or auditing standards or regulatory changes.

All of the Audit Committee members are financially literate. The Board has determined that three of its members (Messrs. Hutcheson, Kritzmacher and Markley), including one of the current members of the Audit Committee (Mr. Kritzmacher), qualify as "audit committee financial experts" within the meaning of applicable SEC regulations and thereby meet the "financial sophistication" requirements of the Nasdaq listing rules. Mr. Kritzmacher acquired his expertise primarily through his prior experience as a chief financial officer of a publicly traded company.

The Audit Committee's charter is available on the Investors section of our website at <http://ir.interdigital.com> under the heading "Governance – Committee Charters".

Human Capital Committee

The Human Capital Committee assists the Board in discharging its responsibilities relating to the compensation of the Chief Executive Officer and other executive officers, develops, reviews and approves the principles guiding the company's compensation policies, oversees the company's compensation-related policies and programs and the level of awards to employees, and assists the Board and the Chairman of the Board in succession planning. Among other things, the committee:

- Reviews and approves the corporate goals and objectives relevant to the compensation of the company's Chief Executive Officer and other executive officers, evaluates their performance in light of such goals and objectives and, based on its evaluations and appropriate recommendations, reviews and approves the compensation of the Chief Executive Officer and other executive officers, including approving the grant of equity awards, each on an annual basis;
- Assists the Board in developing and evaluating potential candidates for executive positions and oversees and annually reviews the development of executive succession plans;
- Reviews and discusses with management the Compensation Discussion and Analysis required by SEC rules, recommends to the Board whether the Compensation Discussion and Analysis should be included in the company's annual report and proxy statement and oversees the preparation of the Human Capital Committee report required by SEC rules for inclusion in the company's annual report and proxy statement;
- Assesses the results of the company's most recent advisory vote on executive compensation, and considers and recommends to the Board the frequency of the company's advisory vote on executive compensation;
- Reviews periodically compensation for non-employee directors of the company and recommends changes to the Board as appropriate;
- Reviews and approves compensation packages for new executive officers and severance packages for executive officers whose employment terminates with the company;

- Reviews and makes recommendations to the Board with respect to the adoption or amendment of incentive and other equity-based compensation plans;
- Administers the company's equity incentive plans;
- Reviews periodically, revises as appropriate, and monitors compliance by directors and executive officers with, the company's stock ownership guidelines;
- Assists the Board in its oversight of the company's policies and strategies relating to culture and human capital management; reviews and discusses with management the company's disclosure of such activities in its annual report and proxy statement;
- Reviews and considers compensation policies and/or practices as they relate to risk management practices and/or incentives that enhance risk-taking, as the committee determines to be appropriate;
- Establishes, oversees the implementation of and periodically reviews policies concerning the recoupment of incentive compensation for executive officers and senior management, and makes determinations thereunder as appropriate; and
- Is directly responsible for the appointment, compensation and oversight of the work of any consultants and other advisors retained by the committee, and assesses the independence of any consultants and other advisors (whether retained by the committee or management) that provide advice to the committee in accordance with the listing standards of the Nasdaq Stock Market and applicable law.

The Human Capital Committee may delegate authority to the committee chair or a sub-committee, as the committee may deem appropriate, subject to such ratification by the committee as the committee may direct. The Human Capital Committee also may delegate to one or more officers of the company the authority to make grants of stock options or other supplemental awards at specified levels, under specified circumstances, to eligible employees who are not executive officers of the company, subject to reporting to and such ratification by the committee as the committee may direct.

The Human Capital Committee's charter is available on the Investors section of our website at <http://ir.interdigital.com> under the heading "Governance – Committee Charters".

Human Capital Committee Interlocks and Insider Participation

Ms. Rankin and Messrs. Aberle, Hutcheson and Markley served on the Human Capital Committee during all of 2024. No director serving on the Human Capital Committee during any part of 2024 was, at any time either during or before such fiscal year, an officer or employee of the company or any of its subsidiaries. In addition, none of the company's executive officers has served as a member of a board of directors or a compensation committee, or other committee serving an equivalent function, of any other entity, one of whose executive officers served as a member of the company's Board or Human Capital Committee.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee assists the Board in identifying qualified individuals to become Board and committee members, considers matters of corporate governance and assists the Board in evaluating the Board's effectiveness. Among other things, the committee:

- Develops and recommends to the Board criteria for Board membership (including issues of character, integrity, judgement, diversity, independence, skills, education, business acumen, business experience, understanding of the company's business and the like);
- Identifies, reviews the qualifications of, and recruits candidates for election to the Board and to fill vacancies or new positions on the Board;

- Assesses the contributions of incumbent directors in determining whether to recommend them for re-election to the Board;
- Reviews candidates recommended by the company's shareholders for election to the Board;
- Assesses the independence of directors, director nominees and director candidates under applicable standards, including any heightened independence requirements applicable to Audit and Human Capital Committee members, and recommends independence determinations to the Board;
- Reviews annually the company's corporate governance principles and recommends changes to the Board as appropriate;
- Assists the Board in ensuring proper attention and effective response to shareholder concerns regarding corporate governance;
- Assists and generally advises the Board on environmental, social and governance matters (except as may be specifically retained by the Board or delegated to other Board committees), including overseeing the company's environmental, social and governance strategy, and related goals and policies, and periodically reviews with management the company's progress towards the achievement of such strategy and goals, and reviews and discusses with management the company's material environmental, social and governance disclosures, in each case in coordination with the other committees of the Board and, as appropriate, makes recommendations on such matters to the full Board;
- Reviews and makes recommendations to the Board with respect to the Board's and each committee's size, structure, composition and functions;
- Oversees the process for evaluating the Board and its committees; and
- Periodically reviews the Board's leadership structure and recommends changes to the Board as appropriate.

The committee will consider director candidates recommended by our shareholders. Shareholders recommending candidates for consideration by the Nominating and Corporate Governance Committee should send their recommendations to our Corporate Secretary at InterDigital, Inc., 200 Bellevue Parkway, Suite 300, Wilmington, Delaware 19809-3727. The recommendation must include the candidate's name, biographical data and qualifications and a written statement from the candidate of his or her consent to be named as a candidate and, if nominated and elected, to serve as a director. The committee may ask candidates for additional information as part of the process of assessing a shareholder-recommended director candidate. The committee evaluates director candidates recommended by shareholders based on the same criteria used to evaluate candidates from other sources.

As described in our corporate governance principles, the Nominating and Corporate Governance Committee may consider such factors as differences of perspective, professional background, experience at policy-making levels in business, finance and technology and other areas, education, skill and other individual qualities and attributes that are relevant to the company's global activities and contribute to Board heterogeneity. The selection criteria for director candidates also include the following:

- Each director should be an individual of the highest personal and professional ethics, integrity and values.
- Each director should be committed to representing the long-term interests of the company's shareholders and demonstrate a commitment to long-term service on the Board.
- Each director should have an inquisitive and objective perspective, practical wisdom and mature judgment.

The company is committed to ensuring that other existing and future anticipated commitments of its directors do not materially interfere with his or her service as a director. Accordingly, our corporate governance principles prohibit any director from serving on the boards of more than four other public companies, unless such director is an executive officer of a public company, and in such cases, such director may not serve on the boards of more than two other public companies. In addition, prior to accepting service on the board of any other company, a director must notify the Board's Chairman and the Nominating and Corporate Governance Committee, and service on the board or a committee of any other organization should be consistent with the company's conflict of interest policies.

The Nominating and Corporate Governance Committee periodically evaluates the composition of the Board to assess the skills and experience that are currently represented on the Board, as well as the skills and experience that the Board will find valuable in the future. This evaluation of the Board's composition enables the Board to update the skills and experience it seeks in the Board as a whole, and in individual directors, as the company's needs evolve and change over time. See "Proposals to be Voted On – Election of Directors (Proposal 1)" for a summary of the qualifications, experience and other relevant attributes of the directors nominated for election at this year's annual meeting.

The Nominating and Corporate Governance Committee has previously retained and may in the future retain a search firm to help identify director prospects, perform candidate outreach, assist in reference checks, and provide other related services. The recruiting process typically involves either the search firm or a member of the Nominating and Corporate Governance Committee contacting a prospect to gauge his or her interest and availability. A candidate will then meet with several members of the Board, including our Chief Executive Officer. At the same time, the Nominating and Corporate Governance Committee or other Board members, as appropriate, and the search firm will contact references for the prospect. A background check is completed before the Board approves any final recommendation from the committee to appoint a candidate to the Board.

The Nominating and Corporate Governance Committee's charter is available on the Investors section of our website at <http://ir.interdigital.com> under the heading "Governance – Committee Charters".

Finance Committee

The primary role of the Finance Committee is to monitor and provide guidance to the company's management team and recommend actions to the Board with respect to certain investment and financial policies and strategies and the capital structure of the company, and to approve certain investment and divestment activities of the company and funding for certain affiliated entities of the company. Among its specific duties and responsibilities, the committee:

- Reviews and provides guidance to the Board with respect to:
 - the company's capital structure, including the issuance of debt, equity or other securities;
 - shareholder distributions, including share repurchases and dividends;
 - cash management investment policies;
 - foreign currency investment policies; and
 - on a periodic basis, the integrity of the company's financial models;
- Approves minority investments in other companies by the company;
- Approves divestments of minority equity interests in other companies by the company; and
- Approves the establishment of non-core operating businesses as entities partially owned by the company, including approval of contributions to such entities and the ownership structure of such entities.

The committee may delegate authority to the committee chair or a sub-committee, as the committee may deem appropriate, subject to such ratification by the committee as the committee may direct.

The Finance Committee's charter is available on the Investors section of our website at <http://ir.interdigital.com> under the heading "Governance – Committee Charters".

Board Self-Evaluation Process

How does the Board evaluate its effectiveness?

The Nominating and Corporate Governance Committee establishes and oversees the annual self-assessment process that the Board uses to evaluate its effectiveness and identify opportunities for improvement. Each director is asked to provide an assessment of the Board's effectiveness in several areas, including information and planning, content and conduct of meetings, and accountability. Once the responses are compiled, the Nominating and Corporate Governance Committee, in conjunction with the Board's Chairman, identifies specific areas of improvement for the following year. The assessment also asks each director their opinion of the Board's progress in these identified areas.

Communications with the Board

How can shareholders communicate with the Board?

Shareholders and other parties interested in communicating directly with any individual director, including the Chairman, the Board as a whole, or the non-employee directors as a group may do so by writing to Investor Relations, InterDigital, Inc., 200 Bellevue Parkway, Suite 300, Wilmington, Delaware 19809-3727, or by sending an email to InvestorRelations@InterDigital.com. Each communication should set forth (i) the name and address of the shareholder as it appears on the company's books, and, if the company's common stock is held by a nominee, the name and address of the beneficial owner of the company's common stock, and (ii) the class and number of shares of the company's common stock that are owned of record by the record holder and beneficially by the beneficial owner. Our Investor Relations department reviews all such correspondence and, in consultation with appropriate directors and/or the company's Legal department as necessary, generally screens communications from shareholders to identify communications that (a) are solicitations for products and services, (b) relate to matters of a personal nature not relevant for the company's shareholders to act on or for the Board to consider, or (c) are matters that are of a type that render them improper or irrelevant to the functioning of the Board or the company. The Investor Relations department regularly forwards to the Board or specified director(s) a summary of all relevant correspondence and copies of all correspondence that deal with the functions of the Board or its committees or that otherwise require their attention. Directors may, at any time, review a log of all correspondence we receive that is addressed to members of the Board and request copies of any such correspondence.

Communications About Accounting Matters

How can individuals report concerns relating to accounting, internal control, auditing or federal securities law matters?

Concerns relating to accounting, internal control, auditing or federal securities law matters may be submitted by writing to our Corporate Secretary at InterDigital, Inc., 200 Bellevue Parkway, Suite 300, Wilmington, Delaware 19809-3727. All correspondence will be brought to the attention of the chair of the Audit Committee and handled in accordance with procedures established by the Audit Committee with respect to these matters.

DIRECTOR COMPENSATION

How are directors compensated?

During 2024, our non-employee directors were paid annual cash retainers for their Board and committee participation as follows:

	<u>Chair</u>	<u>Member</u>
<i>Board</i>	\$75,000*	\$65,000
<i>Audit Committee</i>	\$30,000	\$12,000
<i>Human Capital Committee</i>	\$25,000	\$10,000
<i>Nominating and Corporate Governance Committee</i>	\$15,000	\$ 7,500
<i>Finance Committee</i>	\$15,000	\$ 7,500

* The annual cash retainer paid to the Chairman of the Board is in addition to the annual cash retainer paid to all non-employee Board members.

All cash retainers are generally paid quarterly in arrears and based upon service for a full year, and prorated payments are made for service of less than a full year.

The compensation program is designed to compensate each non-employee director for participating in up to ten Board meetings per year and up to ten meetings per year for each standing committee on which the non-employee director serves. Additional compensation is paid to each non-employee director for participating in meetings during the Board term (which runs from annual meeting date to annual meeting date) in excess of these thresholds, as follows: \$4,000 for each additional Board meeting and \$1,000 for each additional committee meeting.

In addition, non-employee directors are paid a per diem fee of \$1,000 for attendance at or participation in events, conferences or meetings, in their capacity as a director, at the request of the company's senior management, provided that such attendance or participation requires a significant time commitment and would be considered outside of the director's typical Board and/or committee duties. Any per diem fee payments are subject to the approval of the Human Capital Committee.

For his or her service during the 2024-2025 Board term, each non-employee director received a restricted stock unit ("RSU") award in an amount approximately equal in value to \$200,000 that vests in full one year from the grant date. Upon his or her initial appointment to the Board, new non-employee directors receive a pro-rated RSU award for his or her partial service during the then-current Board term. The number of RSUs granted is calculated using the closing stock price of the company's common stock on the date of grant. The vesting of RSU awards may be deferred. Except in certain limited circumstances, an election to defer must be made in the calendar year preceding the year that the award is made. Unvested time-based RSUs and deferred RSUs accrue dividend equivalents, which are paid in the form of additional shares of stock at the time, and only to the extent, that the awards vest or at the end of the deferral period, as applicable.

To align the interests of non-employee directors and executives with those of our shareholders, the company has adopted stock ownership guidelines. The stock ownership guidelines applicable to the non-employee directors are set at a target of an amount of company stock valued at five times the annual cash retainer for Board members of \$65,000. Qualifying stock includes shares of common stock and RSUs. For purposes of calculating the value of company stock holdings, each share or other qualifying stock unit is priced at a price per share/unit equal to the average closing stock price of the company's common stock for the 200 trading days leading up to and including June 1, or the next trading day if June 1 falls on a non-trading day. The 200-day average closing stock price is calculated annually. Any director who has not reached or fails to maintain the target ownership level must retain at least 50% of after-tax shares derived from the vesting of an equity award until the target ownership level is met. A director may not make any disposition of shares that results in his or her holdings

falling below the target ownership level without the express approval of the Human Capital Committee. Directors have five years to reach their target ownership level. As of March 31, 2025, all non-employee directors had either met their target ownership level or had more time to do so, and all directors who had not yet met their target ownership level were in compliance with the guidelines.

The company's directors are also eligible to participate in the company's nonqualified deferred compensation plan by deferring receipt of their annual Board fees. None of the directors elected to defer any of their 2024 Board fees. For more information about the deferred compensation plan, see "Executive Compensation – Nonqualified Deferred Compensation."

2024 Director Compensation Table

The following table sets forth the compensation paid to each person who served as a director of the company in 2024 for their service in 2024. Directors who also serve as employees of the company do not receive any additional compensation for their services as a director. For Mr. Chen's 2024 compensation, see "Executive Compensation – Summary Compensation Table."

<u>Name</u>	<u>Fees Earned or Paid in Cash \$(1)</u>	<u>Stock Awards \$(2)</u>	<u>Total (\$)</u>
Derek K. Aberle	97,000	200,000	297,000
Samir Armaly	93,507	200,000	293,507
Joan H. Gillman	102,000	200,000	302,000
S. Douglas Hutcheson	157,500	200,000	357,500
John A. Kritzmacher	112,500	200,000	312,500
Pierre-Yves Lesaichere(3)	43,575	200,000	243,575
John D. Markley, Jr.	100,000	200,000	300,000
Jean F. Rankin	105,416	200,000	305,416

- (1) Amounts reported represent the aggregate annual Board, Chairman of the Board, committee chair and committee membership retainers earned by each non-employee director for their service in 2024, plus fees earned for attendance at additional meetings during the Board term, if any, as described above.
- (2) Amounts shown reflect the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718 for RSU awards granted pursuant to our compensation program for non-management directors in 2024. The assumptions used in valuing these RSU awards are incorporated by reference to Notes 2 and 13 to our audited financial statements included in our annual report on Form 10-K for the year ended December 31, 2024. The following table sets forth the grant date fair value of each RSU award granted to our non-employee directors in 2024.
- (3) Mr. Lesaichere was no longer a director as of December 31, 2024.

<u>Name</u>	<u>Grant Date</u>	<u>Number of Restricted Stock Units (a)</u>	<u>Grant Date Fair Value of Stock Awards (\$)</u>
Derek K. Aberle	6/5/2024	1,711	200,000
Samir Armaly	6/5/2024	1,711	200,000
Joan H. Gillman	6/5/2024	1,711	200,000
S. Douglas Hutcheson	6/5/2024	1,711	200,000
John A. Kritzmacher	6/5/2024	1,711	200,000
Pierre-Yves Lesaichere	6/5/2024	1,711	200,000
John D. Markley, Jr.	6/5/2024	1,711	200,000
Jean F. Rankin	6/5/2024	1,711	200,000

As of December 31, 2024, each person who served as a non-employee director of the company in 2024 had the following aggregate amounts of unvested RSU awards (excluding accrued dividend equivalents) outstanding. None of our non-employee directors had any options outstanding as of December 31, 2024. This table does not include RSUs that, as of December 31, 2024, had vested according to their vesting schedule, but had been deferred.

<u>Name</u>	<u>Outstanding Restricted Stock Units (#)</u>
Derek K. Aberle	1,711
Samir Armaly	1,711
Joan H. Gillman	1,711
S. Douglas Hutcheson	1,711
John A. Kritzmacher	1,711
Pierre-Yves Lesaichere	—
John D. Markley, Jr.	1,711
Jean F. Rankin	1,711

PROPOSALS TO BE VOTED ON

Election of Directors (Proposal 1)

Description

Which directors are nominated for election?

Mses. Joan H. Gillman and Jean F. Rankin, Messrs. Samir Armaly, Derek K. Aberle, Liren Chen, S. Douglas Hutcheson, John A. Kritzmacher and John D. Markley, Jr. are recommended by the Nominating and Corporate Governance Committee and nominated by the Board for election at the 2025 annual meeting, each to serve a one-year term until our annual meeting in 2026 and until his or her successor is elected and qualified.

Set forth below is biographical information about the eight nominees and other information about their skills and qualifications that contribute to the effectiveness of the Board. All of the nominees' current terms of office expire at the 2025 annual meeting.

What are their backgrounds?

Derek Aberle, 55, has been a director of the company since September 2022. Mr. Aberle is Co-founder and Executive Vice Chairman of Virewirx, Inc. (formerly XCOM Labs), a company focused on developing and commercializing advanced wireless and XR technologies. Prior to that, from 2000 through 2018, Mr. Aberle served in various senior executive roles at Qualcomm, including as President of Qualcomm from 2014 through 2018. Beginning in 2008, Mr. Aberle served as a member of Qualcomm's executive committee, as Executive Vice President and President of Qualcomm Technology Licensing from 2008 through 2011 and as Executive Vice President and Group President from 2011 through 2014 where, among other things, he led Qualcomm's technology and IP licensing business, helping to significantly grow its global licensing business and negotiating deals with its largest licensees. Mr. Aberle also served as Chief Executive Officer and director of Prospector Capital Corp., a special purpose acquisition company, from its inception in 2020 through 2023. Prior to Qualcomm, Mr. Aberle was an attorney with the international law firms Pillsbury Winthrop and Heller Ehrman. Mr. Aberle also serves on the boards of directors of Virewirx, LeddarTech (Nasdaq: LDTC) and EvoNexus. The Board has concluded that Mr. Aberle should serve as a director of the company because of his years of experience in patent licensing and his global business acumen and leadership.

Samir Armaly, 52, is currently a director and advisor to various technology companies. Mr. Armaly served as President, IP of Adeia, Inc., a leading IP licensing business, from June 2020 to March 2022. From 2017 to 2020, he was a Strategic IP Advisor to the CEO and Board of Directors of TiVo Corporation. From 2001 to 2017, Mr. Armaly held various senior management positions and ran the video IP licensing business of Gemstar – TV Guide and its successor, Rovi Corporation. Previously, Mr. Armaly was an IP attorney in private practice representing media and technology companies. He graduated from the University of Missouri Columbia with a B.S. degree in Mechanical Engineering and received his J.D. degree from the University of California Berkeley. The Board has concluded that Mr. Armaly should serve as a director of the company because he is a recognized IP expert, having run one of the world's largest patent licensing businesses, and has particular expertise in the media and technology markets.

Lawrence (Liren) Chen, 54, has been a director of the company since April 2021, when he was also appointed as our President and Chief Executive Officer. Mr. Chen joined InterDigital from Qualcomm where he served since 2019 as Senior Vice President, Global Head of IP, Legal Counsel. In that role, Mr. Chen was responsible for overseeing Qualcomm's world-wide intellectual property portfolio (patent, copyright, trademark and open source) and led technology, business strategy, product management and global eco-system development for Qualcomm Technology Licensing. Prior to that, Mr. Chen served in various IP and technology roles at Qualcomm, including as Senior Vice President of Engineering, Legal Counsel. He holds 28 granted patents in the

U.S. and over 120 granted patents worldwide. Mr. Chen is a member of the U.S. Chamber of Commerce China Advisory Committee and a board member of Arrow Electronics (NYSE: ARW). Mr. Chen earned his bachelor's degree in Automation from Tsinghua University, Beijing; his M.S.E.E. from the University of Maine; his M.B.A. from San Diego State University; and his J.D. degree from the University of San Diego.

Joan H. Gillman, 61, has been a director of the company since April 2017. From 2006 to 2016, Ms. Gillman served as Executive Vice President of Time Warner Cable, Inc. ("Time Warner Cable"), as well as Chief Operating Officer of Time Warner Cable Media and President of Time Warner Cable Media, LLC. Ms. Gillman joined Time Warner Cable as Vice President of Interactive TV and Advanced Advertising in 2005. Prior to Time Warner Cable, among other roles, she served as the President of Static2358, the interactive TV, games and production subsidiary of OpenTV, and as Director, Business Development, of British Interactive Broadcasting, the digital and interactive TV joint venture between BSkyB, BT, HSBC and Matsushita. Ms. Gillman began her career working in public affairs, serving in various roles for a U.S. Senator, including as Legislative Director and State Director. From 2016 to 2021, Ms. Gillman was a member of the board of directors of Centrica plc, an international energy and services company based in the United Kingdom where she served on the safety, health, environment, security, remunerations and ethics and nominating committees. In addition, since 2016, she has served on the board of directors of Airgain, Inc. (Nasdaq: AIRG), a leading provider of embedded antenna technologies used to enable high performance wireless networking, and she is currently a member of Airgain's audit committee and chairs the nominating and corporate governance committee. Ms. Gillman has also served on the board of directors of Cumulus Media (Nasdaq: CMLS) since 2018 and is a member of the compensation and nominating committees. Since May 2018, she has also chaired the Jesuit Volunteer Corps and is the Foundation Manager and Trustee of the David T. Langrock Foundation. The Board has concluded that Ms. Gillman should serve as a director of the company because her more than 20 years of executive experience in the media and communications industries and her knowledge of content development and distribution as well as key areas like partnership, mergers and acquisitions and marketing make her a valuable resource and strengthen the company's knowledge of the companies and industries shaping its existing and future markets.

S. Douglas Hutcheson, 69, has been a director of the company since July 2014, and he assumed the role of Chairman of the Board in June 2015. From 2019 to 2024, Mr. Hutcheson served as the Executive Chairman of Kymeta Corporation, an electronically steerable terminal manufacturer and provider of services for global connectivity. He also served as the co-CEO of Kymeta from 2021 to 2024. From 2015 to 2019, Mr. Hutcheson served as a senior advisor of Technology, Media and Telecom for Searchlight Capital, a global private investment firm. From March 2014 through May 2017, Mr. Hutcheson served as Chief Executive Officer and a director of Laser, Inc., a corporation created in connection with the acquisition of Leap Wireless International, Inc. ("Leap Wireless"), a wireless communications carrier, by AT&T in March 2014. Prior to March 2014, Mr. Hutcheson served as Chief Executive Officer of Leap Wireless and its operating subsidiary, Cricket Communications, for nine years, where he was responsible for developing and implementing strategy, all operations, and the oversight of all relationships and partnerships. He currently serves on the boards of directors of privately-held companies Kymeta and AgilePQ, a post quantum cyber security encryption technology provider. Mr. Hutcheson also serves as Chair of the Board of Trustees of Rady Children's Health, as a member of the Board of Directors of Rady Children's Institute for Genomic Medicine, and on the Board of Advisors for the Global Policy and Strategy Institute at the University of California San Diego. Mr. Hutcheson previously served on the boards of directors of Leap Wireless from 2005 to 2014 and Pitney Bowes from 2012 to 2023. Mr. Hutcheson holds 14 patents. The Board has concluded that Mr. Hutcheson should serve as a director of the company because, with his significant operational and financial expertise as an experienced former chief executive officer of a wireless communications company and his broad business background, which includes strategic planning and product and business development and marketing, he brings valuable insight that is needed to evolve and execute the company's strategy. He also qualifies as an audit committee financial expert.

John A. Kritzmacher, 64, has been a director of the company since June 2009. From 2013 to 2021, Mr. Kritzmacher served as Executive Vice President and Chief Financial Officer of John Wiley & Sons, Inc., a global provider of research communications and education services. From 2012 to 2013, Mr. Kritzmacher served

as Senior Vice President Business Operations and Organizational Planning at WebMD Health Corp., a leading provider of health information services, where Mr. Kritzmacher was responsible for leading a major restructuring initiative. Previously, Mr. Kritzmacher served as Executive Vice President and Chief Financial Officer of Global Crossing Limited, a global provider of IP-based telecommunications solutions, from October 2008 to October 2011, when Global Crossing was then acquired by Level 3 Communications, Inc. Prior to that, Mr. Kritzmacher rose through a variety of positions with increasing responsibility, including Senior Vice President and Corporate Controller, during his 10 years at Lucent Technologies Inc., a provider of telecommunications systems and services, to become Chief Financial Officer in 2006. After playing a leading role in the planning and execution of Lucent's merger with Alcatel in 2006, Mr. Kritzmacher became Chief Operating Officer of the Services Business Group at Alcatel-Lucent until joining Global Crossing in 2008. Mr. Kritzmacher serves on the board of directors of Unisys (Nasdaq: UIS) and currently serves on the Audit & Finance and Security & Risk committees of the Unisys board. The Board has concluded that Mr. Kritzmacher should serve as a director of the company because he is a veteran of the telecommunications and high technology industries with extensive operational and leadership experience and financial expertise. As such, Mr. Kritzmacher contributes valuable advice and guidance, especially with respect to complex financial and accounting issues, and qualifies as an audit committee financial expert.

John D. Markley, Jr., 59, has been a director of the company since November 2016. Since 2009, Mr. Markley has served as Managing Partner of Bear Creek Capital Management, an investment firm focused on the cloud computing, mobile and digital infrastructure sectors. In addition, since 2014, he has been a Managing Partner of New Amsterdam Growth Capital, an investor in communications, media and technology companies. From 1996 to 2009, he was a partner with Columbia Capital, a venture capital firm, where he served in a number of capacities including partner, venture partner and portfolio company executive. Prior to Columbia Capital, Mr. Markley served as a policy advisor at the Federal Communications Commission from 1994 to 1996, where he and his team were instrumental in developing and launching the commercial spectrum auction process. Mr. Markley has also been a director of Charter Communications, Inc. (Nasdaq: CHTR), since 2009, currently serving as chair of its nominating and corporate governance committee and as a member of its audit committee. He previously served on the boards of directors of Millennial Media, Inc., from 2006 to 2014, and of BroadSoft, Inc., from 2002 until its acquisition by Cisco Systems, Inc. in 2018. The Board has concluded that Mr. Markley should serve as a director of the company based on his private equity and operating experience and his extensive experience with communications, media and technology companies, which allow him to contribute guidance and advice relating to the development and execution of the company's strategy and analysis of potential business opportunities. He also qualifies as an audit committee financial expert.

Jean F. Rankin, 66, has been a director of the company since June 2010. Ms. Rankin served as Executive Vice President, General Counsel and Secretary at LSI Corporation, a leading provider of innovative silicon, systems and software technologies for the global storage and networking markets, from 2007 to 2014, when LSI was acquired by Avago Technologies Limited. In this role, she served LSI and its board of directors as Corporate Secretary, in addition to managing the company's legal, intellectual property licensing and stock administration organizations. Ms. Rankin joined LSI in 2007 as part of the merger with Agere Systems Inc., where she served as Executive Vice President, General Counsel and Secretary from 2000 to 2007. Prior to joining Agere in 2000, Ms. Rankin was responsible for corporate governance and corporate center legal support at Lucent, including mergers and acquisitions, securities laws, labor and employment, public relations, ERISA, investor relations and treasury. She also supervised legal support for Lucent's microelectronics business. The Board has concluded that Ms. Rankin should serve as a director of the company because she has extensive experience and expertise in matters involving intellectual property licensing, the company's core business, and her former roles as chief legal officer and corporate secretary at other publicly traded companies enable her to contribute legal expertise and advice as to best practices in corporate governance.

Summary of Director Qualifications and Experience

The following table summarizes the key qualifications, skills, and experience most relevant to the decision to nominate the above-listed candidates to serve on the Board. A mark indicates a specific area of focus or

expertise on which the Board relies most. The lack of a mark does not necessarily mean the director does not possess that qualification or skill. Each director biography above describes each director’s qualifications and relevant experience in more detail.

<u>Experience, expertise or attribute</u>	<u>Aberle</u>	<u>Armaly</u>	<u>Chen</u>	<u>Gillman</u>	<u>Hutcheson</u>	<u>Kritzmacher</u>	<u>Markley</u>	<u>Rankin</u>
IPR/IP licensing / patent acquisitions	•	•	•					•
Mobile industry	•		•		•	•	•	•
OTT services/video		•		•	•		•	
CEO (current/former)	•		•		•			
Finance / audit	•				•	•	•	
Corporate strategy	•	•	•	•	•	•	•	
High tech investment	•			•	•		•	
Industry connections	•	•	•	•	•		•	•
High-tech operations	•		•	•	•	•		

Vote Required and Board Recommendation

A director nominee receiving the affirmative vote of the majority of votes cast for him or her will be elected to serve as a director for the next year and until his or her successor is elected and qualified. A majority of the votes cast means that the number of votes cast “for” a director nominee must exceed the number of votes cast “against” that nominee.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE *FOR*
EACH OF THE NOMINEES.**

Adoption and Approval of 2025 Equity Incentive Plan (Proposal 2)

Overview

On April 24, 2025, the Board unanimously adopted and approved the company's 2025 Equity Incentive Plan (the "2025 Plan") and is submitting the 2025 Plan to shareholders for their adoption and approval at our 2025 annual meeting of shareholders. The Board believes the 2025 Plan advances the company's interests by allowing the company to attract and retain the best available personnel; to provide additional incentive to employees, directors, and consultants; and to promote the success of our business. The Board has adopted and approved the 2025 Plan to permit the company to continue to use stock-based compensation to align shareholder and participant interests and to motivate participants providing services to the company. The company's stock-based compensation program is currently operated under the company's 2017 Equity Incentive Plan (the "2017 Plan"). Upon approval of the 2025 Plan by shareholders, the 2017 Plan will be terminated and no new awards will be granted under the 2017 Plan after the date of the 2025 annual meeting of shareholders.

Why You Should Vote For the 2025 Plan

The 2025 Plan Will Allow Us to Effectively Recruit and Retain Key Talent

The Board recommends that the company's shareholders approve the 2025 Plan because it believes the company's ability to grant equity-based awards continues to be crucial in allowing the company to effectively compete for and appropriately motivate and reward key talent. It is in the long-term interests of both the company and its shareholders to strengthen the company's ability to attract, retain and motivate employees, officers, nonemployee directors and certain other service providers and to provide additional incentives for those persons through stock ownership and other incentives to improve financial performance, increase profits and strengthen the mutuality of interest between those persons and the company's shareholders.

A Reasonable Number of Shares Will Be Reserved Under the 2025 Plan

Following the 2025 Plan's approval by our shareholders, no additional awards will be granted under the 2017 Plan, and the 2025 Plan will be the company's only active employee equity plan. If the 2025 Plan is approved, the maximum number of Shares (as defined in the 2025 Plan) that may be issued under the 2025 Plan will be 3,700,000, reduced by (a) one Share for every one Share subject to a stock option or stock appreciation right granted under the 2017 Plan after March 31, 2025 and prior to the effective date of the 2025 Plan and (b) two Shares for every one Share subject to an award other than a stock option or stock appreciation right granted under the 2017 Plan after March 31, 2025 and prior to the effective date of the 2025 Plan. The 3,700,000 Shares reflects 408,476 Shares that remained available for grant under the 2017 Plan as of March 31, 2025 (after giving effect to the 2025 annual grant), plus 3,291,524 newly authorized Shares. Any Shares subject to stock options or stock appreciation rights granted under the 2025 Plan will reduce the 2025 Plan share reserve by one Share, and any Shares subject to awards granted under the 2025 Plan other than stock options or stock appreciation rights will reduce the share reserve by two Shares. The 3,700,000 Shares that will be available for future awards under the 2025 Plan are estimated to last at least three years. This estimate is based on the average number of shares we granted over the last three years, and there can be no guarantee that future events, including changes in future business conditions and changes in our Share price, will not require us to grant equity awards at a different pace than we have historically done.

The Human Capital Committee and the Board considered various factors in determining the number of Shares to reserve for issuance under the 2025 Plan and believe that our historical equity compensation practices highlight our commitment to continue to manage our equity use responsibly.

- *Historical Grant Practices.* The Human Capital Committee and the Board considered the number of equity awards that we granted in the last three fiscal years.

Fiscal Year	Stock Options Granted(1) (a)	Full-Value Awards Granted(1) (b)	Total Shares Granted (c)=(a)+(b)	Weighted Average Basic Shares Outstanding (d)	Burn Rate(2) (c)÷(d)
2024	250,000	517,000	767,000	25,325,000	3.03%
2023	125,000	535,000	660,000	26,860,000	2.46%
2022	108,000	661,000	769,000	30,106,000	2.55%

- (1) In each of the preceding Share amounts, performance-based restricted stock units and performance-based stock options are counted as 200% of the target award, representing the maximum payout possible under such awards.
 - (2) Burn Rate is equal to the number of shares subject to equity awards granted during a fiscal year divided by the weighted average basic common shares outstanding for that fiscal year.
- *Number of Shares Remaining under the 2017 Plan.* Upon approval of the 2025 Plan by shareholders, the 2017 Plan will be terminated, and no new awards will be granted under the 2017 Plan after the date of the 2025 annual meeting of shareholders. The 2017 Plan will, however, continue to govern outstanding awards granted thereunder.
 - *Overhang.* The following table includes information about shares available for future awards and potential dilution under the 2017 Plan as of March 31, 2025 (after giving effect to the 2025 annual grant):

	As of March 31, 2025
Outstanding Options(1)(2)	909,224
Outstanding Full-Value Awards(1)	1,028,479
Total Outstanding Awards	1,937,703
Total Shares Available for Future Awards(3)	408,476
Common Shares Outstanding	25,976,136

- (1) In each of the preceding Share amounts, performance-based restricted stock units and performance-based stock options are counted as 200% of the target award, representing the maximum payout possible under such awards.
- (2) Outstanding options had a weighted average exercise price of \$82.24, and the weighted average remaining contractual life of such options was 7.78 years as of March 31, 2025.
- (3) As of the effective date of the 2025 Plan, the authorization will be reduced by (a) one Share for every one Share subject to a stock option or stock appreciation right granted under the 2017 Plan after March 31, 2025 and prior to the effective date of the 2025 Plan and (b) two Shares for every one Share subject to an award other than a stock option or stock appreciation right granted under the 2017 Plan after March 31, 2025 and prior to the effective date of the 2025 Plan.

An additional metric that we use to measure the cumulative dilutive impact of our equity program is total potential fully diluted overhang (the sum of (1) the Total Outstanding Awards and (2) the Total Shares Available for Future Awards, divided by the sum of (a) the Common Shares Outstanding, (b) the Total Outstanding Awards, and (c) the Total Shares Available for Future Awards). Our total potential fully diluted overhang as of March 31, 2025 was 8.28%. If the 2025 Plan had been in place on March 31, 2025, our total potential fully diluted overhang as of that date would increase to 17.8% and then would decline over time.

As of the record date, the closing price of the company's common stock was \$196.98.

Promotion of Good Corporate Governance Practices

The Board believes the use of stock-based incentive awards promotes best practices in corporate governance by maximizing shareholder value. By providing participants in the 2025 Plan with a stake in the company's success, the interests of the participants are aligned with those of the company's shareholders. Specific features of the 2025 Plan that are consistent with good corporate governance practices include, but are not limited to:

- *No Annual Evergreen.* The 2025 Plan does not contain an annual "evergreen" provision that automatically increases the number of Shares available for issuance each year. As a result, any future increases to the number of Shares reserved for issuance under the 2025 Plan will require shareholder approval.
- *Administration.* The 2025 Plan will be administered by the Human Capital Committee, which consists entirely of independent non-employee directors.
- *No Liberal Share Recycling on Options or Stock Appreciation Rights.* Shares used to pay the exercise price of a stock option award or to satisfy the tax withholding obligations for a stock option or stock appreciation right will not become available for future issuance under the 2025 Plan.
- *Repricing or Exchange Programs are Not Allowed.* The 2025 Plan does not permit outstanding awards to be repriced or exchanged for other awards without shareholder approval.
- *Annual Limits on Compensation to Non-Employee Directors.* The 2025 Plan sets reasonable annual limits as to the cash compensation and awards that non-employee directors may receive during each fiscal year.
- *Limited transferability.* Awards under the 2025 Plan generally may not be sold, assigned, transferred, pledged, or otherwise encumbered, unless otherwise approved by the administrator.
- *No Dividends Paid Until Awards Vest.* The 2025 Plan permits dividends or dividend equivalents to be accrued on any unvested portion of an award (other than an award of stock options or stock appreciation rights), but such amounts will not be paid until that portion of the award vests.
- *No Tax Gross-ups.* The 2025 Plan does not provide for any tax gross-ups.
- *Forfeiture Events.* Each award under the 2025 Plan will be subject to any clawback policy we have already adopted (such as our InterDigital, Inc. Clawback Policy) or any clawback policy that, in the future, we are required by applicable stock exchange rules or applicable laws to adopt (including any such clawback policy that is adopted after the grant of the award), and the administrator may require a participant to forfeit, return, or reimburse us for all or a portion of the award and any amounts paid under the award in order to comply with the clawback policy or applicable laws.

Our executive officers and directors have an interest in the approval of the 2025 Plan because they are eligible to receive equity awards under the 2025 Plan.

Plan Summary

The following paragraphs summarize the key features of the 2025 Plan and its operation. However, this summary is not a complete description of all of the provisions of the 2025 Plan and is qualified in its entirety by the specific language of the 2025 Plan. A copy of the 2025 Plan is provided as Appendix B to this proxy statement.

Purposes of the 2025 Plan

The purposes of the 2025 Plan are to attract and retain the best available personnel; to provide additional incentive to employees, directors, and consultants; and to promote the success of our business. These incentives are provided through the grant of incentive stock options, nonstatutory stock options, stock appreciation rights,

restricted stock, restricted stock units, performance units, performance shares, incentive cash bonuses, and other stock or cash awards as the administrator (as defined below) may determine.

Shares Available for Issuance

Subject to the adjustment provisions contained in the 2025 Plan, as of the effective date of the 2025 Plan, our shareholders are being asked to approve a maximum number of Shares for issuance under the 2025 Plan equal to 3,700,000 Shares, less one (1.0) Share for every one (1.0) Share subject to an option or stock appreciation right granted under the 2017 Plan after March 31, 2025 and prior to the effective date of the 2025 Plan, and less two (2.0) Shares for every one (1.0) Share subject to a full value award granted under the 2017 Plan after March 31, 2025 and prior to the effective date of the 2025 Plan. Any Shares subject to options or stock appreciation rights shall be counted against the maximum Share limitation under the 2025 Plan as one (1.0) Share for every one (1.0) Share subject thereto. Any Shares subject to full value awards shall be counted against the maximum Share limitation under the 2025 Plan as two (2.0) Shares for every one (1.0) Share subject thereto. The Shares may be authorized, but unissued, or reacquired common stock. If the 2025 Plan is approved, the 2017 Plan will be terminated and all Shares then remaining available for grant under the 2017 Plan will be cancelled; such Shares will not be added to the 2025 Plan. The 2017 Plan will, however, continue to govern outstanding awards granted thereunder.

Any Shares related to awards, whether granted under the 2025 Plan or the 2017 Plan, that at any time on or after March 31, 2025, terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares (including but not limited to settlement of an award at less than the target number of Shares), are settled in cash in lieu of Shares, or are exchanged with the Human Capital Committee's permission, prior to the issuance of Shares, for awards not involving Shares, shall be available again (or, with respect to awards granted under the 2017 Plan, shall be added to the Shares available) for grant under the 2025 Plan. In addition, Shares related to awards, whether granted under the 2025 Plan or the 2017 Plan, that at any time after March 31, 2025 are used to pay the withholding taxes related to any outstanding full value award shall be available again (or, with respect to full value awards granted under the 2017 Plan, shall be added to the Shares available) for grant under the 2025 Plan. Notwithstanding the foregoing, the following Shares (whether subject to awards granted under the 2025 Plan or the 2017 Plan) may not again be made available for issuance as awards under the 2025 Plan: (i) Shares not issued or delivered as a result of the net settlement of an outstanding option or stock appreciation right, (ii) Shares used to pay the exercise price or withholding taxes related to any outstanding options or stock appreciation right, or (iii) Shares reacquired by the company with the amount received upon exercise of options. Any Shares that again become available for awards under the 2025 Plan shall be added as one (1.0) Share for every one (1.0) Share subject to an option or stock appreciation right and as two (2.0) Shares for every one (1.0) Share subject to a full value award.

The 2025 Plan provides that in any fiscal year, a non-employee Board member may not be paid cash compensation and granted awards with an aggregate value (determined in accordance with United States generally accepted accounting principles ("GAAP")) exceeding \$750,000 (increased to \$1,500,000 for any non-employee Board member in the fiscal year that (1) the non-employee Board member serves as the independent Chair of the Board or as a lead independent director or (2) his or her service as a non-employee director begins). Any cash compensation paid or award granted to a participant while he or she was an employee or a consultant (other than as a non-employee director) will not count for purposes of this limitation.

Adjustments for Changes in Capitalization

In the event of any extraordinary dividend or other extraordinary distribution (whether in cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of ours, issuance of warrants or other rights to acquire our securities, other change in our corporate structure affecting the Shares, or any similar equity restructuring transaction, as that term is used in FASB ASC Topic 718 (or any of its

successors), affecting the Shares (including, without limitation, a change in control, as defined in the 2025 Plan), the administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the 2025 Plan, will adjust the number and class of Shares that may be delivered under the 2025 Plan, and/or the number, class and price of Shares of stock subject to outstanding awards, and the numerical Share limits discussed above.

Administration

The Board has delegated administration of the 2025 Plan to the Human Capital Committee. The Board and the Human Capital Committee may further delegate administration of the 2025 Plan to any committee of the Board, or a committee of individuals satisfying applicable laws appointed by the Board in accordance with the terms of the 2025 Plan. The administrator may delegate to one or more officers the authority to grant awards to employees of ours, or any subsidiary of ours, who are not officers under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), subject to certain limitations in the 2025 Plan. For purposes of this summary of the 2025 Plan, the term “administrator” will refer to the Board or any committee designated by the Board to administer the 2025 Plan. To make grants to certain officers and key employees, the members of the committee must qualify as “non-employee directors” under Rule 16b-3 of the Exchange Act.

Subject to the terms of the 2025 Plan, the administrator has the sole discretion to determine fair market value, to select the service providers who will receive awards, to determine the terms and conditions of awards, to approve forms of award agreements for use with the 2025 Plan, to modify or amend each award (subject to the repricing restrictions of the 2025 Plan), and to interpret the provisions of the 2025 Plan and outstanding awards. The administrator also may create, amend, and rescind rules and regulations relating to the 2025 Plan and sub-plans established for the purpose of satisfying applicable foreign laws, determine whether awards will be adjusted for dividend equivalents, allow a participant to defer the receipt of payment of cash or delivery of Shares that otherwise would be due to such participant, and make all other determinations deemed necessary or advisable for administering the 2025 Plan. The administrator will issue all awards pursuant to the terms and conditions of the 2025 Plan.

The administrator may not implement a program allowing for the cancellation of awards in exchange for different awards and/or cash, the transfer of an outstanding award to a financial institution or other person or entity selected by the administrator, or the increase or reduction of the exercise price of any outstanding award.

Eligibility

All types of awards may be granted to our employees, consultants, and non-employee directors and to employees and consultants of any parent, subsidiary, or affiliate of ours.

Incentive stock options may be granted only to employees of ours or any parent or subsidiary corporation of ours. As of March 31, 2025, we had approximately 475 employees (including 1 employee director) and 7 non-employee directors. In addition, as of the same date, no consultants were eligible to receive equity-based awards.

Stock Options

An option gives a participant the right to purchase a specified number of Shares for a fixed exercise price during a specified period of time. Each option granted under the 2025 Plan will be evidenced by an award agreement specifying the number of Shares subject to the option, the exercise price and the other terms and conditions of the option, consistent with the requirements of the 2025 Plan.

The exercise price per Share of each option generally may not be less than the fair market value of a Share on the date of grant. However, any incentive stock option granted to a person who at the time of grant owns stock

possessing more than 10% of the total combined voting power of all classes of our stock or stock of any parent or subsidiary corporation of ours (a “Ten Percent Shareholder”) must have an exercise price per Share equal to at least 110% of the fair market value of a Share on the date of grant. The aggregate fair market value of the Shares (determined on the grant date) covered by incentive stock options that first become exercisable by a participant during any calendar year may not exceed \$100,000. The fair market value of the common stock is generally the closing sales price of our stock as reported on the Nasdaq Global Select Market.

Options will be exercisable at such times or under such conditions as determined by the administrator and set forth in the award agreement. Upon the termination of a participant’s service, the unvested portion of the participant’s option generally expires. The vested portion of the option will remain exercisable for the period following the participant’s termination of service that is set forth in the award agreement. This period generally will be: (i) 6 months following a termination of the participant’s service for reasons other than “cause,” as defined in the applicable award agreement, death or disability (and if the participant dies within the 6-month period, the period will be extended to one year from the date of the participant’s death) or (ii) 12 months following a termination of the participant’s service due to death or disability. However, if the exercise of an option is prevented by applicable law, the exercise period may be extended under certain circumstances described in the participant’s award agreement. In the event the participant’s service is terminated for cause, the entire option, whether or not then vested and exercisable, will be immediately forfeited and cancelled as of the date of such termination. In no event will the option be exercisable after the end of the option’s term.

The award agreements for options generally will also provide that if a participant experiences a qualifying termination of employment, a pro-rata portion (based on the participant’s length of service) of his or her option may vest, subject to the participant’s execution of a release of claims in our favor and subject to achievement of any performance requirement, if any, unless such termination is due to the participant’s death or disability.

The term of an option will be specified in the award agreement but may not be more than ten years (or five years for an incentive stock option granted to a Ten Percent Shareholder). The 2025 Plan provides that the administrator will determine the acceptable form(s) of consideration for exercising an option. An option will be deemed exercised when we receive the notice of exercise and full payment for the Shares to be exercised, together with applicable tax withholdings.

Stock Appreciation Rights

A stock appreciation right gives a participant the right to receive the appreciation in the fair market value of our common stock between the date an award is granted and the date it is exercised. Upon exercise of a stock appreciation right, the holder of the award will be entitled to receive an amount determined by multiplying: (i) the difference between the fair market value of a Share on the date of exercise and the exercise price by (ii) the number of exercised stock appreciation rights. We may pay the appreciation in cash, in Shares, or a combination of both. Each stock appreciation right granted under the 2025 Plan will be evidenced by an award agreement specifying the exercise price and the other terms and conditions of the award.

The exercise price per Share of each stock appreciation right may not be less than the fair market value of a Share on the date of grant. Stock appreciation rights will be exercisable at such times or under such conditions as determined by the administrator and set forth in the award agreement. The term of a stock appreciation right may not be more than ten years. Upon the termination of a participant’s service, the unvested portion of the participant’s stock appreciation right generally expires. The vested portion of the stock appreciation right will remain exercisable for the period following the participant’s termination of service that is set forth in the award agreement.

Restricted Stock Awards

Awards of restricted stock are rights to acquire or purchase Shares that vest in accordance with the terms and conditions established by the administrator in its sole discretion. Unless otherwise provided by the

administrator, a participant will forfeit any Shares of restricted stock that have not vested by the termination of the participant's service. Each restricted stock award granted will be evidenced by an award agreement specifying the number of Shares subject to the award and the other terms and conditions of the award. The administrator will determine the vesting conditions that apply to an award of restricted stock.

Unless the administrator provides otherwise, participants holding Shares of restricted stock will have voting rights and rights to dividends and other distributions with respect to such Shares without regard to vesting. However, such dividends or other distributions will be subject to the same restrictions and forfeitability provisions that apply to the Shares of restricted stock with respect to which they were paid, and the company will hold such dividends and distributions until the restrictions on the Shares of restricted stock with respect to which they were paid have lapsed. The administrator has the discretion to reduce or waive any restrictions and to accelerate the time at which any restrictions will lapse or be removed.

Restricted Stock Units

A restricted stock unit represents a right to receive cash or a Share if the performance goals or other vesting criteria set by the administrator are achieved or the restricted stock unit otherwise vests. Each award of restricted stock units granted under the 2025 Plan will be evidenced by an award agreement specifying the number of Shares subject to the award and other terms and conditions of the award.

The administrator may set vesting conditions based upon the achievement of company-wide, regional, department, business unit, business segment, affiliate, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the administrator, in its discretion.

After an award of restricted stock units has been granted, the administrator has the discretion to reduce or waive any restrictions or vesting criteria that must be met to receive a payout or to accelerate the time at which any restrictions will lapse or be removed. A participant will generally forfeit any unearned restricted stock units upon termination of his or her service, unless otherwise provided by the administrator. The administrator in its sole discretion may pay earned restricted stock units in cash, Shares, or a combination of both.

The award agreements for restricted stock units generally will also provide that if a participant experiences a qualifying termination of employment, a pro-rata portion (based on the participant's length of service and, in the case of performance-based restricted stock units, the actual level of achievement of the applicable performance goals) of his or her award will become vested, subject to the participant's execution of a release of claims in our favor, unless such termination is due to the participant's death or disability.

Performance Units and Performance Shares

Performance units and performance Shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. Performance units will have an initial value established by the administrator on or before the date of grant. Each performance Share will have an initial value equal to the fair market value of a Share on the grant date. Performance units and performance Shares will result in a payment to a participant only if the performance goals or other vesting criteria set by the administrator are achieved or the awards otherwise vest.

Each award of performance units or performance Shares granted under the 2025 Plan will be evidenced by an award agreement specifying the performance period and other terms and conditions of the award. The administrator may set vesting criteria based upon the achievement of company-wide, regional, department, business unit, business segment, affiliate, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the administrator, in its discretion.

After an award of performance units or performance Shares has been granted, the administrator has the discretion to accelerate, reduce, or waive any performance objectives or other vesting provisions for such performance units or performance Shares, but may not increase the amount payable at a given level of performance.

The administrator has the discretion to pay earned performance units or performance Shares in the form of cash, Shares (which will have an aggregate fair market value equal to the earned performance units or performance Shares at the close of the applicable performance period), or a combination of both.

A participant will generally forfeit any performance units or performance Shares that have not been earned or have not vested as of the termination of his or her service with us.

Incentive Cash Bonuses

Incentive cash bonuses give participants an opportunity to earn a future payment tied to the level of achievement with respect to one or more performance criteria established for a performance period specified by the administrator. The administrator will determine the terms and conditions of each incentive cash bonus.

The administrator may set vesting criteria based upon the achievement of company-wide, regional, department, business unit, business segment, affiliate, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the administrator, in its discretion.

After an incentive cash bonus has been granted, the administrator has the discretion to reduce or waive any restrictions for such incentive cash bonus, but may not increase the amount payable at a given level of performance.

A participant will generally forfeit all incentive cash bonuses that have not been earned or have not vested as of the termination of his or her service with us.

Transferability of Awards

Unless the administrator provides otherwise, awards under the 2025 Plan generally are not transferable other than by will or by the laws of descent or distribution.

Dissolution or Liquidation

In the event of a proposed dissolution or liquidation of our company, the administrator will notify each participant as soon as practicable prior to the effective date of such proposed transaction. An award will terminate immediately prior to consummation of such proposed action to the extent the award has not been previously exercised.

Merger or Change in Control

In the event of a merger of our company or a change in control, as defined in the 2025 Plan, each award will be treated as the administrator determines, including that each award will be assumed or substantially equivalent awards substituted by the acquiring or succeeding corporation or its affiliate. The administrator will not be required to treat all outstanding awards the same in the transaction.

Except as otherwise set forth in an award agreement, if the successor corporation does not assume or substitute for the award, the participant will fully vest in and have the right to exercise all of his or her outstanding options and stock appreciation rights, and all restrictions on restricted stock and restricted stock units will lapse. With respect to awards with performance-based vesting that are not assumed or substituted for, all

performance goals or other vesting criteria will be deemed achieved at the greater of target levels or actual achievement, and all other terms and conditions will be deemed met. In addition, if an option or stock appreciation right is not assumed or substituted for, the administrator will notify the participant in writing or electronically that the option or stock appreciation right will be exercisable for a period of time determined by the administrator, in its sole discretion, and the option or stock appreciation right will terminate upon the expiration of such period. The award agreements for options and restricted stock units generally will also provide that if the award is assumed or substituted for and the participant experiences a qualifying termination of employment within 1 year, 2 years for CEO, following a change in control, the award will become fully vested, subject to the participant's execution of a release of claims in our favor.

For awards granted to our non-employee directors, in the event of a change in control, then (i) the non-employee director will fully vest in and have the right to exercise all of his or her outstanding options and stock appreciation rights, (ii) all restrictions on the non-employee director's restricted stock and restricted stock units will lapse, and (iii) with respect to the non-employee director's awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at target levels (prorated based on the portion of the performance period that elapsed as of immediately prior to the transaction) and all other terms and conditions will be deemed met.

Forfeiture and Clawback

Each award under the 2025 Plan will be subject to recoupment under our current clawback policy (revised August 2023), as it may be amended or modified from time to time, and any subsequent clawback policy that we are required by applicable stock exchange rules or applicable laws to adopt (including any such clawback policy that is adopted after the grant of the award), and the administrator also may impose such other clawback, recovery, or recoupment provisions in an award agreement as the administrator determines necessary or appropriate.

Termination or Amendment

Our ability to grant incentive stock options under the 2025 Plan will expire in 2035. The 2025 Plan will not expire until terminated by the Board or the Human Capital Committee, which have the authority to amend, suspend, or terminate the 2025 Plan. However, such action cannot materially impair the existing rights of any participant without his or her written consent, subject to certain exceptions in accordance with the terms of the 2025 Plan. We will obtain shareholder approval of any amendment to the 2025 Plan to the extent such approval is necessary or desirable to comply with applicable laws.

Summary of U.S. Federal Income Tax Consequences

The following summary is intended only as a general guide to the U.S. federal income tax consequences of participation in the 2025 Plan. The summary is based on existing U.S. laws and regulations as of the record date, and there can be no assurance that those laws and regulations will not change in the future. The summary does not purport to be complete and does not discuss the tax consequences upon a participant's death, or the provisions of the income tax laws of any municipality, state or foreign country in which the participant may reside. As a result, tax consequences for any particular participant may vary based on individual circumstances.

Incentive Stock Options

A participant recognizes no taxable income for federal income tax purposes as a result of the grant or exercise of an option that qualifies as incentive stock option under Section 422 of the Code. If a participant exercises the option and then later sells or otherwise disposes of the Shares acquired through the exercise the option after both the two-year anniversary of the date the option was granted and the one-year anniversary of the exercise, the participant will recognize a capital gain or loss equal to the difference between the sale price of the Shares and the exercise price, and we will not be entitled to any deduction for federal income tax purposes.

However, if the participant disposes of such Shares either on or before the two-year anniversary of the date of grant or on or before the one-year anniversary of the date of exercise (a “Disqualifying Disposition”), any gain up to the excess of the fair market value of the Shares on the date of exercise over the exercise price generally will be taxed as ordinary income, unless the Shares are disposed of in a transaction in which the participant would not recognize a loss (such as a gift). Any gain in excess of that amount will be a capital gain. If a loss is recognized, there will be no ordinary income, and such loss will be a capital loss. Any ordinary income recognized by the participant upon the Disqualifying Disposition of the Shares generally should be deductible by the company for federal income tax purposes, except to the extent such deduction is limited by applicable provisions of the Code.

For purposes of the alternative minimum tax, the difference between the option exercise price and the fair market value of the Shares on the exercise date is treated as an adjustment item in computing the participant’s alternative minimum taxable income in the year of exercise. In addition, special alternative minimum tax rules may apply to certain subsequent Disqualifying Dispositions of the Shares or provide certain basis adjustments or tax credits for alternative minimum tax purposes.

Nonstatutory Stock Options

A participant generally recognizes no taxable income as the result of the grant of such an option. However, upon exercising the option, the participant normally recognizes ordinary income equal to the amount that the fair market value of the Shares on such date exceeds the exercise price. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Upon the sale of the Shares acquired by the exercise of a nonstatutory stock option, any gain or loss (based on the difference between the sale price and the fair market value on the exercise date) will be taxed as capital gain or loss. No tax deduction is available to the company with respect to the grant of a nonstatutory stock option or the sale of the Shares acquired through the exercise of the nonstatutory stock option.

Stock Appreciation Rights

In general, no taxable income is reportable when a stock appreciation right is granted to a participant. Upon exercise, the participant generally will recognize ordinary income in an amount equal to the fair market value of any Shares received. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Any additional gain or loss recognized upon any later disposition of the Shares would be capital gain or loss.

Restricted Stock Awards

A participant acquiring Shares of restricted stock generally will recognize ordinary income equal to the fair market value of the Shares on the vesting date. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. The participant may elect pursuant to Section 83(b) of the Code to accelerate the ordinary income tax event to the date of acquisition by filing an election with the Internal Revenue Service no later than thirty days after the date the Shares are acquired. Upon the sale of Shares acquired pursuant to a restricted stock award, any gain or loss, based on the difference between the sale price and the fair market value on the date the ordinary income tax event occurs, will be taxed as capital gain or loss.

Restricted Stock Unit Awards

There are no immediate tax consequences of receiving an award of restricted stock units. A participant who is awarded restricted stock units generally will be required to recognize ordinary income in an amount equal to the fair market value of the Shares issued to and/or the cash received by such participant at the end of the applicable vesting period or, if later, the settlement date elected by the administrator or a participant. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Any additional gain or loss recognized upon any later disposition of any Shares received would be capital gain or loss.

Performance Shares and Performance Unit Awards

A participant generally will recognize no income upon the grant of a performance Share or a performance unit award. Upon the settlement of such awards, participants normally will recognize ordinary income in the year of receipt in an amount equal to the cash received and the fair market value of any unrestricted Shares received. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Upon the sale of any Shares received, any gain or loss, based on the difference between the sale price and the fair market value on the date the ordinary income tax event occurs, will be taxed as capital gain or loss.

Incentive Cash Bonuses

There are no immediate tax consequences of receiving an incentive cash bonus award. A participant who is awarded an incentive cash bonus generally will be required to recognize ordinary income in an amount equal to the cash received by such participant at the end of the applicable vesting period or, if later, the settlement date determined by the administrator. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes.

Section 409A of the Code

Section 409A of the Code (“Section 409A”) provides certain requirements for non-qualified deferred compensation arrangements with respect to an individual’s deferral and distribution elections and permissible distribution events. Awards granted under the 2025 Plan with a deferral feature will be subject to the requirements of Section 409A. If an award is subject to and fails to satisfy the requirements of Section 409A, the recipient of that award may recognize ordinary income on the amounts deferred under the award, to the extent vested, which may be prior to when the compensation is actually or constructively received. Also, if an award that is subject to Section 409A fails to comply with Section 409A’s provisions, Section 409A imposes an additional 20% federal income tax on compensation recognized as ordinary income, as well as interest on such deferred compensation. Should any payments made in accordance with the 2025 Plan to a “specified employee” (as defined under Section 409A) be determined to be payments from a nonqualified deferred compensation plan that are payable in connection with a participant’s “separation from service” (as defined under Section 409A), that are not exempt from Section 409A as a short-term deferral or otherwise, then such payments, to the extent otherwise payable within six months after the participant’s separation from service, and to the extent necessary to avoid the imposition of additional taxes under Section 409A, will be paid in a lump sum on the earlier of the date that is the fifth business day of the seventh month after the participant’s date of separation from service or the date of the participant’s death. The company makes no representation that any or all of the payments or benefits described in the 2025 Plan will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment. Participants shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

THE DESCRIPTION ABOVE IS ONLY A SUMMARY OF THE EFFECT OF U.S. FEDERAL INCOME TAXATION ON PARTICIPANTS AND THE COMPANY WITH RESPECT TO AWARDS UNDER THE 2025 PLAN. IT IS NOT COMPLETE AND DOES NOT DISCUSS THE IMPACT OF EMPLOYMENT OR OTHER TAX REQUIREMENTS, THE TAX CONSEQUENCES OF A PARTICIPANT’S DEATH, OR THE PROVISIONS OF THE INCOME TAX LAWS OF ANY MUNICIPALITY, STATE, OR FOREIGN COUNTRY IN WHICH THE PARTICIPANT MAY RESIDE.

Vote Required and Board Recommendation

The affirmative vote of a majority of the votes cast is required for the adoption and approval of the company’s 2025 Equity Incentive Plan.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* ADOPTION AND APPROVAL OF THE COMPANY’S 2025 EQUITY INCENTIVE PLAN.

Advisory Resolution to Approve Executive Compensation (Proposal 3)

Description

We are asking shareholders to vote on an advisory resolution to approve the company's executive compensation as reported in this proxy statement. As described below in the "Compensation Discussion and Analysis" section of this proxy statement, the Human Capital Committee has structured our executive compensation program in an effort to align management's interests with those of its shareholders and to attract, retain and motivate talented individuals who will drive the successful execution of the company's strategic plan. We motivate our executives primarily by "paying for performance," or rewarding the accomplishment of individual performance and corporate goals through the use of performance-based compensation. As discussed in the "Compensation Discussion and Analysis" section of this proxy statement, the achievement of financial and strategic corporate goals, as well as departmental and individual performance, determine the short-term and long-term incentive compensation paid to our executives. Our executive compensation programs have a number of features designed to promote these objectives.

We urge shareholders to read the "Compensation Discussion and Analysis" section of this proxy statement below, which describes how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative below, which provide detailed information on the compensation of our named executive officers. The Human Capital Committee and the Board believe that the policies and procedures articulated in the "Compensation Discussion and Analysis" section of this proxy statement are effective in achieving our goals and that the compensation of our named executive officers reported in this proxy statement reflects and supports these compensation policies and procedures.

The Board has adopted a policy providing for an annual advisory resolution to approve executive compensation. In accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as a matter of good corporate governance, we are asking shareholders to approve the following advisory resolution at the 2025 annual meeting of shareholders:

RESOLVED, that the shareholders of InterDigital, Inc. (the "company") approve, on an advisory basis, the compensation of the company's named executive officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative in the proxy statement for the company's 2025 annual meeting of shareholders.

This advisory resolution, commonly referred to as a "say on pay" resolution, is non-binding on the Board. Although non-binding, the Board and the Human Capital Committee will review and consider the voting results when making future decisions regarding our executive compensation program. Unless the Board modifies its policy on the frequency of future "say on pay" votes, the next "say on pay" vote will be held at the 2026 annual meeting of shareholders.

Vote Required and Board Recommendation

The affirmative vote of the majority of votes cast is required to approve this advisory resolution.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE *FOR*
THE ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION.**

**Ratification of Appointment of
Independent Registered Public Accounting Firm
(Proposal 4)**

Description

The Audit Committee has appointed PricewaterhouseCoopers LLP (“PwC”) as the company’s independent registered public accounting firm for the year ending December 31, 2025. PwC has served as the independent registered public accounting firm of the company since 2002.

Although ratification of the appointment of PwC is not legally required, the Board is asking the shareholders to ratify the appointment as a matter of good corporate governance. If the shareholders do not ratify the appointment, the Audit Committee will consider whether it is appropriate to select another independent registered public accounting firm in future years. Even if the shareholders ratify the appointment, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the company and its shareholders.

Representatives from PwC are expected to be present at the annual meeting, will have the opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions.

Fees of Independent Registered Public Accounting Firm

Aggregate fees for professional services delivered by PwC for the fiscal years ended on December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Type of Fees		
Audit Fees(1)	\$1,220,300	\$1,242,700
Tax Fees(2)	35,000	141,600
All Other Fees(3)	2,000	2,900
Total	<u>\$1,257,300</u>	<u>\$1,387,200</u>

- (1) *Audit Fees* consist of the aggregate fees billed by PwC for the above fiscal years for professional services rendered by PwC for the integrated audit of the company’s consolidated financial statements and the company’s internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002, for review of the company’s interim consolidated quarterly financial statements included in the company’s quarterly reports on Form 10-Q and for services that are normally provided by PwC in connection with regulatory filings or engagements for the above fiscal years. Such fees also include fees billed by PwC in connection with several international statutory audits and, for 2023, its audit of the financial statements of Convida Wireless, LLC, the company’s joint venture with Sony Corporation of America.
- (2) *Tax Fees* consist of the aggregate fees billed by PwC for the above fiscal years related to technical advice pertaining to foreign and domestic tax matters.
- (3) *All Other Fees* consist of the aggregate fees billed by PwC for the above fiscal years for certain accounting research software tools licensed by the company from PwC.

Audit Committee Pre-Approval Policy for Audit and Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee has adopted a policy that requires the committee to pre-approve all audit and non-audit services to be performed by the company's independent registered public accounting firm. Unless a service falls within a category of services that the Audit Committee already has pre-approved, an engagement to provide the service requires specific pre-approval by the Audit Committee. Also, proposed services exceeding pre-approved cost levels require specific pre-approval.

Consistent with the rules established by the SEC, proposed services to be provided by the company's independent registered public accounting firm are evaluated by grouping the services and associated fees under one of the following four categories: *Audit Services*, *Audit-Related Services*, *Tax Services* and *All Other Services*. All proposed services for the following year are discussed and pre-approved by the Audit Committee, generally at a meeting or meetings that take place during the November or December time period. In order to render approval, the Audit Committee has available for reference a schedule of services and fees approved by category for the current year, and specific details of the proposed services are provided to the Audit Committee.

The Audit Committee has delegated pre-approval authority to its chair for cases where services must be expedited. In cases where the Audit Committee chair pre-approves a service provided by the independent registered public accounting firm, the chair is required to report the pre-approval decisions to the Audit Committee at its next scheduled meeting. The company's management periodically provides the Audit Committee with reports of all pre-approved services and related fees by category incurred during the current fiscal year, with forecasts of any additional services anticipated during the year.

All of the services performed by PwC related to fees disclosed above were pre-approved by the Audit Committee.

Vote Required and Board Recommendation

The affirmative vote of the majority of votes cast at the annual meeting is required to ratify the appointment of PwC as the company's independent registered public accounting firm for the year ending December 31, 2025.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE *FOR*
RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE
COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
FOR THE YEAR ENDING DECEMBER 31, 2025.**

REPORT OF THE AUDIT COMMITTEE

As more fully described in its charter, the Audit Committee oversees the company's financial reporting processes on behalf of the Board. In fulfilling our oversight responsibilities, the Audit Committee reviewed and discussed with management the company's audited consolidated financial statements for the year ended December 31, 2024, including a discussion of the acceptability and appropriateness of significant accounting principles and management's assessment of the effectiveness of the company's internal control over financial reporting. Management represented to us that the company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States and considered appropriate in the circumstances to present fairly the company's financial position, results of operations and cash flows. The Audit Committee also reviewed and discussed with PwC, the company's independent registered public accounting firm, the matters required to be discussed with the independent registered public accounting firm under applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC.

The Audit Committee also received and reviewed the written disclosures and the letter from PwC required by applicable requirements of the PCAOB regarding PwC's communications with the Audit Committee concerning independence and discussed with PwC its independence.

Based on the reviews and discussions with management and the independent registered public accounting firm referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the company's annual report on Form 10-K for the year ended December 31, 2024, and the Audit Committee retained PwC as the company's independent registered public accounting firm for the year ending December 31, 2025.

AUDIT COMMITTEE:

John A. Kritzmacher, Chair
Samir Armaly
Joan H. Gillman

The foregoing Audit Committee report shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended or the Exchange Act and shall not otherwise be deemed filed under these acts, except to the extent specifically incorporated by reference.

EXECUTIVE OFFICERS

Set forth below is certain information concerning our executive officers as of March 31, 2025:

Name	Age	Position
Liren Chen	54	President and Chief Executive Officer
Richard J. Brezski	52	Chief Financial Officer and Treasurer
Eeva K. Hakoranta*	60	Chief Licensing Officer
Rajesh Pankaj	60	Chief Technology Officer
Joshua D. Schmidt	41	Chief Legal Officer and Corporate Secretary

* Effective April 2025, Ms. Hakoranta no longer serves as an executive officer of the company. Ms. Hakoranta has agreed to serve as a strategic advisor to the company through July 4, 2025.

There are no family relationships among the individuals serving as our directors or executive officers. The company's executive officers are appointed to their respective offices to hold office until their successors are duly appointed. Biographical information on Mr. Chen is discussed under the caption "Election of Directors" above.

Richard J. Brezski is InterDigital's Chief Financial Officer, responsible for overseeing the company's finance, accounting, audit, tax, treasury, and facilities functions, including the company's internal and external financial reporting and analysis. Mr. Brezski joined the company as Director and Controller in May 2003. Mr. Brezski was promoted to Senior Director in July 2006 and in January 2007 was appointed Chief Accounting Officer. In January 2009, Mr. Brezski was promoted to Vice President, Controller and Chief Accounting Officer, and in March 2011 he was appointed to the additional post of Treasurer. In May 2012, he was appointed Chief Financial Officer. Prior to joining InterDigital, Mr. Brezski served as an audit manager for PwC in its technology, information, communications and entertainment practice, where he provided business advisory and auditing services to product and service companies in the electronics, software and technology industries. Mr. Brezski earned a Bachelor of Science in Accountancy from Villanova University and an Executive Master of Business Administration from Hofstra University.

Eeva K. Hakoranta served as InterDigital's Chief Licensing Officer, responsible for overseeing the company's complete licensing portfolio and activities until April 2025. Ms. Hakoranta joined InterDigital in 2020 and contributed more than 30 years of experience in the legal and licensing industry. Prior to joining InterDigital, Ms. Hakoranta served more than 13 years at Nokia, most recently as Senior Vice President and Head of IP and Litigation, as well as General Counsel for Nokia Technologies. Prior to leading Nokia's IP activities, she was influential in building the company's patent licensing team and significantly growing its licensing revenue. Before Nokia, Ms. Hakoranta served in private practice at Roschier Attorneys Ltd in Helsinki, Finland. Ms. Hakoranta holds an LLM from the University of Helsinki.

Rajesh Pankaj is InterDigital's Chief Technology Officer, responsible for leading the company's technology vision and strategy and advancing the company's technology roadmaps. Dr. Pankaj joined InterDigital in July 2022 from Qualcomm where he oversaw research in 5G, 4G LTE, augmented reality and other technologies. Prior to joining InterDigital, Dr. Pankaj served as the Senior Vice President, Engineering and Head of Corporate R&D at Qualcomm, where he managed a global team of engineers focused on Artificial Intelligence, Edge Computing and new technologies. During his 25 years at Qualcomm, he also served in a variety of other R&D and engineering roles. Dr. Pankaj is an inventor or co-inventor on 230 patents worldwide. Dr. Pankaj holds a PhD in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology and a Bachelor's of Technology degree from the Indian Institute of Technology, Kanpur.

Joshua D. Schmidt is InterDigital's Chief Legal Officer and Corporate Secretary, responsible for managing the company's legal functions. Mr. Schmidt joined InterDigital in 2015 and previously served as Vice President,

Deputy General Counsel, with responsibility for the company's corporate, commercial, employment and compliance functions, as well as the company's environmental, social and governance initiatives and was promoted to Chief Legal Officer and Corporate Secretary in October 2021. Prior to that role, Mr. Schmidt served in a variety of roles within InterDigital's legal department, with primary responsibility for the company's M&A, corporate governance, and commercial contracting functions. Before joining InterDigital, Mr. Schmidt was an associate at Dechert LLP, where he focused his practice on private and public company M&A, securities offerings, venture capital transactions and joint ventures. Mr. Schmidt holds a Juris Doctor degree from Duke University School of Law and a Bachelor of Science in Business Administration: Finance from the University of Pittsburgh.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (“CD&A”) covers all material elements of compensation awarded to, earned by or paid to the company’s Named Executive Officers (“NEOs”) during 2024 and focuses on the principles underlying the company’s executive compensation policies and decisions.

The CD&A discusses the compensation for the following individuals:

NEO	Position as of December 31, 2024
Liren Chen	President and Chief Executive Officer (“CEO”)
Richard J. Brezski	Chief Financial Officer (“CFO”) and Treasurer
Eeva K. Hakoranta*	Chief Licensing Officer
Rajesh Pankaj	Chief Technology Officer
Joshua D. Schmidt	Chief Legal Officer and Corporate Secretary

* Effective April 2025, Ms. Hakoranta no longer serves as an executive officer of the company. Ms. Hakoranta has agreed to serve as a strategic advisor to the company through July 4, 2025.

Executive Summary

2024 Business Highlights

In 2024, we achieved several significant financial and operational results:

Total Revenue

*Delivered record setting financial results with full year 2024 revenue of **\$869 million**, 58% year over year increase and highest annual revenue in the company’s history and compound annual growth rate of 25% over the past four years.*

<p style="text-align: center;">Adjusted EBITDA Margin*</p> <p><i>Adjusted EBITDA margin was very strong at 63%, a 20 pt improvement over the past four years; adjusted EBITDA grew more than 3.5 times over same timeframe.</i></p>	<p style="text-align: center;">EPS</p> <p><i>Full year GAAP EPS of \$12.07 and non-GAAP EPS* of \$14.97.</i></p>	<p style="text-align: center;">Total Shareholder Return</p> <p><i>Generated TSR of 81.1% in fiscal 2024 and annualized three-year TSR of 42.0%.</i></p>
<p style="text-align: center;">Licensing Agreements</p> <p><i>Signed 14 new license agreements in 2024 and licensed the top four smartphone vendors and more than 70% of smartphone global shipments annually.</i></p>	<p style="text-align: center;">New Patents</p> <p><i>Drove intellectual property creation from our R&I team with more than 5,000 new patent filings worldwide.</i></p>	<p style="text-align: center;">Return of Capital</p> <p><i>Robust full year cash flow with \$272 million net cash provided by operating activities and a total of \$236 million to be used to return capital to shareholders and retire debt.</i></p>

* Adjusted EBITDA, adjusted EBITDA margin and non-GAAP EPS are non-GAAP financial measures. See Appendix A for an explanation of how these metrics are used and a detailed reconciliation to the most directly comparable GAAP measure.

2024 Compensation Decisions and Actions

The following are highlights of the key compensation decisions made by the Human Capital Committee for 2024:

- ***Special one-time performance-based equity award granted to CEO.*** Our CEO was granted a one-time special equity award in March 2024 that is 100% performance-based and can be earned over seven-years for achievement of new revenue milestones that are key to long-term shareholder value creation.
- ***Provided a majority of our executives' target compensation in equity to align our executives' interests with that of our shareholders.*** Approximately 83% of our CEO's 2024 target compensation and, on average, 72% of 2024 target compensation for our other NEOs was in equity incentives, with approximately 57% of our CEO's and 50% of our other NEOs' 2024 equity in the form of performance-based equity awards.
- ***Base salaries remained flat.*** The base salaries of our CEO and our NEOs remained flat for 2024 because the Human Capital Committee believed that their salaries were competitive and that any market adjustments should be focused on short- and long-term incentives to strengthen our executive compensation program's pay for performance orientation.
- ***Paid Short Term Incentive Program ("STIP") awards out at 200% of target based on superior performance results.*** Record-setting revenue, including the execution of the Samsung TV Agreement that contributed more than half of our year over year revenue growth, along with above-target patent filings drove maximum payout.

Shareholder Engagement and Results from 2024 Shareholder Advisory Vote on Executive Compensation

At the 2024 annual meeting of shareholders, we held an advisory vote on executive compensation. In 2024, we received shareholder support for our executive compensation programs with say on pay support of approximately 97%. The Human Capital Committee considers the results of the annual advisory vote on executive compensation as a strong data point in its compensation decisions.

The Human Capital Committee actively and directly seeks out feedback from shareholders regarding the executive compensation program. Specifically, in the fall of 2024, the Chair of the Human Capital Committee, our investor relations team, and as appropriate, members of senior management reached out to 25 of our largest investors, which collectively own about three-quarters of our outstanding shares, and ultimately engaged with certain of these investors to discuss and receive input, including about our executive compensation.

In addition, during fiscal year 2024, our investor relations team participated in fourteen investor conferences and five non-deal roadshow events and engaged with existing and prospective institutional investors in over 150 meetings to keep an open dialog about our business and performance. Our investor relations team discusses with our shareholders any subject they wish to raise, subject to the limitations of applicable securities law, including financial activities, strategy, sustainability and executive compensation.

Good Governance Practices and Policies

The Human Capital Committee and the company strive to maintain good governance practices and regularly review and update such practices related to the compensation of our executives, including our NEOs. The

following table highlights the responsible practices we have implemented, as well as the practices we have avoided, in order to best serve our shareholders' long-term interests:

WHAT WE DO

- ✓ We incorporate shareholder feedback into our compensation program design.
- ✓ We create a ***balanced compensation program*** through a mix of fixed and variable short- and long-term incentives.
- ✓ We ***cap*** payouts under our annual STIP to individual employees, including our NEOs, at two times target.
- ✓ We have ***double-trigger*** change in control payout provisions (i.e., an executive must be terminated in connection with a change in control in order to receive any change in control benefits).
- ✓ We maintain a ***clawback policy*** that allows for recoupment of excess incentive compensation paid to our executive officers in the event of certain accounting restatements.
- ✓ We have robust target ***stock ownership*** levels for our executive officers and directors, defining qualifying stock to include only shares of common stock or vested RSUs held outright or indirectly through the 401k.
- ✓ We ***review compensation-related risk*** with an outside independent compensation consultant on an annual basis to ensure our plans do not create incentives that would put the company at risk of a material adverse effect.

WHAT WE DO NOT DO

- ⊗ We do not have single-trigger payout provisions in our equity award agreements.
- ⊗ We do not provide golden parachute tax gross-ups.
- ⊗ We do not provide excessive perquisites to executives that other employees at or above the senior director level do not receive.
- ⊗ We do not permit the hedging of InterDigital stock by any employee, including executives.
- ⊗ We do not pay out dividend equivalents on unvested RSUs; accrued dividend equivalents are paid out only if and to the extent that the underlying RSU award vests.

What Guides Our Program

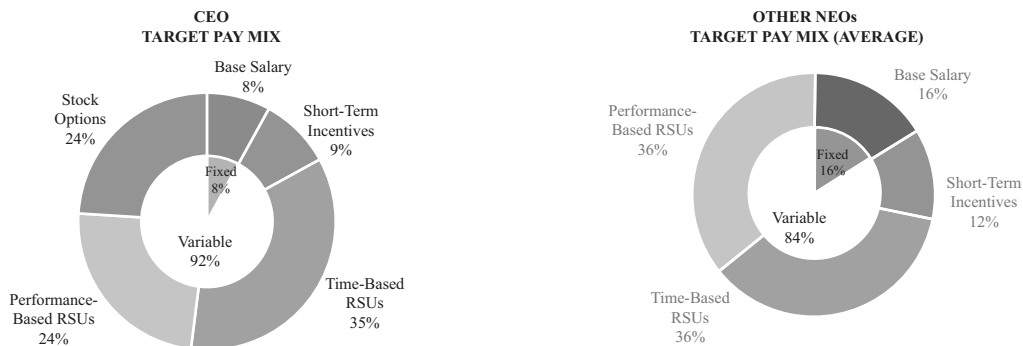
Compensation Objectives and Philosophy

The primary purpose of our executive compensation program is to attract, retain and motivate talented individuals who will drive the successful execution of the company's strategic plan. Specifically, we aim to:

- attract talented leaders to serve as executives by setting total compensation levels and incentive program targets at competitive levels for comparable roles in the marketplace;
- retain our executives by providing a balanced mix of base salary and short and long-term incentive compensation;
- motivate our executives by "paying for performance," and rewarding individual performance and the accomplishment of corporate goals, as determined by the Human Capital Committee, through performance-based compensation; and
- align the interests of executives and shareholders by rewarding our executives for increasing our stock price over the long term and maximizing shareholder value with a substantial portion of total compensation in the form of direct ownership in our company through long-term equity awards and meaningful ownership guidelines.

Pay for Performance (Principal Elements of Pay)

Our executive compensation program is intended to hold our executives accountable for business results and compensate them for strong corporate performance and value creation for our shareholders by rewarding performance that meets or exceeds the goals established by the Human Capital Committee. Our NEOs' 2024 compensation program was comprised of base salary, STIP and long-term compensation program ("LTCP") awards. Consistent with our compensation philosophy, the actual compensation received by our NEOs will vary based on individual and corporate performance measured against annual and long-term performance goals. Additionally, because a significant percentage of our NEOs' pay is comprised of equity awards, the value of their pay increases and decreases with changes in our stock price. For 2024, approximately 92% of our CEO's annual target compensation, and on average, 84% of the target compensation of our other NEOs, was comprised of STIP and LTCP awards and thus variable based on the company's performance.



The Decision-Making Process

Role of the Human Capital Committee. The Human Capital Committee oversees our executive compensation program and has final approval with respect to the composition, structure and amount of all executive officer compensation. The Human Capital Committee is comprised of at least three independent members of the Board. Guided by its philosophy that the interests of key leadership should be aligned with the long-term interests of the company and its shareholders, the Human Capital Committee annually reviews and approves goals relevant to the performance-based incentive compensation of the CEO and other executive officers. The Human Capital Committee works very closely with management and the Human Capital Committee's independent consultant to examine the effectiveness of the company's executive compensation program throughout the year. Details of the Human Capital Committee's authority and responsibilities are discussed above under "Board Structure and Committee Membership—Human Capital Committee" and are specified in the Human Capital Committee's charter, which is available on the Investor Relations page of our corporate website.

Role of Executives. As part of the annual performance and compensation review for executives other than the CEO, the Human Capital Committee considers the CEO's assessment of the other executives' departmental and individual performances, reviewing major individual accomplishments and other recommendations of the CEO regarding their compensation. The CEO also reports to the Human Capital Committee on the company's achievement of objectively measurable goals established under performance-based incentive programs, based upon data provided by management.

Role and Independence of Advisors. The Human Capital Committee has authority to retain independent consultants and other experts to assist in carrying out its responsibilities. The Human Capital Committee selects the consultant, negotiates the fees paid and manages the engagement. The Human Capital Committee engages FW Cook, a national executive compensation consulting firm, to advise it and the rest of the Board on matters including, but not limited to, trends in executive compensation, compensation peer group composition, assessing

total direct compensation of the executives as compared to the compensation peer group, and short and long-term incentive plan design and compensation of the company's executive officers. Based on consideration of the factors as set forth in applicable SEC rules and listing standards of the Nasdaq Stock Market, the Human Capital Committee has determined that FW Cook has no conflicts of interest in providing its services. In 2023 and previous years, the Human Capital Committee engaged Pearl Meyer, a national compensation consulting firm, as its compensation consultant.

Factors Considered in Setting Compensation Amounts and Targets. In establishing compensation amounts and incentive program targets for executives, the Human Capital Committee seeks to provide compensation that is competitive under current market conditions and industry practices. Accordingly, the Human Capital Committee annually reviews market data that is comprised of proxy-disclosed data from peer companies and information from nationally recognized published surveys for high-technology companies, adjusted for size.

Consistent with its review practices, in the fall of 2023, former compensation consultant Pearl Meyer assisted the Human Capital Committee with its process of identifying peer group companies for 2024 compensation purposes. The peer group approved by our Human Capital Committee was chosen based on an assessment of each company's similarity with InterDigital with respect to business model, revenue and market capitalization. The Human Capital Committee's objective in selecting this peer group was to include a mix of similar-sized public companies with a technology patent/licensing business and companies that operate in the system and application software sectors. Targeted companies generally had revenues between 0.5x and 2.5x InterDigital's size at the time of the analysis and market capitalization between 0.25x to 5.0x InterDigital's size. InterDigital has transformed from a telecommunications equipment manufacturer in the 1990s to a global research and development company whose licensing business has expanded beyond wireless to include video and artificial intelligence ("AI") technologies, and whose technologies are being used in products and services through software. As a result, seven software companies were identified for inclusion in the peer group and five primarily hardware companies were removed. Additionally, Xperi completed a spin off with Adeia, Inc. with the latter maintaining the IP licensing business. As a result, Xperi was replaced with Adeia.

The companies comprising the 2024 compensation peer group were as follows:

Adeia, Inc.	Everbridge, Inc.	Silicon Laboratories, Inc.
ADTRAN, Inc.	LiveRamp Holdings, Inc.	Synaptics Inc.
Aspen Technology, Inc.	Manhattan Associates, Inc.	Universal Display Corp
CSG Systems International, Inc.	Progress Software Corporation	
Guidewire Software, Inc.	Qualys, Inc.	
Digi International, Inc.	Rambus, Inc.	
Dolby Laboratories, Inc.	Semtech Corporation	

In early 2024, FW Cook conducted an executive compensation review using peer group and market data from nationally recognized published surveys to provide the Human Capital Committee context on competitive compensation for comparable executive positions. There is no targeted benchmark level of compensation, but the data are used as reference points to guide the Committee in its efforts to set executive compensation levels and program targets at competitive levels for comparable roles in the marketplace. The Committee believes that executive pay should be determined using a holistic approach, taking into account a wide variety of factors, such as the importance of each executive officer's role to the company, individual expertise, experience and performance, retention concerns, internal parity and relevant compensation trends in the marketplace, in making its final compensation determinations.

2024 Executive Compensation in Detail

Base Salary

Base salary is the fixed element of an executive's cash compensation, which the company pays to afford each executive the baseline financial security necessary to focus on his or her day-to-day responsibilities. Base salaries for the executives are set at competitive levels to attract and retain highly qualified and talented leaders. The Human Capital Committee reviews and approves base salaries for the executives annually, however, executive base salaries are not subject to automatic annual adjustments.

The Human Capital Committee reviews market data and base salaries of executive officers in the company's compensation peer group and considers the executive's experience, scope of responsibility, importance to the company and individual performance when setting base salary. Taking into account those factors, no salary adjustments were made in 2024. Set forth below are the 2023 and 2024 base salaries for our NEOs:

<u>NEO</u>	<u>2023</u>	<u>2024</u>	<u>% Increase</u>
Liren Chen	\$ 710,000	\$ 710,000	0%
Richard J. Brezski	\$ 440,000	\$ 440,000	0%
Eeva K. Hakoranta(1)	411,000€	411,000€	0%
Rajesh Pankaj	\$ 490,000	\$ 490,000	0%
Joshua D. Schmidt	\$ 400,000	\$ 400,000	0%

(1) Ms. Hakoranta received her salary and other cash compensation in euros.

Short-Term Incentive Plan

The annual STIP is designed to reward the achievement of corporate goals and individual accomplishments during each fiscal year. Individual STIP payouts are determined based on performance against pre-determined strategic corporate goals and individual performance. In 2024, the Human Capital Committee increased the Chief Legal Officer's target bonus from 60% to 75% of base salary to better align with market trends. No other changes were made to the target STIP levels. Bonuses are capped at 200% of target for each executive.

<u>NEO</u>	<u>2023 Target STIP Level (% of Base Salary)</u>	<u>2024 Target STIP Level (% of Base Salary)</u>
Liren Chen	105%	105%
Richard J. Brezski	75%	75%
Eeva K. Hakoranta	75%	75%
Rajesh Pankaj	75%	75%
Joshua D. Schmidt	60%	75%

The STIP is designed to ensure that corporate performance is a primary factor in determining payout. Baseline funding of the STIP is determined entirely on corporate goal achievement with individual performance as a modifier. The STIP payout for 2024 was determined as follows:



Corporate Performance Goals. For 2024, the corporate performance goals for the company’s executives and the relative weights assigned to each were as follows with a maximum payout of 200% of target:

2024 STIP Corporate Performance Goals:

Performance Measure (relative weight)	Description	Goal/Objectives	Determination of Payout Level
Total Revenue (60%)	Achieve specified amount of recognized revenue as reported in our financial statements*	Target is estimated recognized revenue as reported in 2024 financial statements Threshold = \$460M Target = \$560M	Minimum threshold set, below which would yield 0% achievement Each \$1 million above threshold equals 0.5% achievement up to target; each \$1 million achievement above target equals 0.5% achievement above target
Innovation (30%)	Patent filings	Patent filings – meet or exceed specified number of first patent filings Target = 800 first patent filings	Achievement based on % of target filings
Evolution (10%)	Execute Human Capital initiatives	Execute Human Capital initiatives with focus on Cultural Transformation	Bonus element pays out if specific, pre-defined strategic accomplishments are achieved

* Excludes catch up revenue from Samsung TV Agreement.

These corporate performance goals were structured to challenge and motivate executives and intended to align the executive team around a key set of company performance objectives. The goals further our long-term strategy to be a leading innovator, designer and developer of fundamental, horizontal technologies and to receive fair compensation from the companies that implement our patented innovations in their products and services across licensing programs. We want to grow our licensing revenue, grow and enhance our worldwide patent portfolio and execute on human capital initiatives. Our goal is to foster an environment where employees feel valued, respected and challenged in order to enable our workforce to continue to contribute to the company’s growth and sustained success.

Samsung TV Agreement. In January 2024, we signed a patent license agreement with Samsung Electronics (the “Samsung TV Agreement”) that resulted in approximately \$160 million of catch-up revenues in 2024, accounting for approximately 50% of our year-over-year revenue growth in 2024. The terms of the Samsung TV Agreement were finalized in Q4 2023, and the agreement was signed in the first two weeks of 2024. The Human Capital Committee considered that the 2023 STIP would be achieved at 200% of target including the Samsung TV Agreement, but determined that the incremental payout resulting from the Samsung TV Agreement would be deferred by a year and added to the 2024 STIP, requiring our executives to remain through the end of 2024 for payment. The delayed payment for the Samsung TV Agreement provided for a maximum payout of 66% of target for 2024, subject to the 200% of target bonus cap, which reflected the difference between the actual 2023 STIP payout of 134% of target, and the 200% of target achievement that would have resulted by including the Samsung TV Agreement for 2023. Actual payout for the Samsung TV Agreement was reduced from 66% to 49% of target due to the 2024 STIP’s 200% of target cap, and therefore we paid out less for the Samsung TV Agreement than we would have if we had included it for 2023.

To ensure the 2024 revenue goal for our STIP was sufficiently rigorous and did not double-count performance from the 2023 STIP, the Human Capital Committee determined that catch-up sales revenue generated from the Samsung TV Agreement would be excluded when determining achievement of the Total Revenue goal for 2024.

On January 23, 2025, the CEO reported to the Human Capital Committee on the final achievement of the revenue and strategic corporate goals and provided his assessment with respect to individual NEOs' performance for the year. Total Revenue in 2024 was \$869 million, which reflected 58% growth over 2023. For purposes of bonus achievement, only \$708 million is included after exclusion of the catch-up revenues from the Samsung TV Agreement. The table below contains details of the achievement of each of the corporate strategic performance components of the STIP, along with the payout assigned to each component according to its level of achievement.

Corporate Strategic Performance Goals: Outcomes					
Goal (Target metric weight)	Threshold Payout	Target Payout	Maximum Payout	Achievement	Component Payout
Total Revenue (60%)	\$460M 30%	\$560M 60%	*	<i>Total Revenue of \$708M (excludes Samsung TV catch-up sales revenue)) Each \$1M above \$560M is 0.5% achievement (achieved 174% of target)</i>	104%
Innovation (30%)	0%	30%	*	<i>985 patent filings (achieved 123% of target)</i>	37%
Evolution (10%)	0%	10%	*	<i>Continued execution of Culture Development Plan (100% achievement)</i>	10%
Delayed 2023 STIP Payout			66%	<i>Samsung TV Achievement</i>	49%
Overall Corporate Achievement			Capped at 200%	200%	200%

* Although individual goal achievement is not capped, the overall STIP payout is capped at 200%.

Personal Performance Component. The personal performance component of each NEO's STIP award is based on pre-established criteria and evaluated by the Human Capital Committee at the end of the year. For the CEO, the Human Capital Committee considered the Board's assessment of his performance, as reflected in the assessment by the non-executive Chairman of the Board.

For 2024, Mr. Chen was further assessed on performance of the strategic corporate goals as his personal achievement of the following:

Goal	Achievements
Revenue/ Financial Strength	InterDigital continued to successfully execute on its strategy to increase revenue above the target, which was set above 2023 actual total revenue. 2024 full year revenue of \$869 million grew 58% year over year. Mr. Chen achieved continued revenue growth while maintaining cost discipline, resulting in full-year GAAP EPS of \$12.07 and non-GAAP EPS of \$14.97.
Innovation	Mr. Chen's continued emphasis on and support of innovation drove above target achievement in 2024 as well as multiple top 5 ratings of our 5G, video codec and WiFi patent portfolios from LexisNexis.
Evolution	Mr. Chen continued to support the evolution of the corporate culture to drive talent growth and retention.

For the other NEOs, the Human Capital Committee reviewed the performance assessments provided by Mr. Chen with respect to each executive's individual performance and considered its own direct interactions with each NEO as well. The Human Capital Committee included the impact on achievement of the strategic corporate goals and how well such NEO's department performed during the year with respect to the department's goals/primary projects. After completing the evaluations, the Human Capital Committee determined that the personal performance achievement against objectives for each NEO employed by the company at the end of 2024 was as follows:

<u>NEO</u>	<u>Personal Performance Factor (0%-200%)</u>
Liren Chen	100%
Richard J. Brezski	100%
Eeva K. Hakoranta	100%
Rajesh Pankaj	100%
Joshua Schmidt	100%

STIP Payout Calculation. Using the formula presented above, the payout for each executive was based on both Corporate Achievement and Personal Performance. The following table lays out the calculations for each NEO employed by the company at the end of 2024:

<u>NEO</u>	<u>2024 Base Salary (\$)</u>	<u>Target as percentage of base salary</u>	<u>Target bonus (\$)</u>	<u>Corporate Achievement</u>	<u>Personal Performance</u>	<u>Overall achievement as % of target</u>	<u>Actual Bonus (\$)</u>
Liren Chen	710,000	105%	745,500	200%	100%	200%	1,491,000
Richard J. Brezski	440,000	75%	330,000	200%	100%	200%	660,000
Eeva K. Hakoranta(1)	427,000	75%	320,250	200%	100%	200%	640,500
Rajesh Pankaj	490,000	75%	367,500	200%	100%	200%	735,000
Joshua D. Schmidt	400,000	75%	300,000	200%	100%	200%	600,000

(1) Ms. Hakoranta received her salary and other cash compensation in euros. Amounts were converted to \$USD using an exchange rate for 2024 of 1.0386.

Long-Term Compensation Program

The LTCP is designed to align management's interests with those of the company's shareholders to maximize the value of the company's stock over the long term and to enhance retention efforts by incentivizing executive officers to drive the company's long-term strategic plan. It consists of three components:

<u>Equity Vehicle</u>	<u>What it Does</u>	<u>Vesting Requirements</u>
Performance-based RSUs	Aligns NEO and shareholder interests by tying value to both business results and future stock price.	Achievement of specified performance goals is required for vesting. For performance that falls below threshold achievement, no equity vests; vesting is capped at 200% of target. Performance-based options' exercise term is 10 years.
Performance-based stock options	Rewards for stock price appreciation and achievement of underlying goals.	
Time-based RSUs	Focuses our executives on long-term share ownership and sustained value.	Three-year ratable vesting of shares.

2024 LTCP Grant

The Human Capital Committee determines annually the participation level and components of each executive officer's LTCP award, considering market data and internal pay equity between the company's NEOs and other executives to motivate and incentivize performance across the senior management team and encourage collaboration and shared responsibility for executing the company's strategic plan. In 2024, the Human Capital Committee determined that approximately 58% of our CEO's LTCP is provided in performance-based equity, split equally between performance-based RSUs and options, with the remaining 42% in time-based RSUs. The LTCP mix for our other NEOs in 2024 was 50% performance-based RSUs and 50% time-based RSUs. The Human Capital Committee approved LTCP awards granted to the company's employees, including the NEOs other than the CEO, to be granted on March 15, 2024. The Board of Directors approved the LTCP award granted to the CEO, to be granted on March 20, 2024. The 2024 LTCP grants were comprised of the following equity vehicles:

NEO	2024 LTCP Grant: Equity Mix		
	Performance-Based RSUs	Performance-Based Stock Options	Time-Based RSUs
Liren Chen	29%	29%	42%
Richard J. Brezski	50%	0%	50%
Eeva K. Hakoranta	50%	0%	50%
Rajesh Pankaj	50%	0%	50%
Joshua D. Schmidt	50%	0%	50%

The table below shows the target award values for the 2024 LTCP grant for each of the NEOs:

	Performance-Based RSUs \$(1)	Performance-Based Stock Options \$(2)	Time-Based RSUs \$(1)	Total Value (\$)
Liren Chen	2,000,000	2,000,000	3,000,000	\$7,000,000
Richard J. Brezski	1,050,000	—	1,050,000	\$2,100,000
Eeva K. Hakoranta	1,050,000	—	1,050,000	\$2,100,000
Rajesh Pankaj	1,150,000	—	1,150,000	\$2,300,000
Joshua D. Schmidt	750,000	—	750,000	\$1,500,000

- (1) Award amounts for performance-based and time-based RSUs were determined based on the closing price of InterDigital's common stock on the date of grant.
- (2) Individual award amounts for options were calculated based on Black-Scholes values; additional information can be found in footnote 5 to the Summary Compensation Table below.

2024 LTCP Time-based RSUs. Time-based RSUs granted to our NEOs in 2024 vest over three years, with one-third of the RSUs vesting and being delivered on or about each of the first three anniversaries of the grant date.

2024 LTCP Performance-Based RSUs and Options. Performance-based RSUs and performance-based options (the "Performance Awards") from the 2024 LTCP are earned based on the achievement of pre-determined goal(s) set by the Human Capital Committee. The metric for the 2024 LTCP goal is pro forma EBITDA, which measures overall profitability of the company. Pro forma EBITDA is a supplemental non-GAAP financial measure that InterDigital believes provides investors with important insight into our ongoing business performance. Additional information can be found in Appendix A.

The Performance Awards, if earned, may vest at the end of the three-year performance period (January 1, 2024, through December 31, 2026) based on specified threshold, target, and maximum levels of pro forma EBITDA during years two and three of the performance period. The highest consecutive trailing four quarters determines goal achievement. If the threshold level of achievement is not met, there is no payout. Achievement

of the threshold performance level will result in 50% of target payout. Goal achievement for performance that falls between the amounts established for threshold, target and maximum achievement above is calculated using linear straight-line interpolation between the target achievement level and the actual achievement level. The payout cannot exceed 200% of target.

2024 Special CEO Equity Award

In March 2024, the Human Capital Committee approved a one-time equity award grant to our CEO in order to retain and continue to incentivize him as the company expands its licensing program and to recognize the record setting growth in revenue, adjusted EBITDA, and non-GAAP EPS that we have experienced during our CEO's tenure. The grant is 100% performance based, split equally between performance-based RSUs and performance-based options with a target value of \$5 million (the "Special CEO Award").

The following outlines our record growth from 2020 through 2023:

Revenue	Adjusted EBITDA	Non-GAAP EPS
53% growth	122% growth	307%

The Special CEO Award is earned and vests based on the achievement of specified new revenue milestones over a seven-year period, through December 31, 2030. The goals measure revenue from new license agreements that will contribute to the company's target of \$1 billion in annual recurring revenue by 2030. The maximum potential payout of the Special CEO Award cannot exceed 200% of target and Mr. Chen must continue providing service to the company in order to receive the earned shares. Upon approval by the Human Capital Committee that achievement of one or more revenue milestone goals has been met, a portion of the award will vest. The Human Capital Committee believes it was in the best interest of shareholders to provide incentives for our CEO to focus on new revenue milestones, which the company believes will be a significant driver of long-term shareholder value creation. The value of the one-time award is not reflected in the Summary Compensation Table because the most probable outcome of achievement is less than target. Grant values reflected in the Summary Compensation Table are determined in accordance with FASB ASC Topic 718.

2025 LTCP Performance-Based RSUs and Options

During shareholder outreach in 2024, we received feedback that certain shareholders had reservations that our prior LTCP grants measured achievement using the highest trailing four quarters during the performance period. In an effort to be responsive to shareholders, our Human Capital Committee determined that achievement of the 2025 LTCP performance-based RSUs and options would be based on average annual pro forma EBITDA over a full three-year performance period.

Status of Prior LTCP Grants:

2020 LTCP Grant: The 2020 LTCP performance-based RSUs have a five-year performance period (January 1, 2020 through December 31, 2024) and may vest based on achievement of certain China Revenue Platform milestone goals. Each milestone goal achievement provided for a partial vesting (20% of target), upon the meeting each of the five milestones, with each milestone being a specified amount of China Revenue Platform (the amount of revenue from existing contracts for the next 12-month period). The first milestone was achieved in June 2020 and the second and third were achieved in October 2021. The fourth milestone was achieved with the signing of certain licenses in 2024, resulting in an additional 20% of the award vesting on December 15, 2024. All NEOs were participants in the 2020 LTCP and benefited from the vesting of these awards, other than Mr. Chen and Mr. Pankaj, who had not yet joined the company at the time of grant. The remaining unvested performance-based RSUs that had not vested as of December 31, 2024 were forfeited. The milestone goals were set at an additional \$35 million of recurring revenue achieved for each milestone. As of the fourth quarter of 2024, the total China Revenue Platform achieved was approximately \$159 million.

2022 LTCP Grant: The 2022 LTCP performance-based awards are earned based upon the achievement of specified threshold, target and maximum levels of pro forma EBITDA measured quarterly during years two

through five of the performance period, January 1, 2022 through December 31, 2026, on a trailing four quarter basis. The highest consecutive four quarters determines goal achievement. If the threshold level of achievement is not met, there is no payout. There was a check-in period at the end of third year, December 31, 2024. The pro forma EBITDA goal associated with the 2022 LTCP was as follows:

	<u>Threshold</u>	<u>Target</u>	<u>Superior</u>
Pro forma EBITDA	\$150M	\$200M	\$250M

The CEO reported to the Human Capital Committee that the four-quarter period measured from Q1 through Q4 of 2023 exceeded the Superior achievement with a \$386 million pro forma EBITDA. In fact, each of the following periods also achieved pro forma EBITDA that exceeded the Superior goal. The Human Capital Committee determined that the company's goal achievement exceeded the superior performance goal and, as a result, 200% of the performance-based equity vested in March 2025. Pro forma EBITDA is a non-GAAP financial measure. See Appendix A for an explanation of how this metric is used and a detailed reconciliation to the most directly comparable GAAP measure.

CEO New Hire Awards: The Human Capital Committee approved the award of performance-based RSUs and performance-based options ("New Hire Performance Awards") as part of Mr. Chen's new hire equity awards in 2021. The actual number of New Hire Performance Awards that may vest is determined by the achievement of Diversified Revenue Platform goals. The goals measure achievement of specified amounts of diversified revenue platform using forecasted revenue for a twelve-month look-forward period. The New Hire Performance Awards may vest at any time through December 31, 2025.

The size of the license agreements completed in 2024 combined with their long-term tenure, resulted in the application of Revenue Value Credit multiplier to the diversified revenue platform achieved. The Human Capital Committee determined that the sixth and final milestone was achieved in 2024 which drove an additional 90% payout of the New Hire Performance Awards. Total payout on the New Hire Performance Awards cannot exceed 300% of target. The Diversified Revenue Platform goal was set to measure revenue from companies based in China, India and other locations from where we have not generally licensed and based on license agreements signed after March 1, 2021. The specific revenue goal, the % of total achievement and date achieved is described below:

	<u>Diversified Revenue Platform</u>	<u>% of Target Aggregate Vest</u>	<u>Date Achieved</u>
Milestone 1	\$ 25M	30%	Q3 2021
Milestone 2	\$ 60M	60%	Q3 2021
Milestone 3	\$ 95M	100%	Q3 2021
Milestone 4	\$130M	150%	Q3 2021
Milestone 5	\$155M	210%	Q3 2023
Milestone 6	\$205M	300%	Q4 2024

Other Compensation-Related Practices, Policies and Guidelines

Stock Ownership Guidelines

To align the interests of our executive officers with those of our shareholders, the company has established stock ownership guidelines for its executive officers. The CEO's target ownership level is an amount of company stock with a value of at least six times his current annual base salary. The company's other executive officers are expected to own an amount of company stock with a value of at least two times their current annual base salary. The guidelines were amended in March 2025 to provide that the CEO's target ownership level is at least six (up from five) times his annual salary.

For purposes of calculating the value of company stock holdings, each share is priced at a price per share/unit equal to the average closing price of the company's common stock for the 200 trading days leading up to and

including the calculation date. The 200-day average closing price was also amended to be calculated annually on June 1 each year, instead of on the date of the company's annual meeting of shareholders.

Any executive who has not reached or fails to maintain their target ownership level must retain at least 50% of any after-tax shares derived from the vesting of any awards or from exercised options until their level is met. An executive may not make any disposition of shares that results in their holdings falling below the target level without the express approval of the Human Capital Committee. As of December 31, 2024, all of our executive officers were in compliance with the guidelines.

Policies and Practices Related to the Grant of Certain Equity Awards Close in Time to the Release of Material Nonpublic Information

We do not have a formal policy regarding the timing of awards of options in relation to our disclosure of material nonpublic information. Typically, the Human Capital Committee approves the amount and timing of the annual grant, including any option component thereof, at its regular quarterly meeting during first fiscal quarter. The Human Capital Committee does not grant option awards in anticipation of the release of material nonpublic information, and we do not time the release of material nonpublic information for the purpose of affecting the value of executive compensation.

No stock options were granted during 2024 in the periods beginning four business days before the filing of a quarterly report on Form 10-Q, the filing of an annual report on Form 10-K, or the filing or furnishing of a current report on Form 8-K that disclosed material nonpublic information, and ending one business day after the filing or furnishing of such report.

Clawback Policy

The company adopted a revised Clawback Policy in 2023, in compliance with applicable rules of Nasdaq and Section 10D and Rule 10D-1 of the Exchange Act. The policy requires the company to recover any incentive-based compensation from NEOs in the event of any accounting restatement as a result of the company's material non-compliance with financial reporting requirements, to the extent that the incentive-based compensation exceeds the amount that the executive would have received based on the restated financial statements. The policy allows recoupment from certain other executives of the company. The Board delegated authority to the Human Capital Committee to oversee the policy's administration.

Savings and Protection and Nonqualified Deferred Compensation Plans

The company's Savings and Protection Plan ("401(k) Plan") is a tax-qualified retirement savings plan pursuant to which employees, including NEOs, are able to contribute the lesser of 100% of their annual base salary and bonus or the annual limit prescribed by the Internal Revenue Service ("IRS") on a pre-tax basis. The company provides a 50% matching contribution on the first 6% of an employee's eligible earnings contributed to the 401(k) Plan, up to the cap mandated by the IRS. The company offers this benefit to encourage employees to save for retirement and to provide a tax-advantaged means for doing so.

As noted above, the IRS imposes limits on the amounts that an employee may contribute annually to a 401(k) Plan account. The company's nonqualified deferred compensation plan (the "Deferred Compensation Plan") provides a select group of management and highly compensated employees, including the NEOs, with an opportunity to defer up to 40% of their base salary and up to 100% of their STIP payment. For 2024, the company matched up to 50% of the first 6% of the participant's eligible deferrals, determined on a combined plan basis taking into account deferred amounts under both the Deferred Compensation Plan and the 401(k) Plan. Matching contributions are made once annually after the end of the year. Participants vest one-third in company matching contributions after one year of service, two-thirds after two years of service and fully after three years of service, a vesting schedule identical to the 401(k) Plan. For more information about the nonqualified deferred compensation plan, see "Nonqualified Deferred Compensation."

Severance Arrangements with NEOs

The company amended and restated the InterDigital, Inc. Executive Severance and Change in Control Policy (the “Executive Severance Policy”), which automatically renews for additional successive one-year periods (unless the company provides notice of non-renewal at least 30 days before the expiration of the term (as extended by any renewal period)), in July 2024. The policy applies to all NEOs except for Ms. Hakoranta, whose severance arrangements, in compliance with local law, are set forth in her employment agreement. Among other things, the Executive Severance Policy provides severance payments and benefits upon certain qualifying terminations of employment, including upon termination of the NEO’s employment by the company without Cause, and provides for enhanced payments and benefits if such termination occurs on or within one year after a Change in Control (two years for the CEO), each as defined in the Executive Severance Policy. Ms. Hakoranta’s employment agreement provides similar payments and benefits. The amendment provided for a change to the severance amount payable upon termination after a Change in Control for the CEO from 250% to 200% of base salary and from 100% to 200% of target bonus. For more information regarding the provisions governing these termination scenarios, please see “Potential Payments upon Termination or Change in Control.”

Additionally, the Human Capital Committee amended all performance-based equity award agreements (applicable to all outstanding and future awards) to provide that in the event of a change in control, performance-based equity would be deemed earned based on the greater of target or actual performance, measured as of the day immediately prior to the Change in Control, and subject to service-based vesting requirements. After a review of the company’s executive severance practices, the Human Capital Committee determined it to be in the best interest of the company and its shareholders to approve these amendments.

Compensation-Related Risk Assessment

We have assessed our employee compensation policies and practices and determined that any risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on the company. In reaching this conclusion, the Human Capital Committee considered all components of our compensation program and assessed any associated risks. The Human Capital Committee also considered the various strategies and measures employed by the company that mitigate such risk, including: (i) the overall balance achieved through our use of a mix of cash and equity, annual and long-term incentives and time-and performance-based compensation; (ii) our use of multi-year vesting periods for equity grants; (iii) limits on the maximum goal achievement levels and overall payout amounts under STIP and LTCP awards; (iv) the company’s adoption of, and adherence to, various compliance programs, including the Code of Ethics, a clawback policy, a contract review and approval process and signature authority policy and a system of internal controls and procedures; and (v) the oversight exercised by the Human Capital Committee over the performance metrics and results under the STIP and the LTCP. In addition, our compensation programs are reviewed with the Human Capital Committee’s compensation consultant on an annual basis to ensure plans do not create incentives that would put the company at excessive risk. Most recently, FW Cook reviewed our compensation programs. Based on the assessment described above, the Human Capital Committee concluded that any risks associated with our compensation policies and practices were not reasonably likely to have a material adverse effect on the company.

Taxation of Executive Compensation

For income tax purposes, public companies may not deduct any portion of compensation that is in excess of \$1 million paid in a taxable year to certain “covered employees,” including our named executive officers, under Section 162(m) of the Internal Revenue Code of 1986, as amended (“Section 162(m)”), subject to certain limited exceptions (which may not be applicable to us). Nevertheless, our board of directors believes that it should not be constrained by the requirements of Section 162(m) if those requirements would impair flexibility in compensating our named executive officers in a manner that can best promote our corporate objectives. We intend to continue to compensate our executive officers in a manner consistent with the best interests of our

stockholders and reserve the right to award compensation that may not be deductible under Section 162(m) where the Company believes it is appropriate to do so.

Accounting for Share-Based Compensation

We follow FASB ASC Topic 718 for our share-based compensation awards. FASB ASC Topic 718 requires companies to measure the compensation expense for all share-based compensation awards made to employees and directors, including stock options and RSUs, based on the grant date “fair value” of these awards. This calculation is performed for accounting purposes and reported in the compensation tables below, even though our NEOs may never realize any value from their awards. FASB ASC Topic 718 also requires companies to recognize the compensation cost of their share-based compensation awards in their income statements over the period that an executive officer is required to render services in exchange for the option or other award.

Human Capital Committee Report

The Human Capital Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on its review and discussions, has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and the company’s Annual Report on Form 10-K.

HUMAN CAPITAL COMMITTEE:

Jean F. Rankin, Chair
Derek Aberle
S. Douglas Hutcheson
John D. Markley, Jr.

The foregoing Human Capital Committee report shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act and shall not otherwise be deemed filed under these acts, except to the extent specifically incorporated by reference.

Summary Compensation Table

The following table contains information concerning compensation awarded to, earned by or paid to our NEOs in the last three years (unless the NEO was not an executive officer of the company during such year). Our NEOs consist of: (i) Liren Chen, our President and CEO; (ii) Richard J. Brezski, our CFO and Treasurer; (iii) Eeva K. Hakoranta, our Chief Licensing Officer who ceased to be an executive officer in April 2025; (iv) Rajesh Pankaj, our Chief Technology Officer; and (v) Joshua D. Schmidt, our Chief Legal Officer and Corporate Secretary. Additional information regarding the items reflected in each column follows the table.

Name and Principal Position	Year	Salary \$(1)	Bonus \$(2)	Stock Awards \$(3)(4)	Option Awards \$(5)	Non-Equity Incentive Plan Compensation \$(6)	All Other Compensation \$(7)	Total \$(8)
Liren Chen	2024	710,000		4,000,000	1,000,000	1,491,000	56,868	7,257,868
President and Chief	2023	706,000		2,250,000	750,000	998,970	68,190	4,773,160
Executive Officer	2022	690,000	500,000	1,650,025	550,000	1,380,000	54,762	4,824,787
Richard J. Brezski	2024	440,000		1,575,000		660,000	29,961	2,704,961
EVP, Chief Financial Officer	2023	433,221		1,125,000	—	442,200	34,604	2,035,025
and Treasurer	2022	402,500		880,019	—	603,750	27,117	1,913,386
Eeva K. Hakoranta(8)	2024	427,000		1,575,000		640,500	1,535	2,644,035
Chief Licensing Officer	2023	447,385		1,125,000	—	457,000	1,535	2,038,535
	2022	423,852		880,019	—	594,564	1,535	1,864,255
Rajesh Pankaj	2024	490,000		1,725,000		735,000	6,327	2,956,327
Chief Technology Officer	2023	490,000	466,667	1,125,000	—	492,450	31,055	2,605,172
	2022	233,692	233,333	3,660,037	—	735,000	69,292	4,931,354
Joshua D. Schmidt	2024	400,000		1,125,000		600,000	13,656	2,138,656
Chief Legal Officer and	2023	390,961		750,000	—	321,600	11,177	1,473,738
Corporate Secretary								

- (1) Base salary increases, as applicable, for 2024, 2023, and 2022, became effective on March 1 of each year. Amounts reported reflect the value of base salary earned by each NEO during such years.
- (2) In connection with his hiring as CEO in April 2021, Mr. Chen received a sign-on cash bonus, the final third of which was paid in 2022. In connection with his hiring as CTO in 2022, Mr. Pankaj received a sign-on cash bonus, the final portions of which were received in January and July 2023.
- (3) Amounts reported reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for time-based RSU awards granted during the designated fiscal year. The assumptions used in valuing these awards are incorporated by reference to Notes 2 and 13 to our audited financial statements included in our annual report on Form 10-K for the year ended December 31, 2024. Under generally accepted accounting principles, compensation expense with respect to stock awards granted to our employees is generally equal to the grant date fair value of the awards and is recognized over the vesting periods applicable to the awards.
- (4) Amounts reported also reflect the value at the grant date of performance-based RSUs granted in such years based upon the probable outcome of the performance conditions for such awards, consistent with the estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date under FASB ASC Topic 718, excluding the effect of estimated forfeitures. The assumptions used in valuing these awards are incorporated by reference to Notes 2 and 13 to our audited financial statements included in our annual report on Form 10-K for the year ended December 31, 2024.

On March 15, 2024, the company granted performance-based RSU awards to its NEOs other than the CEO. The CEO received performance-based RSUs granted as part of the annual Long-Term Compensation Program on March 20, 2024. As of the respective grant dates, consistent with the estimates determined as of the respective grant dates under FASB ASC Topic 718, the probable outcome of the performance conditions for these grants was estimated at 50% achievement and as a result, the grant date fair value was 50% of the target grant values. On March 31, 2024, the company granted performance-based RSUs to the CEO as part of a one-time Special CEO Award. As of the grant date, consistent with estimates determined as of the respective

grant dates under FASB ASC Topic 718, the probable outcome of the performance conditions for this grant was estimated to be 0% achievement and as a result, the grant date fair value was 0% of the target grant value.

The following table sets forth the grant date fair value of the performance-based RSUs granted to the NEOs in 2024 assuming that the highest level of performance conditions will be achieved and the grants vest at their maximum level of 200% of target:

NEO	Maximum Value Performance-Based RSUs – one-time Special CEO Award (\$)	Maximum Value Performance-Based RSU Awards 2024 LTCP (\$)
Liren Chen	5,000,000	4,000,000
Richard J. Brezski		2,100,000
Eeva K. Hakoranta		2,100,000
Rajesh Pankaj		2,300,000
Joshua D. Schmidt		1,500,000

- (5) Amounts reported reflect the value recognized for financial reporting purposes in accordance with FASB ASC Topic 718. During 2024, the company granted performance-based options to Mr. Chen, as part of the 2024 LTCP and also as part of the Special CEO Award. As of the grant date, consistent with the estimates determined as of the respective grant dates under FASB ASC Topic 718, the probable outcome of the performance conditions for the performance options granted under the 2024 LTCP was estimated at 50% achievement, and therefore the grant date fair value was 50% of the target grant value. The probable outcome of the performance conditions for the performance options granted to the CEO as part of the Special CEO Award was estimated at 0% achievement, and therefore the grant date fair value was 0% of the target grant value.

Assuming that the highest level of performance conditions will be achieved and the grant vests at its maximum level of 200% of target, the grant date fair value of the performance-based stock options granted to Mr. Chen under the 2024 LTCP would be \$4,000,000. The weighted-average assumptions underlying this valuation under the Black-Scholes option pricing model are as follows: expected term of 6.49 years; volatility of 31.98%; a risk-free interest rate of 4.23%; and a dividend yield of 1.55%.

Assuming that the highest level of performance conditions will be achieved and the grant vests at its maximum level of 200% of target, the grant date fair value of the performance-based stock options granted to Mr. Chen as part of the Special CEO Award would be \$5,000,000. The weighted-average assumptions underlying this valuation under the Black-Scholes option pricing model are as follows: expected term of 6.69 years; volatility of 31.53%; a risk-free interest rate of 4.16%; and a dividend yield of 1.51%.

- (6) Amounts reported include the value of payouts earned under the company's 2024 STIP.
- (7) The following table details each component of the "All Other Compensation" column in the Summary Compensation Table for fiscal year 2024:

NEO	401(k) Plan Matching Contributions \$(a)	Supplemental LTD \$(b)	Deferred Compensation Plan Matching Contributions \$(c)	Total \$(d)
Liren Chen	10,350	5,599	40,919	56,868
Richard J. Brezski	9,654	3,495	16,812	29,961
Eeva K. Hakoranta		1,535		1,535
Rajesh Pankaj		6,327		6,327
Joshua D. Schmidt	10,350	3,306		13,656

- (a) Amounts represent company matching contributions to all employees, including the NEOs, on 50% of the first 6% of the employee's eligible salary and annual bonus contributed to the 401(k) Plan, up to the maximum amount permitted by the Internal Revenue Service.

- (b) Amounts represent premium amounts paid by the company for supplemental executive long-term disability insurance for the benefit of such NEO.
- (c) Amounts represent company matching contributions made pursuant to the company's nonqualified deferred compensation plan for NEO contributions. For more information, see "Nonqualified Deferred Compensation."
- (8) Ms. Hakoranta receives her salary and other cash compensation in euros. 2024 amounts were converted to USD using an exchange rate of 1.0386.

Grants of Plan-Based Awards in 2024

The following table summarizes the grants of (i) cash awards under the STIP and (ii) options (OPT), time-based RSU awards (TRSU) and performance-based RSU awards (PSU), each made to the NEOs during the year ended December 31, 2024. Each of these types of awards is discussed in "Compensation Discussion and Analysis" above.

Name	Type of Award	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)(3)			All Other Stock Awards: Number of Shares of Stock or Units (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards \$(4)(5)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
Liren Chen	STIP		0	745,500	1,491,000						
	OPT	3/20/2024				28,153	56,306	112,612		104.15	1,000,000
	TRSU	3/20/2024							28,805		3,000,000
	PSU	3/20/2024				9,602	19,203	38,406			1,000,000
Special CEO Award(6)	OPT	3/31/2024				17,175	68,700	137,400		106.46	0
	PSU	3/31/2024				5,871	23,483	46,966			0
Richard J. Brezski	STIP		0	330,000	660,000						
	TRSU	3/15/2024							10,235		1,050,000
	PSU	3/15/2024				5,118	10,235	20,470			525,000
Eeva K. Hakoranta(7)	STIP		0	341,250	682,500						
	TRSU	3/15/2024							10,235		1,050,000
	PSU	3/15/2024				5,118	10,235	20,470			525,000
Rajesh Pankaj	STIP		0	367,500	735,000						
	TRSU	3/15/2024							11,210		1,150,000
	PSU	3/15/2024				5,605	11,210	22,420			575,000
Joshua D. Schmidt	STIP		0	300,000	600,000						
	TRSU	3/15/2024							7,311		750,000
	PSU	3/15/2024				3,656	7,311	14,622			375,000

- (1) Amounts reported represent the potential threshold, target and maximum STIP payouts depending on the level of performance achieved under the STIP for fiscal 2024. Such amounts ranged from 0% (if threshold not met for revenue goal) to 200% of the target payout, representing the maximum payout possible under the STIP. For all NEOs, the actual amount earned for fiscal 2024, which is reported in the Summary Compensation Table above, was based on the company's achievement of the 2024 strategic corporate goals established by the Human Capital Committee and individual performance of the NEO during 2024.
- (2) Amounts reported represent the potential threshold, target and maximum number of PSUs the NEO could earn, measured as of the grant date, pursuant to his or her PSU award for the 2024 LTCP. 100% achievement of the performance goal associated with the award results in a 100% payout of the associated target amounts. Goal achievement for performance that falls between the amounts established for threshold, target and maximum achievement is calculated using straight-line interpolation between the target achievement level and the actual achievement level, with a threshold payout of 50% of target and a maximum payout of 200% of target.
- (3) Amounts reported represent the potential threshold, target and maximum number of performance-based stock options our CEO could earn, measured as of the grant date. 100% achievement of the performance

goal associated with the award results in a 100% vesting of the associated target number of options. Goal achievement for performance that falls between the amounts established for threshold, target and maximum achievement is calculated using straight-line interpolation between the target achievement level and the actual achievement level, with a threshold vesting of 50% of target and a maximum vesting of 200% of target.

- (4) Grant date fair value of RSU awards is determined in accordance with FASB ASC Topic 718. The TRSU awards granted in 2024 are scheduled to vest ratably over a three year period. Amounts reported for PSUs are based upon the probable outcome of the performance conditions, consistent with the estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date under FASB ASC Topic 718, excluding the effect of estimated forfeitures. As of the date of grant, the probable outcome of the performance conditions for the PSUs granted pursuant to the 2024 LTCP was estimated at an expected achievement of 50%, and, as a result, their grant date fair value was 50% of the target grant value. See footnote 4 to the Summary Compensation Table above for the grant date fair value of the PSUs granted to the NEOs in 2024 assuming that the highest level of performance conditions will be achieved and the grants vest at their maximum level of 200% of target. Grant date fair value of the PSUs and performance-based options granted pursuant to the Special CEO Award are based upon the probable outcome of the performance conditions, consistent with the estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date under FASB ASC Topic 718, excluding the effect of estimated forfeitures. As of the grant date the probable outcome of the performance conditions for the Special CEO Award was estimated at an expected achievement of 0%. The terms of the Special CEO Award are described in the “*Compensation Discussion and Analysis*.”
- (5) Grant date fair value of performance-based option awards is determined in accordance with FASB ASC Topic 718. Amounts reported reflect the value at the grant date of the performance-based stock options granted in 2024 based upon the probable outcome of the performance conditions for such awards, consistent with the estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date under FASB ASC Topic 718, excluding the effect of estimated forfeitures. As of the date of grant, the probable outcome of the performance conditions for these performance-based options granted pursuant to the 2024 LTCP was estimated at an expected achievement of 50%, and, as a result, their grant date fair value was 50% of the target grant value. See footnote 5 to the Summary Compensation Table above for the grant date fair value of the performance-based stock options granted to Mr. Chen in 2024 assuming that the highest level of performance conditions will be achieved and the grants vest at their maximum level of 200% of target.
- (6) Amounts reported represent the potential threshold, target and maximum number of performance-based RSUs and options the CEO could earn, pursuant to the Special CEO Award and measured as of the grant date. The performance based RSUs and options would vest based on achievement of certain revenue milestones achieved over a seven-year period. The threshold is funded upon achievement of the first of six milestones. Upon achievement of the fourth milestone, 100% vesting of the associated target number of RSUs and options would be achieved. Maximum vesting of 200% of target would occur upon achievement of the sixth milestone.
- (7) Ms. Hakoranta receives her salary and other cash compensation in euros. Amounts were converted to USD using an exchange rate of 1.0386.

Outstanding Equity Awards at 2024 Fiscal Year End

The following table sets forth information concerning outstanding option and stock awards of the NEOs as of December 31, 2024.

		Option Awards					Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable (1)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)(2)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(3)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(4)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(5)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(6)
Liren Chen	4/15/2021	79,418		5,530	73.15	4/15/2031				
	4/15/2021 (new hire)	301,629			73.15	4/15/2031				
	4/15/2021(7)								3,653	707,659
	3/15/2022(8)			108,482	62.19	3/15/2032				
	3/15/2022						6,213	1,203,582		
	3/15/2022(8)								37,278	7,221,494
	3/31/2023(9)			31,340	72.90	3/31/2033				
	3/31/2023						13,968	2,705,881		
	3/31/2023(9)								10,477	2,029,604
	3/20/2024(10)			28,153	104.15	3/20/2034				
	3/20/2024						29,103	5,637,833		
Richard J. Brezski	3/20/2024(10)								9,701	1,879,278
	3/31/2024(11)			17,057	106.46	3/31/2034				
	3/31/2024(11)								5,908	1,144,498
	3/15/2020(12)								2,207	427,540
	3/31/2021(7)								1,491	288,837
	3/15/2022						3,728	722,188		
	3/15/2022(8)								14,911	2,888,559
Eeva K. Hakoranta	3/31/2023						7,055	1,366,695		
	3/31/2023(9)								5,292	1,025,166
	3/15/2024						10,341	2,003,259		
	3/15/2024(10)								5,170	1,001,532
									663	128,436
	3/31/2021(7)								1,220	236,338
	3/15/2022						3,728	722,188		
Rajesh Pankaj	3/15/2022(8)								14,911	2,888,559
	3/31/2023						7,055	1,366,695		
	3/31/2023(9)								5,292	1,025,166
	3/15/2024						10,341	2,003,259		
	3/15/2024(10)								5,170	1,001,532
	8/15/2022						4,502	872,127		
	8/15/2022(8)								18,013	3,489,478
	8/15/2022 (new hire)									
	8/15/2022 (new hire)(8)								22,517	4,361,993
3/31/2023						7,055	1,366,695			
3/31/2023(9)								5,292	1,025,166	
3/15/2024						11,326	2,194,073			
3/15/2024(10)								5,663	1,097,036	

Name	Grant Date	Option Awards				Stock Awards				
		Number of Securities Underlying Unexercised Options (#) Exercisable (1)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (2)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(3)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(4)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(5)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(6)
Joshua D.										
Schmidt	3/15/2020(12)							129	24,990	
	3/31/2021(7)							608	117,782	
	3/15/2022						2,203	426,765		
	3/15/2022(8)							8,812	1,707,061	
	3/31/2023						4,703	911,065		
	3/31/2023(9)							3,528	683,444	
	3/15/2024						7,387	1,431,010		
	3/15/2024(10)							3,693	715,408	

- (1) Amounts reported represent awards of performance-based options as part of Mr. Chen's new hire compensation package and annual LTCP grant which vested upon the achievement of specified pre-approved milestones or goals.
- (2) Includes threshold, achievement of next specified pre-approved milestone or actual performance, for performance period ending December 31, 2024, number of performance-based options granted for applicable LTCP or Special CEO Award.
- (3) All awards granted are time-based RSUs granted under the LTCP and include outstanding dividend equivalents. All time-based RSUs vest ratably, one third each year on the anniversary of grant date.
- (4) Values reported were determined by multiplying the number of unvested time-based RSUs by \$193.72, the closing price of our common stock on December 31, 2024.
- (5) Numbers reported represent the number of performance-based RSUs that would vest upon achievement of threshold performance, achievement of next specified pre-approved milestone or actual achievement pursuant to awards of performance-based RSUs made under the LTCP or as part the Special CEO Award and include dividend equivalents.
- (6) Values reported were determined by multiplying the reported number of unvested performance-based RSUs by \$193.72, the closing price of our common stock on December 31, 2024.
- (7) Threshold number of performance-based RSUs granted for the 2021 LTCP which are eligible to vest upon the achievement of the next specified pre-approved milestone, on the 15th of the month following certification by the Human Capital Committee that the milestone goal was achieved, prior to December 31, 2025.
- (8) Number of performance-based options or RSUs granted for the 2022 LTCP eligible to vest at maximum performance. Eligible to vest on March 15, 2025 or 2027, subject to the achievement of pre-approved goals established by the Human Capital Committee measured as of December 31, 2024 or 2026. The Human Capital Committee determined that the goal achievement measured as of December 31, 2024 exceeded maximum, therefore, the maximum number of performance based options and RSUs vested on March 15, 2025.
- (9) Number of performance-based RSUs or options granted for the 2023 LTCP eligible to vest at threshold. Eligible to vest on March 15, 2026, subject to the achievement of pre-approved goals established by the Human Capital Committee measured as of December 31, 2025.
- (10) Number of performance-based RSUs or options granted for the 2024 LTCP eligible to vest at threshold. Eligible to vest on March 15, 2027, subject to the achievement of pre-approved goals established by the Human Capital Committee measured as of December 31, 2026.

- (11) Number of performance-based RSUs or options granted for the Special CEO Award eligible to vest at threshold. Eligible to vest upon the achievement of the next specified pre-approved milestone on the 15th of the month following the certification by the Human Capital Committee that the milestone goal was achieved, prior to December 31, 2030.
- (12) Number of performance-based RSUs granted for the 2020 LTCP eligible to vest upon the achievement of the next specified pre-approved milestone, on the 15th of the month following certification by the Human Capital Committee that the milestone award was achieved, prior to December 31, 2024.

Option Exercises and Stock Vested in 2024

The following table sets forth information, on an aggregated basis, concerning stock options exercised and stock awards vested during 2024 for the NEOs.

<u>Name</u>	<u>Option Awards</u>		<u>Stock Awards</u>	
	<u>Number of Shares Acquired on Exercise (#)</u>	<u>Value Realized on Exercise (\$)</u>	<u>Number of Shares Acquired on Vesting (#)(1)</u>	<u>Value Realized on Vesting \$(2)</u>
Liren Chen	—	—	89,872	11,841,962
Richard J. Brezski	—	—	24,151	2,889,046
Eeva K. Hakoranta	—	—	18,779	2,063,323
Rajesh Pankaj	—	—	22,947	3,018,671
Joshua D. Schmidt	—	—	10,095	1,164,214

- (1) Includes dividend equivalents accrued and paid out in additional shares of common stock upon the vesting of the underlying awards.
- (4) Amounts reported represent the number of shares vested multiplied by the closing price of our common stock on the vesting date.

Nonqualified Deferred Compensation

In 2013, the company introduced a nonqualified deferred compensation plan to complement the 401(k) Plan. The IRS imposes limits on the amounts that an employee may contribute annually to a 401(k) Plan account. The deferred compensation plan provides the company's directors and designated select group of highly compensated employees, including the NEOs, with an opportunity to set aside additional compensation for their retirement. Pursuant to the terms of the deferred compensation plan, each eligible employee may elect to defer base salary and STIP payouts, and non-employee members of the Board may elect to defer Board fees, in each case, on a pre-tax basis and up to a maximum amount selected annually by the Human Capital Committee.

An employee participant or director may allocate deferrals to one or more deemed investments under the deferred compensation plan. The amount of earnings (or losses) that accrue to a participant's account attributable to deferrals depends on the performance of investment alternatives selected by the participant. The deemed investment options are currently similar to those available under the 401(k) Plan. However, a participant's election of investment alternatives as measuring devices for determining the value of a participant's account does not represent actual ownership of, or any ownership rights in or to, the investments to which the investment alternatives refer, nor is the company in any way bound or directed to make actual investments corresponding to such deemed investments.

The company will not make any matching or discretionary contributions to the accounts of directors. However, the company may, but is not required to, make matching or discretionary contributions in cash to the accounts of employee participants. Any such company contributions are subject to a vesting schedule as determined by the Human Capital Committee. The specific terms for each plan year, including eligible compensation, minimum and maximum deferral amounts (by percentage of compensation) and matching terms, are determined by the Human Capital Committee.

Employee participant and director account payment obligations are payable in cash on a date or dates selected by the employee participant or director or upon certain specified events such as termination of employment, death or disability, subject to change in certain specified circumstances. An employee participant or director may elect to defer to a single lump-sum payment of his or her account, or may elect payments over time.

For the 2024 plan year, eligible employees could elect to defer from 1% to 40% of their base salary and from 1% to 100% of their STIP. Matching contributions are determined on a combined plan basis taking into account deferred amounts under both the 401(k) Plan and the deferred compensation plan. Deferral elections had to be made by December 31, 2023. For 2024, a participant's combined match for the 401(k) and deferred compensation plan was 50% of the combined deferrals up to 6% of the participant's eligible deferrals, and matching contributions under the deferred compensation plan were deemed to be notionally invested in investment alternatives elected by the NEO that are similar to those available to participants in the 401(k) Plan. Matching contributions are made once annually after the end of the year. Matching contributions vest ratably based on years of service of the participant over three years in one-third increments, with the first vesting occurring after one year of service.

The following table sets forth the relevant NEO information regarding the deferred compensation plan for 2024.

Name	Executive Contributions in Last FY (\$)(1)	Registrant Contributions in Last FY (\$)(2)	Aggregate Earnings in Last FY (\$)(3)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (\$)(4)
Liren Chen	1,033,228	41,369	1,682,858	24,667	8,863,196
Richard J. Brezski	44,000	16,566	75,010	73,460	707,846
Eeva K. Hakoranta	—	—	—	—	—
Rajesh Pankaj	—	—	—	—	—
Joshua D. Schmidt	—	—	—	—	—

- (1) Contributions include deferred 2024 salary amounts and deferred 2023 STIP amounts (corresponding to the portion of the 2023 STIP amount paid in 2024). The payouts of the 2024 STIP were not made until 2025. As a result, any deferrals of the 2024 STIP are not reflected in this column. For Messrs. Chen and Brezski, \$284,000 and \$44,000, respectively, was included in the "Salary" column of the Summary Compensation Table.
- (2) For the 2024 plan year, the company matched deferrals up to 50% of the first 6% of the participant's base salary and annual bonus, determined on a combined plan basis taking into account amounts deferred under both the 401(k) Plan and the deferred compensation plan during the 2024 calendar year. The amounts disclosed in this column reflect matching contributions (made by the company in 2025) for 2024 NEO deferral contributions. Amounts are included in the "All Other Compensation" column of the Summary Compensation Table for fiscal year 2024.
- (3) The company does not pay guaranteed, above-market or preferential earnings on deferred compensation. Therefore, the amounts in this column are not included in the Summary Compensation Table. Balances include earnings (losses) credited to the NEO's account from notional investment alternatives elected by the NEO from alternatives that are similar to those available to participants in the 401(k) Plan.
- (4) Aggregate balance consists of employee contributions made in 2013 through 2024, company matching contributions for 2013 through 2024 and notional investment earnings through 2024.

Set forth below are the amounts reported in the aggregate balance that were previously reported in the “Salary,” “Non-Equity Incentive Plan Compensation” and “All Other Compensation” columns of the Summary Compensation Table for fiscal years 2013 through 2023, in the aggregate:

<u>Name</u>	<u>Salary (\$)</u>	<u>Non-Equity Incentive Plan Compensation (\$)</u>	<u>All Other Compensation (\$)</u>
Liren Chen	749,323	1,951,880	3,056,931
Richard J. Brezski	384,112	19,500	125,597
Eeva K. Hakoranta	—	—	—
Rajesh Pankaj	—	—	—
Joshua D. Schmidt	—	—	—

The deferred compensation plan was implemented in 2013. Therefore, there are no amounts included that were reported as compensation to any NEO prior to 2013.

Potential Payments upon Termination or Change in Control

InterDigital, Inc. Executive Severance and Change in Control Policy

As discussed above in “Compensation Discussion and Analysis,” all NEOs except for Ms. Hakoranta, are eligible for benefits pursuant to the Executive Severance Policy, which provides for severance pay and benefits, among other things, in certain events of termination of employment, as described below. Ms. Hakoranta’s severance arrangements, in compliance with local law, are set forth in her employment agreement, which provides similar payments and benefits. In 2024, we amended our Executive Severance Policy to align with peer practice, while maintaining best governance practices. Our policy continues to require both a Change in Control and a qualified termination in order to receive any change in control benefits (“double-trigger”) and does not provide for any excise tax gross-ups.

Pursuant to the terms of the Executive Severance Policy, in the event of a termination other than for Cause, death or disability, and provided the NEO executes a separation agreement in a form acceptable to the company (which may include, among other things, a broad release of all claims against the company, a non-disparagement, a non-solicitation and other standard restrictive covenant provisions) (a “Separation Agreement”), the NEO would be entitled to receive: (i) severance in an amount equal to one and a half times base salary then in effect (or, in the case of our CEO two times the sum of his base salary then in effect) paid over a period of 18 months; (ii) health coverage on terms and conditions comparable to those most recently provided for the period of one year (or, in the case of our CEO, 18 months) commencing upon the date of termination; (iii) outplacement services in an amount not to exceed \$10,000, paid by the company directly to the entity providing such services and (iv) pro-rata vesting of outstanding equity awards pursuant to the terms of the applicable award agreements.

If the company terminates an NEO other than for Cause or such NEO terminates employment with us for Good Reason, in each case within one year (in the case of our CEO, two years) following a Change in Control of the company and provided that he or she executes a Separation Agreement, pursuant to the terms of the Executive Severance Policy, the NEO would be, entitled to (i) severance in an amount equal to two times base salary then in effect plus one times the target bonus under the STIP then in effect (in the case of our CEO, two times the target bonus) and (ii) an amount equal to the cost of continued health coverage on terms and conditions comparable to those most recently provided for the period of 24 months, in each case, paid in a lump sum 60 days after date of termination. Termination for Good Reason means the NEO’s resignation of employment with the company follows the occurrence of one or more of the following, in each case without the NEO’s consent: (i) a material diminution in the NEO’s base salary or in the NEO’s target bonus opportunity under the STIP as in effect for the year in which the termination occurs; (ii) a material diminution in the NEO’s title, authority, duties or responsibilities; (iii) a material failure to comply with payment of the NEO’s compensation;

(iv) relocation of the NEO's primary office more than 50 miles from the NEO's current office; or (v) any other action or inaction that constitutes a material breach by the company of the Executive Severance Policy or the company's NDAIA.

Under the Executive Severance Policy, Change in Control has the same meaning as set forth in the company's 2017 Equity Plan.

The following table summarizes the benefits that become payable to an NEO at, or following, retirement, resignation, Change in Control, qualifying termination after Change in Control, termination with Cause, resignation with Good Reason, and termination due to death or disability, including severance payments payable pursuant to the Executive Severance Policy or Employment Agreement in the case of Ms. Hakoranta, Chief Licensing Officer, as well as the vesting of outstanding equity awards:

	Resignation/ Retirement(1)	Resignation for Good Reason(2)	Death or Disability	Involuntary Termination w/o Cause(3)	Change in Control (CIC)	Qualified Termination following CIC(4)
Severance/ Cash(5)	NA	CEO and Chief Licensing Officer	NA	per Executive Severance Policy	NA	per Executive Severance Policy
Life, health & other benefits	NA	18 mths COBRA	Life Insurance/ Disability	CEO -18 mths COBRA NEOs - 12 mths COBRA	NA	24 mths COBRA
STIP	NA	Chief Licensing officer pro-rata	NA	Chief Licensing officer pro-rata	NA	100% STIP 200% STIP CEO
Deferred Compensation Plan(6)	As elected by Employee		Immediate lump sum payment	As elected by Employee	Immediate lump sum payment	NA
LTCP						
Time-based RSUs(7)	Forfeit unvested awards		Pro-rata vesting		Awards must be assumed/ substituted by successor or vest in full	Vest in Full
PSUs(8)	Forfeit unvested awards		Pro-rata vesting of performance- based equity that is in its last year of the applicable performance period		Awards must be assumed/ substituted by successor or vest in full	Greater of Target or actual performance(9)
Performance- based options(8)	Forfeit unvested awards		Pro-rata vesting of performance- based equity that is in its last year of the applicable performance period		Awards must be assumed/ substituted by successor or vest in full	Greater of Target or actual performance(9)

- (1) The retirement of an NEO would trigger the distribution of such NEO's deferred amounts under the deferred compensation plan, if applicable, in accordance with his or her applicable distribution elections.
- (2) If Mr. Chen resigns for Good Reason (outside a Change in Control period), as defined in the Chen Offer Letter, he is eligible for severance and benefits per the Executive Severance Policy and is also eligible for accelerated vesting pursuant to the terms of his equity award agreements. Ms. Hakoranta, pursuant to the terms of her employment agreement, is eligible for severance in the amount of 150% of base salary & pro-rata portion of STIP if she resigns for Good Reason, as defined in the 2017 Equity Plan.
- (3) Pursuant to the terms of the Chen Offer Letter and as applicable to the Executive Severance Policy, "Cause" is defined as follows: (i) acts or omissions constituting gross negligence, recklessness or willful misconduct

with respect to Mr. Chen's obligations to the company, in each case which results in material harm to the business or reputation of the company; (ii) willful and material breach of his Nondisclosure and Assignment of Ideas Agreement ("NDAIA"); (iii) a conviction or entry of a plea of nolo contendere for fraud, misappropriation or embezzlement, any felony, or any crime of moral turpitude; or (iv) the willful neglect of duties as determined in the sole and exclusive discretion of the Board of Directors.

- (4) Qualified Termination following Change in Control occurs if terminated without Cause or for Good Reason within 24 months post Change in Control for Mr. Chen or within 12 months post Change in Control for other NEOs. Under the Executive Severance Policy, Change in Control has the same meaning as set forth in the company's Equity Plan. Termination for Good Reason means the NEO's resignation of employment with the company follows the occurrence of one or more of the following, in each case without the NEO's consent: (i) a material diminution in the NEO's base salary or in the NEO's target bonus opportunity under the STIP as in effect for the year in which the termination occurs; (ii) a material diminution in the NEO's title, authority, duties or responsibilities; (iii) a material failure to comply with payment of the NEO's compensation; (iv) relocation of the NEO's primary office more than 50 miles from the NEO's current office; or (v) any other action or inaction that constitutes a material breach by the company of the Executive Severance Policy or the company's NDAIA.
- (5) For a Qualified Termination of Mr. Chen, 200% of base salary and 18 months COBRA. For Ms. Hakoranta, if terminated for any reason other than summary dismissal, including resignation for Good Reason, eligible for severance in the amount of 150% of base salary & pro-rata portion of STIP. For other NEOs, per terms of Executive Severance Policy, 150% of base salary.
- (6) See "Aggregate Balance at Last FYE" column in "Nonqualified Deferred Compensation Table" for amounts payable for all NEOs. If an NEO's employment terminates with the company for any reason, the NEO would receive a distribution of deferred amounts under the deferred compensation plan, including the vested portion of any company matching or discretionary contributions, in accordance with the NEO's applicable distribution elections. However, in the event of a termination due to death, the NEO would receive the balance of deferred compensation account in a lump sum as soon as administratively practicable. In the event the NEO is involuntarily terminated by the company for Cause, the NEO would receive the balance of the deferred compensation account in a lump sum within 90 days of the date of termination. In the event of a Change in Control, as defined by the deferred compensation plan, the NEO would receive a distribution of the account balance in a lump sum as soon as administratively practicable, but in no event later than 30 days from the effective date of the Change in Control.
- (7) If an NEO's employment terminates due to death or disability or the NEO is terminated by the company without Cause, the NEO would be entitled to pro-rata vesting of all time-based RSUs. The pro-rata portion of each grant is determined by multiplying the total number of RSUs by a fraction equal to the number of days during the period beginning on the grant date or most recent vest date and ending on the original vesting date ("Restricted Period") for which the NEO was employed by the total number of days during the Restricted Period. In the event of termination without Cause, the prorated vesting is conditioned upon the NEO's execution of a release of claims in favor of the company within 60 days following termination of employment.
- (8) If an NEO's employment is terminated by the company without Cause or by reason of the NEO's death or disability during the last year of a Performance Period for performance-based RSUs or performance-based options, the performance-based RSUs or options will vest as to a prorated portion (based on the number of days the NEO was employed during the applicable performance period) of the number of RSUs or options that would have otherwise vested according to actual performance during the performance period. In the event of termination without Cause, the prorated vesting is conditioned upon the NEO's execution of a release of claims in favor of the company within 60 days following termination of employment.
- (9) Outstanding performance-based equity awards were amended in 2024 to provide for vesting at the greater of target or actual performance in the event of termination following a Change in Control.

Post-Termination Obligations

Each of the NEOs is bound by certain confidentiality obligations, which extend indefinitely. In addition, each of the NEOs is bound by certain covenants protecting our right, title and interest in and to certain intellectual property that either has been or is being developed or created in whole or in part by the NEO.

Taxes

In the event that the payments made to an NEO upon termination constitute “parachute payments” pursuant to Section 280G of the Code, the Executive Severance Policy provides that the payments will be either (i) reduced to such lesser amount that would result in no amount being subject to excise tax or (ii) made in full, whichever produces the larger after-tax net benefit to the NEO. The Executive Severance Policy does not provide for an excise tax “gross-up.”

Potential Payments upon Termination or Change in Control

The following table reflects the potential payments and benefits that would be provided to each NEO upon: (i) Resignation or Retirement; (ii) resignation by Mr. Chen or Ms. Hakoranta for Good Reason unrelated to a Change in Control; (iii) termination due to disability or death; (iv) termination without Cause; (v) Change in Control of the company without a termination; and (vi) termination by the company without Cause or by Mr. Chen within two years of a Change in Control or by an NEO for Good Reason within one year of a Change in Control of the company.

The amounts shown assume that the termination (or the Change in Control in the case of (v)) was effective as of December 31, 2024, and the price per share used to calculate the value of the company’s stock awards was \$193.72, the per share closing market price of our common stock on December 31, 2024. The amounts reflected are estimates of the amounts that would have been paid to the NEOs upon their termination pursuant to existing terms in place on December 31, 2024. In addition, note that the tables below do not take into account the cutback provision described above under “Termination Scenarios — Taxes.” As a result, the actual amounts paid could be lower than what is presented. The actual amounts to be paid can be determined only at the time the events described above actually occur.

	<u>Voluntary Termination / Retirement</u>	<u>Resignation for Good Reason</u>	<u>Termination w/o Cause</u>	<u>Death or Disability</u>	<u>Change in Control (w/o Termination)</u>	<u>Change in Control (termination or resignation for Good Reason)</u>
Lawrence Chen						
Severance	—	1,420,000(1)	1,420,000(1)	—	—	1,420,000(2)
STIP	—	—	—	—	—	1,491,000(3)
Life, Health & Other Benefits	—	25,581(4)	25,581	750,000/20,000(5)	—	34,108(6)
LTCP	—	24,241,257(7)	24,241,257	24,241,257	—	71,699,479(8)
Deferred Compensation Plan	8,863,196(9)	8,863,196	8,863,196	8,863,196	8,863,196	8,863,196
Richard Brezski						
Severance	—	—	660,000(10)	—	—	880,000(11)
STIP	—	—	—	—	—	330,000(3)
Life, Health & Other Benefits	—	—	28,589(12)	660,000/20,000(5)	—	57,179(6)
LTCP	—	—	4,694,260(13)	4,694,260	—	13,228,607(14)
Deferred Compensation Plan	707,846(9)	707,846	707,846	707,846	707,846	707,846
Eeva K. Hakoranta						
Severance	—	640,646	640,646	—	—	854,194
STIP	—	320,323(15)	320,323(15)	—	—	320,323(3)
Life, Health & Other Benefits	—	4,545(16)	4,545	9,350(17)	—	9,090(16)
LTCP	—	4,694,260(13)	4,694,260	4,694,260	—	13,202,455(14)
Deferred Compensation Plan	—	—	—	—	—	—
Rajesh Pankaj						
Severance	—	—	735,000(10)	—	—	980,000(11)
STIP	—	—	—	—	—	367,500(3)
Life, Health & Other Benefits	—	—	31,792(12)	735,000/20,000(5)	—	63,583(6)
LTCP	—	—	10,607,546(13)	10,607,546	—	21,487,361(14)
Deferred Compensation Plan	—	—	—	—	—	—

	Voluntary Termination / Retirement	Resignation for Good Reason	Termination w/o Cause	Death or Disability	Change in Control (w/o Termination)	Change in Control (termination or resignation for Good Reason)
Joshua D. Schmidt						
Severance	—	—	600,000(10)		—	800,000(11)
STIP	—	—			—	300,000(3)
Life, Health & Other Benefits	—	—	9,479(12)	600,000/20,000(5)	—	18,957(6)
LTCP	—	—	2,901,752(13)	2,901,752	—	8,695,746(14)

- (1) The amount represents a cash severance payment equal to 200% of Mr. Chen's base salary in the case of resignation for Good Reason or termination without Cause, per the Terms of the Executive Severance Policy.
- (2) The amount represents a cash severance payment equal to two times the sum of Mr. Chen's base salary in case of termination within twenty-four months of a Change in Control per the terms of the Executive Severance Policy.
- (3) The amount represents the NEO's STIP paid out at target (or in the case of Mr. Chen at 200% of target) for resignation for Good Reason or termination without Cause within 12 months of a Change in Control (or in the case of Mr. Chen, 24 months).
- (4) The amount represents the value of health coverage pursuant to COBRA for a period of 18 months after termination on terms and conditions comparable to those most recently provided to Mr. Chen as of December 31, 2024, pursuant to the Executive Severance Policy.
- (5) The amount represents the payment prescribed under our basic term life insurance program calculated as follows: 1.5 times base salary, up to a maximum of \$750,000 and the monthly benefit that would become payable under our executive long term disability plan in the event of termination due to disability on December 31, 2024, calculated as follows: 60% of NEO's monthly earnings (i.e., pre-tax base salary and annual bonus), up to \$10,000, and a supplemental monthly payment of up to \$10,000. Monthly benefits would be payable until the earlier of (a) the date NEO ceases to be totally disabled or (b) NEO's 65th birthday.
- (6) The amount represents the value of health coverage pursuant to COBRA for a period of 24 months after termination on terms and conditions comparable to those most recently provided to the NEO as of December 31, 2024, pursuant to the Executive Severance Policy.
- (7) This amount represents the value, at December 31, 2024, of the Mr. Chen's outstanding performance-based RSUs and options granted for the 2022 LTCP cycle and time-based RSUs granted for the 2022, 2023 and 2024 LTCP cycles that would vest upon termination after resignation for good reason or due to disability, death or termination by the company without Cause. Pursuant to the terms of the awards, Mr. Chen would forfeit eligibility to receive any payout of performance-based RSUs or options granted for the 2021, 2023 and 2024 LTCP since a termination on December 31, 2024, would not be in the final year of the applicable performance periods. For time-based RSU awards, the amounts were prorated based on the portion of the vesting period that would have transpired prior to cessation of employment. For the performance-based RSU and option awards granted for the 2022 LTCP (the performance period for which ended December 31, 2024), the amount reflects the actual payout of 200% of target for the 2022 LTCP (based on actual performance over the performance period) prorated based on the portion of the vesting period that would have transpired prior to cessation of employment. All RSU amounts include accrued dividend equivalents, which are paid out in the form of additional shares of common stock at the time, and only to the extent, that the awards vest.
- (8) This amount represents the value, at December 31, 2024, of Mr. Chen's unvested time-based RSUs and performance-based RSU and option awards granted for the 2021, 2022, 2023 and 2024 LTCPs that would vest upon termination (by us without Cause or by the NEO for Good Reason) within twenty four months following a Change in Control. All performance-based RSU and option awards would be paid out at the greater of target or actual performance. All RSU amounts include accrued dividend equivalents, which are paid out in the form of additional shares of common stock at the time, and only to the extent, that the awards vest.
- (9) This amount represents the balance, at December 31, 2024, of the NEOs deferred compensation plan account (including matching contributions), which is payable (a) upon retirement, disability or his voluntary termination of employment with the company for any reason pursuant to the NEO's deferral elections, (b) upon death, in a lump sum as soon as administratively practicable following his death, (c) upon an

involuntary termination by the company, in a lump sum within 90 days of the date of termination and (d) upon a Change in control, in a lump sum as soon as administratively practicable, but in no event later than 30 days from the effective date of the Change in control.

- (10) The amount represents cash payments under our Executive Severance Policy equal to 1.5 times an NEO's base salary.
- (11) The amount represents cash payments under our Executive Severance Policy equal to two times an NEO's base salary.
- (12) The amount represents the value of health coverage pursuant to COBRA for a period of 12 months after termination on terms and conditions comparable to those most recently provided to NEO as of December 31, 2024 pursuant to the Executive Severance Policy.
- (13) This amount represents the value, at December 31, 2024, of the NEO's outstanding performance-based RSUs granted for the 2022 LTCP cycle and time-based RSUs granted for the 2022, 2023 and 2024 LTCP cycles that would vest upon termination due to disability, death or termination by the company without Cause. Pursuant to the terms of the awards, the NEO would forfeit eligibility to receive any payout of performance-based RSUs granted for the 2021, 2023 and 2024 LTCP since a termination on December 31, 2024, would not be in the final year of the applicable performance periods. For time-based RSU awards, the amounts were prorated based on the portion of the vesting period that would have transpired prior to cessation of employment. For the performance-based RSU award granted for the 2022 LTCP (the performance period for which ended December 31, 2024), the amount reflects the actual payout of 200% of target for the 2022 LTCP (based on actual performance over the performance period) prorated based on the portion of the vesting period that would have transpired prior to cessation of employment. All RSU amounts include accrued dividend equivalents, which are paid out in the form of additional shares of common stock at the time, and only to the extent, that the awards vest.
- (14) This amount represents the value, at December 31, 2024, of the NEO's unvested time-based RSUs and performance-based RSUs awards granted for the 2021, 2022, 2023 and 2024 LTCPs that would vest upon termination (by us without Cause or by the NEO for Good Reason) within one year following a Change in Control. All performance-based RSU awards would be paid out at the greater of target or actual performance. All RSU amounts include accrued dividend equivalents, which are paid out in the form of additional shares of common stock at the time, and only to the extent, that the awards vest.
- (15) This amount represents the pro-rata STIP payment that would be paid out upon resignation for Good Reason or termination without cause, pursuant to the terms of Ms. Hakoranta's employment agreement.
- (16) This amount represents the annual cost of business travel insurance, health insurance and statutory group insurances which would be paid for 12 months upon termination without Cause or for 24 months upon termination without Cause or resignation for Good Reason within 12 months after a Change in Control.
- (17) This amount represents the statutory group life insurance benefit for which employees in Finland are entitled.

Pay Versus Performance

In accordance with rules adopted by the SEC, we provide the following disclosure regarding executive “Compensation Actually Paid” or “CAP” (as calculated in accordance with SEC rules) and certain company performance metrics for the fiscal years listed below. You should refer to our CD&A in this proxy statement for a complete description of how executive compensation relates to company performance and how the Human Capital Committee makes its decisions.

Year	Summary Compensation Table Total for Liren Chen(1) \$	Summary Compensation Table Total for William Merritt(2) \$	Compensation Actually Paid to Liren Chen(1)(3)(4)(5) \$	Compensation Actually Paid to William Merritt(2)(3)(4)(5) \$	Average Summary Compensation Table Total for Non-CEO NEOs(6) \$	Average Compensation Actually Paid to Non-CEO NEOs(3)(4)(5)(6) \$	Year-end value of \$100 invested on 12/31/2019 in:				
							IDCC \$	Nasdaq Telecommunications Total Shareholder Return \$	Net Income (in millions) \$	Adjusted EBITDA(7) (in millions) \$	Revenue (in millions) \$
2024	7,258,318	0	88,835,965	0	2,599,972	10,931,385	394.45	103.21	358.6	511.0	868.5
2023	4,773,160	0	20,846,309	0	1,951,371	4,854,811	217.89	90.96	214.1	345.2	549.6
2022	4,824,787	0	8,473,818	0	2,660,110	3,432,926	97.43	82.21	93.7	254.5	457.8
2021	10,824,838	1,570,440	19,400,708	(711,223)	1,426,410	2,407,304	137.72	112.44	55.3	208.0	425.4
2020	0	2,642,504	0	3,740,057	1,218,153	1,067,958	114.30	110.08	44.8	155.3	359.0

(1) Liren Chen became CEO of the company on April 5, 2021.

(2) William Merritt served as CEO until his retirement on April 5, 2021.

(3) Deductions from, and additions to, total compensation in the Summary Compensation Table by year to calculate Compensation Actually Paid include:

	2024		2023	
	Liren Chen	Average Non-CEO NEOs	Liren Chen	Average Non-CEO NEOs
Total Compensation from Summary Compensation Table . . .	\$ 7,258,318	\$ 2,599,972	\$ 4,773,160	\$ 1,951,371
Adjustments for Pension				
Adjustment Summary Compensation Table Pension	\$ —	\$ —	\$ —	\$ —
Amount added for current year service cost	\$ —	\$ —	\$ —	\$ —
Amount added for prior service cost impacting current year	\$ —	\$ —	\$ —	\$ —
Total Adjustments for Pension	\$ —	\$ —	\$ —	\$ —
Adjustments for Equity Awards				
Adjustment for grant date values in the Summary Compensation Table	\$ (5,000,000)	\$ (1,500,000)	\$ (3,000,000)	\$ (1,389,000)
Year-end fair value of unvested awards granted in the current year	\$33,316,224	\$ 3,088,567	\$ 3,746,424	\$ 1,132,367
Year-over-year difference of year-end fair values for unvested awards granted in prior years	\$37,138,400	\$ 6,302,507	\$ 9,099,191	\$ 2,496,089
Fair values at vest date for awards granted and vested in current year			\$ —	\$ 21,016
Difference in fair values between prior year-end fair values and vest date fair values for awards granted in prior years	\$16,123,023	\$ 440,340	\$ 6,227,534	\$ 642,967
Forfeitures during current year equal to prior year-end fair value	\$ —	\$ —	\$ —	\$ —
Dividends or dividend equivalents not otherwise included in total compensation	\$ —	\$ —	\$ —	\$ —
Total Adjustments for Equity Awards	\$81,577,647	\$ 8,331,414	\$16,073,149	\$ 2,904,339
Compensation Actually Paid (as calculated)	\$88,835,965	\$10,931,385	\$20,846,309	\$ 4,854,811

	2022		2021			2020	
	Liren Chen	Average Non-CEO NEOs	Liren Chen	William Merritt	Average Non-CEO NEOs	William Merritt	Average Non-CEO NEOs
Total Compensation from Summary Compensation Table	\$ 4,824,787	\$ 2,660,110	\$ 10,824,838	\$ 1,570,440	\$ 1,426,410	\$ 2,642,504	\$ 1,218,153
Adjustments for Pension							
Adjustment Summary Compensation Table Pension	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Amount added for current year service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Amount added for prior service cost impacting current year	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Adjustments for Pension	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Adjustments for Equity Awards							
Adjustment for grant date values in the Summary Compensation Table	\$(2,200,025)	\$(1,575,024)	\$(5,219,984)	\$ —	\$(637,515)	\$(1,083,348)	\$(397,237)
Year-end fair value of unvested awards granted in the current year	\$ 5,249,160	\$ 1,866,893	\$ 7,850,314	\$ —	\$ 907,588	\$ 2,102,469	\$ 558,750
Year-over-year difference of year-end fair values for unvested awards granted in prior years	\$ 783,791	\$ 532,141	\$ —	\$(1,601,770)	\$ 623,362	\$ 611,174	\$(569,990)
Fair values at vest date for awards granted and vested in current year	\$ —		\$ 5,945,540	\$ —	\$ —	\$ 681,993	\$ 475,054
Difference in fair values between prior year-end fair values and vest date fair values for awards granted in prior years	\$ (183,895)	\$(51,194)	\$ —	\$(679,893)	\$ 87,459	\$(1,214,735)	\$(216,773)
Forfeitures during current year equal to prior year-end fair value	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Dividends or dividend equivalents not otherwise included in total compensation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Adjustments for Equity Awards	\$ 3,649,031	\$ 772,816	\$ 8,575,870	\$(2,281,663)	\$ 980,894	\$ 1,097,553	\$ (150,195)
Compensation Actually Paid (as calculated)	\$ 8,473,818	\$ 3,432,926	\$ 19,400,708	\$ (711,223)	\$ 2,407,304	\$ 3,740,057	\$ 1,067,958

- (4) The following summarizes the valuation assumptions used for stock option awards included as part of Compensation Actually Paid:
- Expected life of each stock option is based on the “simplified method” using an average of the remaining vest and remaining term, as of the vest/FYE date.
 - Strike price is based on each grant date closing price and asset price is based on each vest/FYE closing price.
 - Risk free rate is based on the Treasury Constant Maturity rate closest to the remaining expected life as of the vest/FYE date.
 - Historical volatility is based on daily price history for each expected life (years) prior to each vest/FYE date. Closing prices provided by S&P Capital IQ are adjusted for dividends and splits.
 - Represents annual dividend yield on each vest/FYE date.
- (5) Assumptions used in the valuation of equity awards for purposes of calculating Compensation Actually Paid were materially the same as at grant date, except for adjusting for expected performance of performance-based RSUs at each measurement date.
- (6) Non-CEO NEOs reflect the average Summary Compensation Table total compensation and average Compensation Actually Paid for the following executives by year:
- 2024: Richard Brezski; Eeva Hakoranta; Rajesh Pankaj; Joshua Schmidt
2023: Richard Brezski; Eric Cohen; Eeva Hakoranta; Rajesh Pankaj; Joshua Schmidt
2022: Richard Brezski; Eric Cohen; Eeva Hakoranta; Rajesh Pankaj
2021: Richard Brezski; Eric Cohen; Eeva Hakoranta; Henry Tirri
2020: Richard Brezski; Richard Gulino; Kai Öistämö
- (7) Adjusted EBITDA is a non-GAAP financial measure. See Appendix A for an explanation of this metric and a detailed reconciliation to the most directly comparable GAAP measure.

Most Important Performance Measures

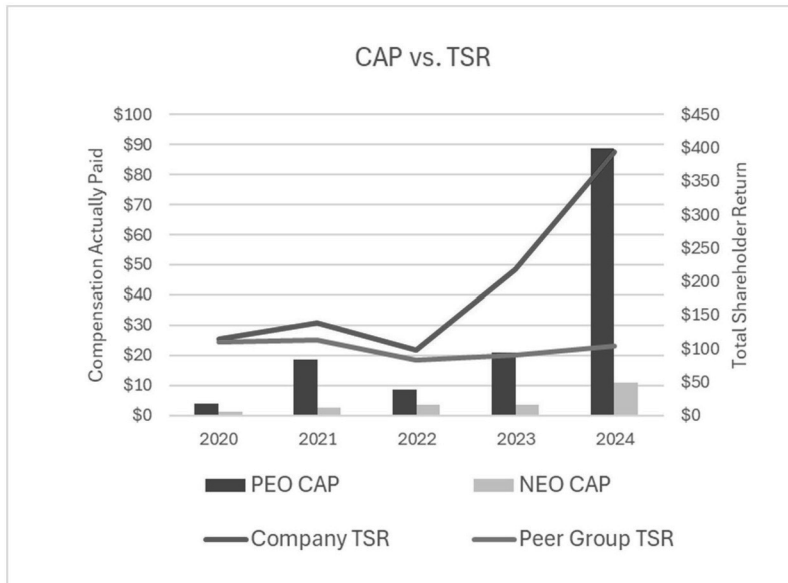
In our assessment, the most important performance measures used to link CAP (as calculated in accordance with the SEC rules) to company performance are listed below. The role of each of these performance measures in our executive compensation program is discussed in the CD&A.

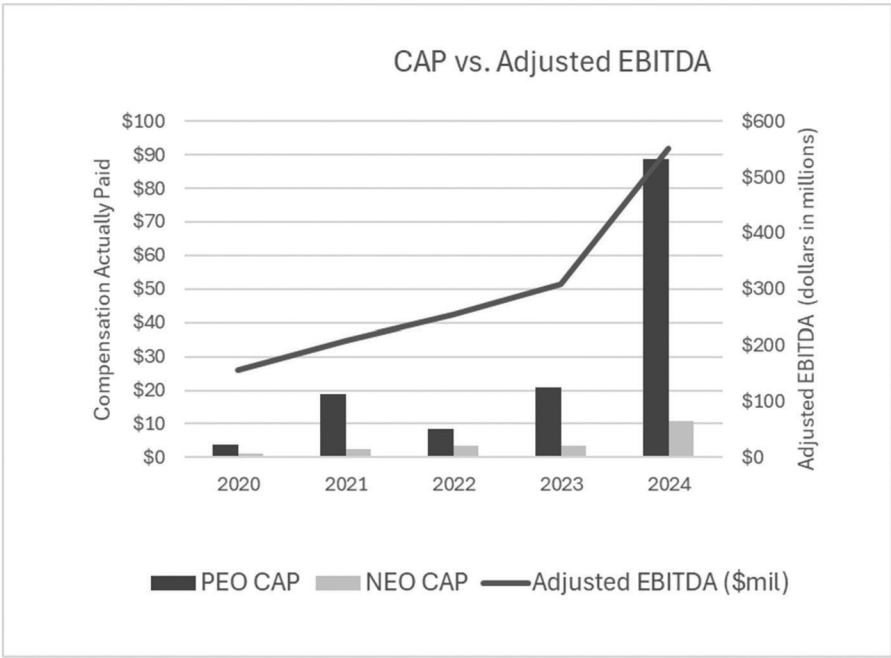
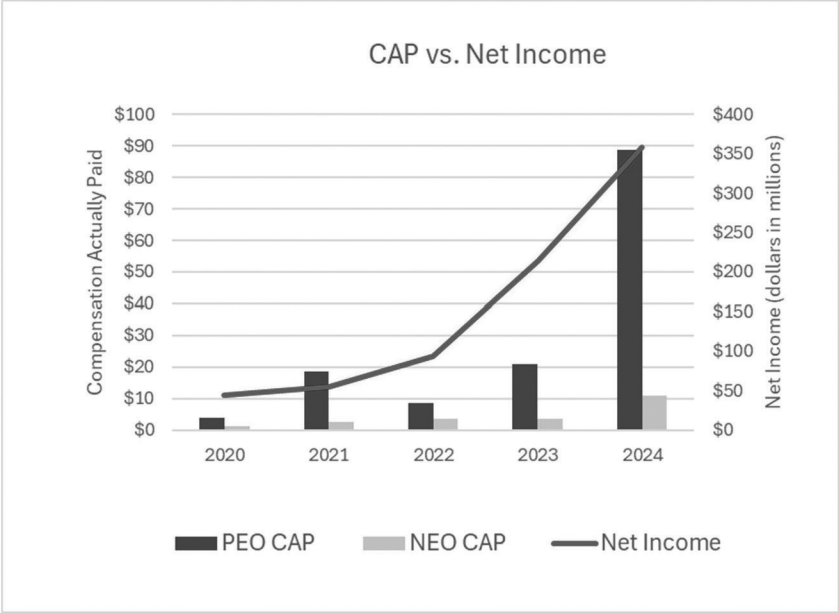
- Adjusted EBIDTA
- Revenue

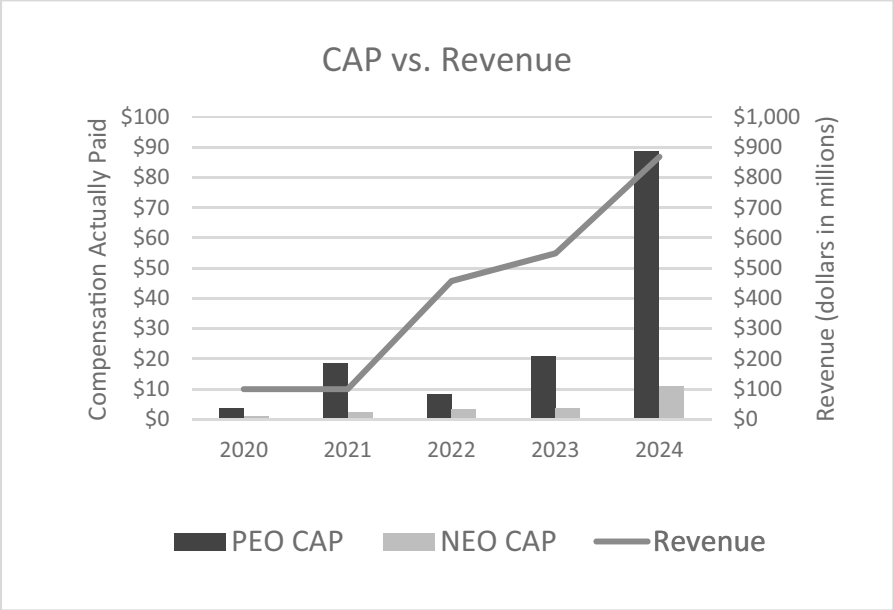
Descriptions of the Information Presented in the Pay Versus Performance Table

The illustrations below compare CAP (as calculated in accordance with the SEC rules) and the following measures:

- the company's cumulative TSR and the Nasdaq Telecommunications Index's cumulative TSR;
- the company's net income;
- the company's adjusted EBITDA; and
- the company's revenue.







Chief Executive Officer Pay Ratio

We believe our executive compensation program must be consistent and internally equitable to motivate our employees to perform. The Human Capital Committee monitors the relationship between the pay of our executive officers and the pay of our non-executive employees. The Human Capital Committee reviewed a comparison of our CEO's annual total compensation in fiscal year 2023 to that of the median of all other employees for that same period.

There were no significant changes to our global employee population in 2024 that would result in a significant change to our pay ratio disclosure, therefore, we will be using the same median employee to calculate this year's ratio.

Our CEO's total 2024 compensation, as set forth in the Summary Compensation Table above, was \$7,258,318. The median employee's total 2024 compensation was approximately \$188,345, making our CEO's pay in 2024 approximately 39 times the pay of our median employee.

The pay ratio described above is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K. The median employee was identified in by determining the compensation for each employee using the following consistently applied compensation measures:

- Annual Salary for fiscal year;
- Annual incentive bonus target (i.e., STIP award); and
- Grant date fair value of equity awards (or long-term cash compensation award) granted during fiscal year.

Our calculation includes all employees in the United States, Belgium, Canada, China, Finland, France and United Kingdom, as of December 31, 2024. We applied U.S. exchange rates to the compensation elements paid in non-U.S. dollars.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes the company's equity compensation plan information relating to the common stock authorized for issuance under the company's equity compensation plans as of December 31, 2024:

<u>Plan Category</u>	<u>(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)</u>	<u>(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</u>	<u>(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column(a))(2)</u>
Equity compensation plans approved by InterDigital shareholders	2,131,128	\$77.18	717,673
Equity compensation plans not approved by InterDigital shareholders(3)	—	—	—
Total	2,131,128	\$77.18	717,673

- (1) Column (a) includes 607,019 shares of common stock underlying outstanding time-based RSU awards, 553,486 shares of common stock underlying outstanding performance-based RSU awards, 945,832 shares of common stock underlying outstanding stock options, and 24,791 dividend equivalents credited in respect of unvested RSU awards. Unvested performance-based RSUs and performance-based stock options assume a maximum payout of 200% of target. Because there is no exercise price associated with RSUs, these awards are not included in the weighted-average exercise price calculation presented in column (b). Dividend equivalents are paid in shares of common stock at the time, and only to the extent, that the related RSU awards vest.
- (2) On June 17, 2017, the company's shareholders adopted and approved the 2017 Equity Plan. On June 2, 2021, the company's shareholders adopted and approved an amendment to the 2017 Equity Plan approving an additional 1,780,000 shares available under the plan. The 2017 Equity Plan provides for grants of stock options, stock appreciation rights, restricted stock, RSUs, performance units, performance shares and incentive cash bonuses. Amounts reported relate to securities available for future issuance under the 2017 Equity Plan, as amended.
- (3) The company does not have any awards outstanding or shares remaining available for grant under equity compensation plans not approved by its shareholders.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

How many shares of the company's common stock do the directors, director nominees, executive officers and certain significant shareholders own?

The following table sets forth information regarding the beneficial ownership of the 25,976,136 shares of our common stock outstanding as of March 31, 2025, except as otherwise indicated below, by each person who is known to us, based upon filings with the SEC, to beneficially own more than 5% of our common stock, as well as by each director, each director nominee, each NEO and all directors and executive officers as of the date of this proxy statement as a group. Except as otherwise indicated below and subject to the interests of spouses of the named beneficial owners, each named beneficial owner has sole voting and sole investment power with respect to the stock listed. None of the shares reported are currently pledged as security for any outstanding loan or indebtedness. If a shareholder holds options or other securities that are exercisable or otherwise convertible into our common stock within 60 days of March 31, 2025, pursuant to SEC rules, we treat the common stock underlying those securities as beneficially owned by that shareholder, and as outstanding shares when we calculate that shareholder's percentage ownership of our common stock. However, pursuant to SEC rules, we do not consider that common stock to be outstanding when we calculate the percentage ownership of any other shareholder.

<u>Name</u>	<u>Common Stock</u>	
	<u>Shares</u>	<u>Percent of Class</u>
<i>Directors and Director Nominees:</i>		
Derek Aberle	5,153	*
Samir Armaly	2,176	*
Joan H. Gillman(1)	2,341	*
S. Douglas Hutcheson(1)	—	—
John A. Kritzmacher	18,513	*
John D. Markley, Jr.	8,225	*
Jean F. Rankin	26,228	*
<i>Named Executive Officers:</i>		
Richard J. Brezski(2)	68,447	*
Liren Chen(3)	532,298	2.0%
Eeva K. Hakoranta	20,030	*
Rajesh Pankaj	40,794	*
Josh Schmidt	17,036	*
All directors, director nominees and executive officers as a group (12 persons)(4)	741,241	2.8%
<i>Greater Than 5% Shareholders:</i>		
BlackRock, Inc.(5)	4,390,364	16.9%
50 Hudson Yards New York, New York 10001		
The Vanguard Group(6)	3,217,502	12.4%
100 Vanguard Boulevard Malvern, Pennsylvania 19355		
Boston Partners(7)	1,415,765	5.5%
One Beacon Street, 30 th Floor Boston, Massachusetts 02108		

* Represents less than 1% of our outstanding common stock.

(1) Does not include shares of common stock that have vested but have been deferred.

(2) Includes 1,958 shares of common stock beneficially owned by Mr. Brezski through participation in the 401(k) Plan, as of the most recently published account statement provided by the plan administrator.

- (3) Includes 389,529 shares of common stock that Mr. Chen has the right to acquire through the exercise of stock options. In addition to serving as our CEO, Mr. Chen is a current member of the board of directors and a director nominee.
- (4) Includes: 389,529 shares of common stock that all directors, director nominees and executive officers as a group have the right to acquire through the exercise of stock options and 1,958 shares of common stock beneficially owned by all directors, director nominees and executive officers as a group through participation in the 401(k) Plan.
- (5) As of December 31, 2023, based on information contained in the Schedule 13G/A filed on January 22, 2024 by BlackRock, Inc. With respect to the shares beneficially owned, BlackRock, Inc. reported that it has sole voting power with respect to 4,358,711 shares and sole dispositive power with respect to 4,390,364 shares.
- (6) As of December 29, 2023, based on information contained in the Schedule 13G/A filed on February 13, 2024 by The Vanguard Group. With respect to the shares beneficially owned, the Vanguard Group reported that it has shared voting power with respect to 48,864 shares, sole dispositive power with respect to 3,139,952 shares and shared dispositive power with respect to 77,550 shares.
- (7) As of September 30, 2024, based on information contained in the Schedule 13G filed on November 14, 2024 by Boston Partners. With respect to the shares beneficially owned, Boston Partners reported that it has sole voting power with respect to 1,306,770 shares and sole dispositive power with respect to 1,415,765 shares.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Person Transaction Procedures

The company has a written statement of policy with respect to related person transactions that is administered by the Audit Committee. Under the policy, a “Related Person Transaction” means any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) between the company (including any of its subsidiaries) and a Related Person, in which the related person had, has or will have a direct or indirect interest. A “Related Person” includes any of our executive officers, directors or director nominees, any shareholder owning in excess of 5% of our common stock, any immediate family member of any of the foregoing persons, and any firm, corporation or other entity in which any of the foregoing persons is employed as an executive officer or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest. Related Person Transactions do not include certain transactions involving only director or executive officer compensation, transactions where the Related Person receives proportional benefits as a shareholder along with all other shareholders, transactions involving competitive bids, transactions involving certain bank-related services or certain other immaterial transactions.

Pursuant to the policy, a Related Person Transaction may be consummated or may continue only if:

- The Audit Committee approves or ratifies the transaction in accordance with the terms of the policy; or
- The chair of the Audit Committee, pursuant to authority delegated to the chair by the Audit Committee, pre-approves or ratifies the transaction and the amount involved in the transaction is less than \$100,000, provided that, for the Related Person Transaction to continue, it must be approved by the Audit Committee at its next regularly scheduled meeting.

It is the company’s policy to enter into or ratify Related Person Transactions only when the Audit Committee determines that the Related Person Transaction in question is in, or is not inconsistent with, the best interests of the company, including but not limited to situations where the company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or where the company provides products or services to Related Persons on an arm’s length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally.

In determining whether to approve or ratify a Related Person Transaction, the committee takes into account, among other factors it deems appropriate, whether the Related Person Transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the Related Person’s interest in the transaction.

Transaction Involving Related Persons

Indemnification of Directors and Officers; Director Indemnity Agreements

We have Indemnification Agreements with certain of our directors and officers. Each Indemnification Agreement provides, among other things, that the company will, to the extent permitted by applicable law, indemnify each indemnitee if, by reason of such indemnitee’s status as a director or officer of the company, such indemnitee was, is or is threatened to be made a party to any proceeding, whether of a civil, criminal, arbitrational, administrative or investigative nature, against all expenses related thereto, including judgments, fines, penalties, excise taxes, interest and amounts paid in settlement and incurred by such indemnitee in connection with such proceeding, including attorneys’ fees). In addition, each of the Indemnification Agreements provides for the advancement of expenses incurred by the indemnitee in connection with any proceeding covered by the agreement, subject to certain exceptions. None of the Indemnification Agreements precludes any other rights to indemnification or advancement of expenses to which the indemnitee may be entitled, including but not limited to, any rights arising under our governing documents, any agreement, board action or applicable law.

DELINQUENT SECTION 16(A) REPORTS

Based solely upon a review of filings with the SEC furnished to us and written representations that no other reports were required, we believe that, during and with respect to 2024, all of our directors and officers timely filed all reports required by Section 16(a), except for one Form 4 that was inadvertently filed one day late. The late Form 4 was filed on March 25, 2024 to report a grant of restricted stock units to Mr. Chen pursuant to the company's 2017 Equity Incentive Plan in accordance with the company's long-term compensation program.

OTHER MATTERS

How may shareholders make proposals or director nominations for the 2026 annual meeting?

Shareholders interested in submitting a proposal for inclusion in our proxy statement for the 2026 annual meeting may do so by submitting the proposal in writing to our Corporate Secretary at InterDigital, Inc., 200 Bellevue Parkway, Suite 300, Wilmington, DE 19809-3727. To be eligible for inclusion in our proxy statement for the 2026 annual meeting, shareholder proposals must be received no later than December 26, 2025, and they must comply with all applicable SEC requirements. The submission of a shareholder proposal does not guarantee that it will be included in our proxy statement.

Our bylaws also establish an advance notice procedure with regard to nominations of persons for election to the Board and shareholder proposals that are not submitted for inclusion in the proxy statement but that a shareholder instead wishes to present directly at an annual meeting. Shareholder proposals and nominations may not be brought before the 2026 annual meeting unless, among other things, the shareholder's submission contains certain information concerning the proposal or the nominee, as the case may be, and other information specified in our bylaws, and we receive the shareholder's submission no earlier than February 11, 2026, and no later than March 13, 2026. However, if the date of our 2026 annual meeting is more than 30 days before or more than 60 days after the anniversary of our 2025 annual meeting, the submission and the required information must be received by us no earlier than the 120th day prior to the 2026 annual meeting and no later than the later of the 90th day prior to the annual meeting or, if later, the 10th day following the day on which we first publicly announce the date of the 2026 annual meeting. Proposals or nominations that do not comply with the advance notice requirements in our bylaws will not be entertained at the 2026 annual meeting. A copy of the bylaws may be obtained on the Investor Relations page of our corporate website or by writing to our Corporate Secretary at InterDigital, Inc., 200 Bellevue Parkway, Suite 300, Wilmington, DE 19809-3727.

Who pays for the proxy solicitation costs?

We will bear the entire cost of proxy solicitation, including preparation, assembly, printing and mailing of the Notice, this proxy statement, the proxy card and any additional materials furnished to shareholders. Copies of proxy solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others to forward to such beneficial owners. In addition, we may reimburse such persons for their cost of forwarding the solicitation materials to such beneficial owners. Our directors, officers or regular employees may supplement solicitation of proxies by mail through the use of one or more of the following methods: telephone, email, telegram, facsimile or personal solicitation. No additional compensation will be paid for such services. For 2024, we have also engaged Alliance Advisors, LLC, a professional proxy solicitation firm, to aid in the solicitation of proxies from certain brokers, bank nominees and other institutional owners for an anticipated fee of not more than \$14,000.

What is "householding" of proxy materials, and can it save the company money?

The SEC has adopted rules that permit companies and intermediaries, such as brokers, to satisfy delivery requirements for proxy materials with respect to two or more shareholders sharing the same address by delivering a single annual report and proxy statement to those shareholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for shareholders and cost savings for companies. Although we do not household for registered shareholders, a number of brokerage firms have instituted householding for shares held in street name, delivering a single set of proxy materials to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, now or in the future, you no longer wish to participate in householding and would prefer to receive a separate Notice or annual report and proxy statement, please notify us by calling (302) 281-3600 or by sending a written request to our Corporate Secretary at InterDigital, Inc., 200 Bellevue Parkway, Suite 300, Wilmington, DE 19809-3727, and we will promptly

deliver a separate copy of our Notice or annual report and proxy statement, as applicable. If you hold your shares in street name and are receiving multiple copies of the Notice or annual report and proxy statement and wish to receive only one, please notify your broker.

How can I receive the annual report?

We will provide to any shareholder, without charge, a copy of our 2024 annual report on Form 10-K upon written request to our Corporate Secretary at InterDigital, Inc., 200 Bellevue Parkway, Suite 300, Wilmington, DE 19809-3727. Our 2024 annual report and this proxy statement are also available online at <http://ir.interdigital.com/FinancialDocs>.

Will there be any other business conducted at the annual meeting?

As of the date of this proxy statement, we know of no business that will be presented for consideration at the annual meeting other than the items referred to in this proxy statement. If any other matter is properly brought before the annual meeting for action by shareholders, proxies will be voted in accordance with the recommendation of the Board or, in the absence of such a recommendation, in accordance with the judgment of the proxy holder.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

Adjusted EBITDA and Adjusted EBITDA margin are supplemental non-GAAP financial measures that InterDigital believes provide investors with important insight into the company's ongoing business performance. InterDigital defines Adjusted EBITDA as net income attributable to InterDigital Inc. plus net loss attributable to non-controlling interest, income tax (provision) benefit, other income (expense) & interest expense, depreciation and amortization, share-based compensation, and other items. Other items include restructuring costs, impairment charges and other non-recurring items. Adjusted EBITDA margin is adjusted EBITDA over total revenues. These non-GAAP financial measures may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. A detailed reconciliation of adjusted EBITDA and adjusted EBITDA margin to the most directly comparable GAAP financial measure is provided below.

	2020	2021	2022	2023	2024
Net income attributable to InterDigital, Inc.	\$ 44,801	\$ 55,295	\$ 93,693	\$214,069	\$358,614
Net loss attributable to non-controlling interest	(6,860)	(13,107)	(1,632)	(3,016)	—
Income tax provision	(6,648)	15,368	25,502	23,557	70,802
Other income (expense), net & interest expense	23,875	13,650	32,953	(12,995)	10,096
Depreciation and amortization	81,041	78,193	78,571	77,792	69,913
Share-based compensation	10,442	28,736	22,127	35,741	45,966
Other items(a)	8,636	29,877	3,280	10,037	(4,361)
Adjusted EBITDA	\$155,287	\$208,012	\$254,494	\$345,185	\$551,030
Adjusted EBITDA Margin	43%	49%	56%	63%	63%

(a) Other items in the above table includes litigation fee reimbursements, impairments, restructuring costs, transactional costs and other non-recurring items.

Pro Forma EBITDA is a supplemental non-GAAP financial measure that InterDigital uses for compensation purposes as described in this proxy statement. InterDigital defines Pro Forma EBITDA as total revenues minus operating expenses plus depreciation and amortization, intellectual property enforcement costs, and other items. Other items include restructuring costs, impairment charges and other non-recurring items, as further described below. This non-GAAP financial measure may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. A detailed reconciliation of Pro Forma EBITDA to the most directly comparable GAAP financial measure is provided below.

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Total Revenues	\$140,106	\$105,518	\$ 263,542	\$223,493	\$128,679	\$252,802
Operating expenses	(86,453)	(80,193)	(159,804)	(89,587)	(89,337)	(90,276)
Depreciation and amortization	19,527	19,094	17,240	17,376	17,549	17,748
Intellectual property enforcement costs	13,226	12,277	19,744	15,345	12,867	8,215
Other items	—	—	—	—	—	—
Pro Forma EBITDA	\$ 86,406	\$ 56,696	\$ 140,722	\$166,627	\$ 69,758	\$188,489

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Revenues	\$101,318	\$124,657	\$114,764	\$117,055	\$202,373	\$101,591
Operating expenses	(71,133)	(74,757)	(82,927)	(78,461)	(83,112)	(78,215)
Depreciation and amortization	19,282	21,154	18,713	19,422	19,526	19,645
Intellectual property enforcement costs	10,584	11,412	10,906	11,504	13,853	9,433
Other items	542	2,738	—	—	2,500	—
Pro Forma EBITDA	\$ 60,593	\$ 85,204	\$ 61,456	\$ 69,520	\$155,140	\$ 52,454

Non-GAAP net income, Non-GAAP diluted earnings per share, and Non-GAAP weighted-average diluted shares are supplemental non-GAAP financial measures that InterDigital believes provides investors with important insight into the Company's ongoing business performance. InterDigital defines Non-GAAP net income as net income attributable to InterDigital, Inc. plus share-based compensation, acquisition related amortization, depreciation and amortization, restructuring costs, impairment charges and one-time adjustments, losses on extinguishments of long-term debt, the related income tax effect of the preceding items, and adjustments to income taxes. Non-GAAP diluted earnings per share is defined as Non-GAAP net income divided by Non-GAAP weighted average diluted shares, which adjusts the weighted average number of common shares outstanding for the dilutive effect of the Company's convertible notes, offset by our hedging arrangements. InterDigital's computation of these non-GAAP financial measures might not be comparable to similarly named measures reported by other companies. The presentation of these financial measures, which are not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. A reconciliation of each of these metrics to its most directly comparable GAAP financial measure is provided below.

	2020	2021	2022	2023	2024
Net income attributable to InterDigital, Inc.	\$ 44,801	\$ 55,295	\$ 93,693	\$214,069	\$358,614
Share-based compensation	10,442	28,736	22,127	35,741	45,966
Acquisition related amortization	44,400	41,696	42,506	40,937	33,372
Other operating items(a)	8,636	29,877	3,280	10,037	(4,361)
Other non-operating items(b)	(5,502)	(10,900)	12,529	(14,115)	(1,989)
Related income tax and noncontrolling interest effect of above items	(12,175)	(25,465)	(16,892)	(16,496)	(15,327)
Adjustments to income taxes	(20,900)	(2,400)	(2,407)	(15,776)	(7,337)
Non-GAAP net income	<u>\$ 69,702</u>	<u>\$116,839</u>	<u>\$154,836</u>	<u>\$254,397</u>	<u>\$408,938</u>
Weighted average dilutive shares - GAAP	30,776	31,253	30,485	28,102	29,711
Less: Dilutive impact of the Convertible Notes . .	—	—	—	538	2,393
Weighted average dilutive shares - Non-GAAP	<u>30,776</u>	<u>31,253</u>	<u>30,485</u>	<u>27,564</u>	<u>27,318</u>
Diluted EPS	\$ 1.44	\$ 1.77	\$ 3.07	\$ 7.62	\$ 12.07
Non-GAAP EPS	\$ 2.27	\$ 3.73	\$ 5.08	\$ 9.23	\$ 14.97

(a) Other operating items in the above table includes litigation fee reimbursements, impairments, restructuring costs, transactional costs and other non-recurring items.

(b) Other non-operating items in the above table includes net gains from observable price changes of our long-term strategic investments, losses on the extinguishment of debt, pension and debt revaluations, and other non-recurring non-operating items.

INTERDIGITAL, INC.

2025 EQUITY INCENTIVE PLAN

(subject to, and effective as of, approval at the 2025 annual meeting of shareholders)

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units, Performance Shares, Incentive Cash Bonuses, and other stock or cash awards as the Administrator may determine.

2. Definitions. As used herein, the following definitions will apply:

(a) “Administrator” means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan. Unless otherwise determined by the Board, the Compensation Committee of the Board will be the Administrator.

(b) “Affiliate” means any entity that, directly or indirectly, controls, is controlled by, or is under common control with, the Company.

(c) “Applicable Laws” means the requirements relating to the administration of equity-based awards and the related issuance of Shares under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and, only to the extent applicable with respect to an Award or Awards, the tax, securities, exchange control, and other laws of any jurisdictions other than the United States where Awards are, or will be, awarded under the Plan. Reference to a section of an Applicable Law or regulation related to that section shall include such section or regulation, any valid regulation issued under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(d) “Award” means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares, Incentive Cash Bonuses, or other stock or cash awards as the Administrator may determine.

(e) “Award Agreement” means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) “Board” means the Board of Directors of the Company.

(g) “Change in Control” means the occurrence of any of the following events:

(i) A change in the ownership of the Company that occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is

considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the shareholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of Shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event shall not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities that own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) A change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets that occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets:

(1) a transfer to an entity that is controlled by the Company's shareholders immediately after the transfer, or

(2) a transfer of assets by the Company to:

a) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock,

b) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company,

c) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or

d) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(2)(d).

For purposes of this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(h) "Code" means the Internal Revenue Code of 1986. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(i) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 hereof.

(j) "Common Stock" means the common stock of the Company.

(k) "Company" means InterDigital, Inc., a Pennsylvania corporation, or any successor thereto.

(l) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent, Subsidiary or Affiliate to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.

(m) "Director" means a member of the Board.

(n) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(o) "Dividend Equivalent" means a credit, made at the discretion of the Administrator or as otherwise provided by the Plan, to the account of a Participant in an amount equal to the cash dividends paid on one Share for each Share represented by an Award held by such Participant.

(p) "Effective Date" shall have the meaning provided in Section 19.

(q) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent, Subsidiary or Affiliate of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(r) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(s) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common

Stock on the date of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

Notwithstanding the foregoing, if the determination date for the Fair Market Value occurs on a weekend, holiday or other non-Trading Day, the Fair Market Value will be the price as determined under subsections (i) or

(ii) above on the immediately preceding Trading Day, unless otherwise determined by the Administrator. In addition, for purposes of determining the fair market value of Shares for any reason other than the determination of the per Share exercise price of Options or Stock Appreciation Rights, fair market value will be determined by the Administrator in a manner compliant with Applicable Laws and applied consistently in the jurisdiction for such purpose. Note that the determination of fair market value for purposes of tax withholding may be made in the Administrator's sole discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(t) "Fiscal Year" means the fiscal year of the Company.

(u) "Full Value Award" means any Award that results in the issuance of Shares other than Options, Stock Appreciation Rights or other Awards that are based solely on an increase in value of the Shares following the grant date.

(v) "GAAP" means U.S. generally accepted accounting principles.

(w) "Incentive Cash Bonus" means an opportunity to earn a future payment tied to the level of achievement with respect to one or more performance criteria established for a performance period specified by the Administrator, granted pursuant to Section 11. Each Incentive Cash Bonus represents an unfunded and unsecured obligation of the Company.

(x) "Incentive Stock Option" means an Option that is intended to qualify and does qualify as an incentive stock option within the meaning of Section 422 of the Code.

(y) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(z) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(aa) "Option" means a stock option granted pursuant to the Plan.

(bb) "Outside Director" means a Director who is not an Employee.

(cc) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(dd) "Participant" means the holder of an outstanding Award.

(ee) "Performance Period" means any Fiscal Year of the Company or such other period as determined by the Administrator in its sole discretion.

(ff) “Performance Share” means an Award denominated in Shares that may be earned in whole or in part upon attainment of any performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(gg) “Performance Unit” means an Award that may be earned in whole or in part upon attainment of any performance goals or other vesting criteria as the Administrator may determine and that may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(hh) “Period of Restriction” means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, continued service, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(ii) “Plan” means this 2025 Equity Incentive Plan.

(jj) “Restricted Stock” means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(kk) “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(ll) “Rule 16b-3” means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(mm) “Section 16(b)” means Section 16(b) of the Exchange Act.

(nn) “Securities Act” means the Securities Act of 1933, as amended.

(oo) “Section 409A” means Section 409A of the Code.

(pp) “Service Provider” means an Employee, Director or Consultant.

(qq) “Share” means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(rr) “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that pursuant to Section 10 is designated as a Stock Appreciation Right.

(ss) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code.

(tt) “Trading Day” means a day on which the primary stock exchange or national market system on which the Common Stock trades is open for trading.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Sections 3(b) and 14(a) of the Plan, as of the Effective Date, the maximum number of Shares that may be issued pursuant to Awards granted under the Plan shall be 3,700,000¹, less one (1.0) Share for every one (1.0) Share subject to Options or Stock Appreciation Rights

¹ The 3,700,000 Shares reflects 408,476 Shares that remained available for grant under the 2017 Plan as of March 31, 2025, plus 3,291,524 newly authorized Shares.

granted under the Company's 2017 Equity Incentive Plan (the "2017 Plan") after March 31, 2025 and prior to the Effective Date, and less two (2.0) Shares for every one (1.0) Share subject to a Full Value Award granted under the 2017 Plan after March 31, 2025 and prior to the Effective Date. Any Shares subject to Options or Stock Appreciation Rights shall be counted against the maximum Share limitation of this Section 3(a) as one (1.0) Share for every Share subject thereto. Any Shares subject to Full Value Awards shall be counted against the maximum Share limitation of this Section 3(a) as two (2.0) Shares for every Share subject thereto. The Shares that may be issued under the Plan may be authorized, but unissued, or reacquired Common Stock. After the Effective Date, no awards shall be granted under the 2017 Plan.

(b) Share Counting. Any Shares related to Awards, whether granted under this Plan or the 2017 Plan, that at any time on or after March 31, 2025, terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares (including but not limited to settlement of an Award at less than the target number of Shares), are settled in cash in lieu of Shares, or are exchanged with the Committee's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again (or, with respect to awards granted under the 2017 Plan, shall be added to the Shares available) for grant under this Plan. In addition, Shares related to Awards, whether granted under this Plan or the 2017 Plan, that at any time after March 31, 2025 are used to pay the withholding taxes related to any outstanding Full Value Award shall be available again (or, with respect to full value awards granted under the 2017 Plan, shall be added to the Shares available) for grant under this Plan. Notwithstanding the foregoing, the following Shares (whether subject to Awards granted under this Plan or the 2017 Plan) may not again be made available for issuance as Awards under the Plan: (i) Shares not issued or delivered as a result of the net settlement of an outstanding Option or Stock Appreciation Right, (ii) Shares used to pay the exercise price or withholding taxes related to any outstanding Options or Stock Appreciation Rights, or (iii) Shares reacquired by the Company with the amount received upon exercise of Options. Any Shares that again become available for Awards under the Plan pursuant to this Section shall be added as one (1.0) Share for every one (1.0) Share subject to an Option or Stock Appreciation Right and as two (2.0) Shares for every one (1.0) Share subject to a Full Value Award.

(c) Incentive Stock Options. Subject to adjustment as provided in Section 14, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal 200% of the sum of the aggregate Share number stated in Section 3(a) and, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan pursuant to Section 3(b).

(d) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

(e) Adjustment. The numbers provided in Sections 3(a) and 3(b) will be adjusted as a result of changes in capitalization and any other adjustments under Section 14(a).

(f) Substitute Awards. If the Administrator grants Awards in substitution for equity compensation awards outstanding under a plan maintained by an entity acquired by or consolidated with the Company, the grant of those substitute Awards will neither decrease the number of Shares available for issuance under the Plan under Section 3(a) nor be added to the number of Shares available for issuance under the Plan under Section 3(b).

(g) Outside Director Limits. No Outside Director may, in any Fiscal Year, be paid cash compensation and granted Awards with an aggregate value (determined under GAAP with respect to Awards) greater than \$750,000, except that such limit will be increased to \$1,500,000 in the Fiscal Year (1) that an Outside Director serves as the independent Chair of the Board or as a lead independent director or (2) of his or her initial service as an Outside Director. Any cash compensation paid or Awards granted to an individual for his or her services as an Employee, or for his or her services as a Consultant (other than as an Outside Director), will not count for purpose of this limitation.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees may administer the Plan with respect to different groups of Service Providers. The Board may retain the authority to concurrently administer the Plan with a Committee and may revoke the delegation of some or all authority previously delegated.

(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(iv) Further Delegation. To the extent permitted by Applicable Laws, the Board or a Committee may delegate to one or more Officers the authority to grant Awards to Employees of the Company or any of its Subsidiaries who are not Officers, provided that the delegation must specify any limitations on the authority required by Applicable Laws, including the maximum number or value of Shares that may be subject to the Awards granted by such Officer(s). Such delegation may be revoked at any time by the Board or Committee. Any such Awards will be granted on the form of Award Agreement most recently approved for use by the Board or a Committee consisting solely of Directors, unless the resolutions delegating the authority permit the Officer(s) to use a different form of Award Agreement approved by the Board or a Committee consisting solely of Directors.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by or the value of each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan (provided that all forms of Award Agreement must be approved by the Board or the Committee of Directors acting as the Administrator);

(v) to determine the terms and conditions, consistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) subject to Section 4(e), to determine whether Awards will be adjusted for Dividend Equivalents;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(ix) to modify or amend each Award (subject to Sections 4(d) and 20 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to the applicable limits in Section 6(b) of the Plan);

(x) to waive any terms, conditions or restrictions;

(xi) to allow Participants to satisfy tax withholding obligations in such manner as prescribed in Section 15 of the Plan;

(xii) to delegate ministerial duties to any of the Company's Employees;

(xiii) to authorize any person to take any steps and execute, on behalf of the Company, any documents required for an Award previously granted by the Administrator to be effective;

(xiv) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that otherwise would be due to such Participant under an Award; and

(xv) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations, and interpretations will be final and binding on all Participants and any other holders of Awards and will be given the maximum deference permitted by Applicable Laws.

(d) No Repricing or Cash Buyouts. Other than pursuant to Section 14(a), the Administrator shall not without the approval of the Company's shareholders (i) reduce the grant price of any Option or Stock Appreciation Right after the date of grant, (ii) cancel any Option or Stock Appreciation Right when the grant price per Share exceeds the Fair Market Value of one Share in exchange for cash or another Award (other than in connection with a Change in Control), or (iii) take any other action with respect to an Option or Stock Appreciation Right that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the Shares are listed.

(e) Dividends and Dividend Equivalents. Subject to the provisions of the Plan and any Award Agreement, the recipient of an Award other than an Option or Stock Appreciation Right may, if so determined by the Administrator, be entitled to receive Dividend Equivalents with respect to the number of Shares covered by the Award, as determined by the Administrator, in its sole discretion. The Administrator may provide that Dividend Equivalents (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested and shall provide that the Dividend Equivalents are subject to the same vesting or performance conditions as the underlying Award. Notwithstanding the foregoing, dividends or Dividend Equivalents with respect to an Award that is subject to vesting that are based on dividends paid prior to the vesting of such Award shall only be paid out to the Participant to the extent that the vesting conditions are subsequently satisfied and the Award vests. For the avoidance of doubt, dividend or Dividend Equivalents may not be granted in connection with an Option or Stock Appreciation Rights.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Incentive Cash Bonuses, and such other cash or stock awards as the Administrator determines may be granted to Service Providers. Incentive Stock Options may be granted only to Employees of the Company or any Parent or Subsidiary of the Company.

6. Stock Options.

(a) Annual \$100,000 Limit on Incentive Stock Options. Notwithstanding the designation of an Option as an Incentive Stock Option, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary of the Company) exceeds one hundred thousand dollars (\$100,000), the portion of the Options falling within such limit will be Incentive Stock Options and the excess Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted.

(b) Term of Option. The term of each Option will be stated in the Award Agreement but will not exceed 10 years from the date the Option is granted. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Stock Option will be 5 years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per Share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than 100% of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than 100% of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted and subject to the provisions of this Plan, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) other Shares, provided that such Shares have a Fair Market Value (as determined in good faith by the Administrator) on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (4) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (5) by net exercise; (6) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (7) any combination of the foregoing methods of payment.

(d) Exercise of Option. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator, subject to the provisions of this Plan, and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the Person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in

the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends, Dividend Equivalents or any other rights as a shareholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

Each Award Agreement will specify the applicable post-termination exercise period following termination as a Service Provider.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) Transferability. Except as provided in this Section 7, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. Subject to the provisions of this Plan, the Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award Agreement; provided, however that such dividends and distributions will be subject to the same restrictions on transferability and forfeitability (as applicable) as the Shares of Restricted Stock with respect to which they were paid, and the Company will hold such dividends and distributions until the restrictions on the Shares of Restricted Stock with respect to which they were paid have lapsed.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan in accordance with Section 3(b).

8. Restricted Stock Units.

(a) Grant of Restricted Stock Units. Subject to the terms of the Plan, Restricted Stock Units may be granted to Service Providers at any time and from time to time as determined by the Administrator.

(b) Restricted Stock Unit Agreement. Each Award of Restricted Stock Units will be evidenced by an Award Agreement that will specify such terms and conditions as the Administrator, in its sole discretion, will determine, including all terms, conditions, and restrictions related to the grant, the number of Restricted Stock Units and the form of payout, which, subject to Section 8(e), will be left to the discretion of the Administrator.

(c) Vesting Criteria and Other Terms. Subject to the provisions of this Plan, the Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, regional, department, business unit, business segment, Affiliate, or individual goals (including, but not limited to, continued status as a Service Provider), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion. After the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any restrictions for such Restricted Stock Units.

(d) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as specified in the Award Agreement.

(e) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) set forth in the Award Agreement. The Administrator, in its sole discretion, may pay earned Restricted Stock Units in cash, Shares, or a combination thereof. Shares represented by Restricted Stock Units that are fully paid in cash again will be available for grant under the Plan.

(f) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company and become available for grant under the Plan.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Exercise Price and Other Terms. The Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan, provided, however, that Stock Appreciation Rights may not be granted with a per Share exercise price of less than 100% of the Fair Market Value of a Share on the date of grant. Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(c) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the per Share exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(d) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement; provided, however, that the term will be no more than 10 years from the date of grant thereof.

(e) Payment of Stock Appreciation Right Amount. A Stock Appreciation Right may not be exercised for a fraction of a Share. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the per Share exercise price; multiplied by

- (ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof. Shares issued upon exercise of a Stock Appreciation Right will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until any such Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends, Dividend Equivalents or any other rights as a shareholder will exist with respect to the Shares subject to a Stock Appreciation Right, notwithstanding the exercise of the Stock Appreciation Right. The Company will issue (or cause to be issued) any such Shares promptly after the Stock Appreciation Right is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Subject to the terms of the Plan, Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out. Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, regional, department, business unit, business segment, Affiliate, or individual goals (including, but not limited to, continued status as a Service Provider), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made at the time(s) specified in the Award Agreement. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Incentive Cash Bonuses.

(a) Grant of Incentive Cash Bonuses. Subject to the terms of the Plan, Incentive Cash Bonuses may be granted to Service Providers at any time and from time to time as determined by the Administrator.

(b) Terms of Incentive Cash Bonuses. The Administrator, in its sole discretion, will determine the terms and conditions of each Incentive Cash Bonus, including (i) the target and maximum amount payable to a Participant as an Incentive Cash Bonus, (ii) the performance objectives and level of achievement versus these objectives that shall determine the amount of such payment, (iii) the term of the Performance Period as to which performance shall be measured for determining the amount of any payment, (iv) the timing of any payment earned by virtue of performance, (v) restrictions on the alienation or transfer of the Incentive Cash Bonus prior to actual payment, (vi) forfeiture provisions and (vii) such further terms and conditions, in each case not inconsistent with this Plan as may be determined from time to time by the Administrator. The Administrator may set performance objectives based upon the achievement of Company-wide, regional, department, business unit, business segment, Affiliate, or individual goals (including, but not limited to, continued status as a Service Provider), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(c) Earning Incentive Cash Bonuses. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator.

(d) Form and Timing of Payment. Payment of any earned Incentive Cash Bonus will be made in cash as soon as practicable after the date(s) determined by the Administrator.

(e) Cancellation. On the date determined by the Administrator, all unearned Incentive Cash Bonuses will be forfeited to the Company.

(f) Discretionary Adjustments. Notwithstanding satisfaction of any performance goals, the amount paid under an Incentive Cash Bonus on account of either financial performance or personal performance evaluations may, to the extent determined by the Administrator, be adjusted by the Administrator on the basis of such further considerations as the Administrator shall determine.

12. Leaves of Absence/Transfer Between Locations. All Awards granted under the Plan may be subject to any leave of absence policy that the Administrator may adopt prior to the grant of such Awards. The Company may condition approval of any such leave on a Participant agreeing to the terms of such leave of absence policy. In the absence of such a policy, unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence that is longer than one (1) year. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or any Parent, Subsidiary, or Affiliate of the Company employing the Employee or (ii) transfers between locations of the Company or among the Company or any Parent, Subsidiary, or Affiliate of the Company. For purposes of Incentive Stock Options, no such leave may exceed 3 months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then 6 months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

13. Transferability of Awards.

(a) General. Except to the limited extent provided in Section 13(b), an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant.

(b) Limited Transferability. The Administrator may permit an Award (other than an Incentive Stock Option) to be assigned or transferred, in whole or in part, during a Participant's lifetime: (i) under a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation Section 1.421-1(b)(2); or (ii) to a "family member," within the meaning of and in accordance with the instructions for Form S-8 promulgated under the Securities Act, to the extent such assignment or transfer is in connection with the Participant's estate plan; or (iii) to the extent required by any Applicable Laws. Any

individual or entity to whom an Award is transferred will be subject to all of the terms and conditions applicable to the Participant who transferred the Award, including the terms and conditions of the Plan and the applicable Award Agreement. If an Award is unvested, then the Participant's status as a Service Provider will continue to determine whether the Award will vest and when the Award will expire. For the avoidance of doubt, in no event may Options be transferable to third-party financial institutions without shareholder approval.

14. Adjustments; Dissolution or Liquidation; Change in Control.

(a) Adjustments. In the event that any extraordinary dividend or other extraordinary distribution (whether in cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire securities of the Company, other change in the corporate structure of the Company affecting the Shares, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any of its successors) affecting the Shares occurs (including, without limitation, a Change in Control), the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limits in Section 3 of the Plan.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it previously has not been exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. Except as set forth in this Section 14(c), in the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines, including, without limitation, that Awards may be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of Shares and prices. In taking any of the actions permitted under this Section 14(c), the Administrator will not be required to treat all Awards similarly in the transaction.

Except as otherwise set forth in an Award Agreement, in the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a merger or Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this Section 14(c), an Award will be considered assumed if, following the merger or Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the merger or Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit,

Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in Fair Market Value to the per Share consideration received by holders of Common Stock in the merger or Change in Control.

For the purposes of this Section 14(c), an Award will be considered assumed if the Award is terminated in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the merger or Change in Control. Any such cash or property may be subjected to any escrow applicable to holders of Common Stock in the merger or Change in Control. If, as of the date of the occurrence of the merger or Change in Control, the Administrator determines that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment. The amount of cash or property can be subjected to vesting and paid to the Participant over the original vesting schedule of the Award.

Notwithstanding anything in Section 14(c) to the contrary, an Award that vests, earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-merger or post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

The Administrator will have authority to modify Awards in connection with a merger or Change in Control: (i) in a manner that causes the Awards to lose their tax-preferred status; (ii) to terminate any right a Participant has to exercise an Option prior to vesting in the Shares subject to the Option (i.e., "early exercise"), so that following the closing of the merger or Change in Control, the Option may only be exercised only to the extent it is vested; (iii) to reduce the per Share exercise price of an Award in a manner that is disproportionate to the increase in the number of Shares subject to the Award, as long as the amount that would be received upon exercise of the Award immediately before and immediately following the closing of the merger or Change in Control is equivalent and the adjustment complies with U.S. Treasury Regulation Section 1.409A-1(b)(v)(D); and (iv) to suspend a Participant's right to exercise an Option during a limited period of time preceding and or following the closing of the merger or Change in Control without Participant consent if such suspension is administratively necessary or advisable to permit the closing of the merger or Change in Control.

(d) Outside Director Awards. With respect to Awards granted to an Outside Director, in the event of a Change in Control, the Participant will fully vest in and have the right to exercise Options and Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares that would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Performance Units, Performance Shares, and Incentive Cash Bonuses, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels, prorated based on the portion of the Performance Period that elapsed as of immediately prior to the Change in Control. All other terms and conditions with respect to such Awards with performance-based vesting will be deemed met.

15. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's employment tax obligations) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part, by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable

Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld or a greater amount if that would not result in adverse financial accounting treatment, (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the statutory amount required to be withheld, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion, or (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. The amount of the withholding requirement will be deemed to include any amount that the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined.

(c) Compliance With Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. Should any payments made in accordance with the Plan to a “specified employee” (as defined under Section 409A) be determined to be payments from a nonqualified deferred compensation plan that are payable in connection with a Participant’s “separation from service” (as defined under Section 409A), that are not exempt from Section 409A as a short-term deferral or otherwise, then such payments, to the extent otherwise payable within six months after the Participant’s separation from service, and to the extent necessary to avoid the imposition of additional taxes under Section 409A, will be paid in a lump sum on the earlier of the date that is the fifth business day of the seventh month after the Participant’s date of separation from service or the date of the Participant’s death. The Company makes no representation that any or all of the payments or benefits described in the Plan will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment. Participants shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

16. Forfeiture Events.

(a) All Awards under the Plan will be subject to recoupment under the Company’s current Clawback Policy (revised August 2023), as it may be amended or modified from time to time, and any subsequent clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company’s securities are listed or other Applicable Laws. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Administrator determines necessary or appropriate, including but not limited to a reacquisition right regarding previously acquired Shares or other cash or property. Unless this Section 16(a) is specifically mentioned and waived in an Award Agreement or other document, no recovery of compensation under a clawback policy or otherwise will be an event that triggers or contributes to any right of a Participant to resign for “good reason” or “constructive termination” (or similar term) under any agreement with the Company or a Subsidiary, Parent, or Affiliate of the Company.

(b) The Administrator may specify in an Award Agreement that the Participant’s rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but will not be limited to, termination of such Participant’s status as Service Provider for cause or any specified action or inaction by a Participant, whether before or after such termination of service, that would constitute cause for termination of such Participant’s status as a Service Provider.

17. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider, nor will they interfere in any way with the Participant's right or the right of the Company, or Parent, Subsidiary, or Affiliate of the Company, as applicable, to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

18. Grant Date. The grant date of an Award will be, for all purposes, the date that the Administrator makes the determination granting such Award or may be a later date if such later date is designated by the Administrator on the date of the determination or under an automatic grant policy. Notice of the grant will be provided to each Participant within a reasonable time after the date of such grant.

19. Term of Plan. Subject to Section 23 of the Plan, the Plan will become effective upon approval by the shareholders of the Company following its adoption by the Board (the "Effective Date"). It will continue in effect until terminated under Section 20, but no Incentive Stock Options may be granted after 10 years from the date the Plan is adopted by the Board.

20. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board or Compensation Committee of the Board may amend, alter, suspend or terminate the Plan.

(b) Shareholder Approval. The Company will obtain shareholder approval of any Plan amendment to the extent necessary or desirable to comply with Applicable Laws.

(c) Consent of Participants Generally Required. Subject to Section 20(d) below, no amendment, alteration, suspension or termination of the Plan or an Award under it will materially impair the rights of any Participant without a signed, written agreement between the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it regarding Awards awarded under the Plan prior to such termination.

(d) Exceptions to Consent Requirement.

(i) A Participant's rights will not be deemed to have been impaired by any amendment, alteration, suspension or termination if the Administrator, in its sole discretion, determines that the amendment, alteration, suspension or termination taken as a whole, does not materially impair the Participant's rights; and

(ii) Subject to any limitations of Applicable Laws, the Administrator may amend the terms of any one or more Awards without the affected Participant's consent even if it does materially impair the Participant's right if such amendment is done:

(1) in a manner specified by the Plan,

(2) to maintain the qualified status of the Award as an Incentive Stock Option under Code Section 422,

(3) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award only because it impairs the qualified status of the Award as an Incentive Stock Option under Code Section 422,

(4) to clarify the manner of exemption from Code Section 409A or compliance with any requirements necessary to avoid the imposition of additional tax under Code Section 409A(a)(1)(B), or

(5) to comply with other Applicable Laws.

21. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and may be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) Failure to Accept Award. If a Participant has not accepted an Award or has not taken all administrative and other steps (e.g., setting up an account with a broker designated by the Company) necessary for the Company to issue Shares upon the vesting, exercise, or settlement of the Award prior to the first date the Shares subject to such Award are scheduled to vest, then the Award will be cancelled on such date and the Shares subject to such Award immediately will revert to the Plan for no additional consideration unless otherwise provided by the Administrator.

22. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any state, federal or foreign law or under the rules and regulations of the Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

23. Shareholder Approval. The Plan will be subject to approval by the shareholders of the Company within 12 months after the date the Plan is adopted by the Board. Such shareholder approval will be obtained in the manner and to the degree required under Applicable Laws.

24. Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Administrator shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

BOARD OF DIRECTORS

S. Douglas Hutcheson

Chairman of the Board;
Former Executive Chairman &
Co-CEO of Kymeta Corporation

Derek K. Aberle

Co-founder and Executive
Vice Chairman of XCOM Labs

Samir Armaly

Former President, IP of Adeia, Inc.

Liren Chen

President & Chief Executive Officer.

Joan H. Gillman

Former Executive Vice President,
Time Warner Cable, Inc., and Chief
Operating Officer, Time Warner
Cable Media

John A. Kritzmacher

Former Executive Vice President
and Chief Financial Officer, John
Wiley & Sons, Inc.

John D. Markley, Jr.

Managing Partner/Co-Founder,
New Amsterdam Growth Capital

Jean F. Rankin

Former Executive Vice President,
General Counsel and Secretary,
LSI Corporation

EXECUTIVE OFFICERS

Liren Chen

President & Chief Executive Officer

Richard J. Brezski

EVP, Chief Financial Officer
and Treasurer

Rajesh Pankaj

EVP, Chief Technology Officer

Joshua D. Schmidt

EVP, Chief Legal Officer
and Corporate Secretary

SHAREHOLDER INFORMATION

Annual Meeting of Shareholders

Wednesday, June 11, 2025
2:00 PM Eastern Time
[virtualshareholdermeeting.com/
IDCC2025](https://virtualshareholdermeeting.com/IDCC2025)

Common Stock Information

The primary market for
InterDigital's common stock is
the Nasdaq Global Select Market.
InterDigital trades under the
ticker "IDCC."

Registrar & Transfer Agent

Shareholders with questions
concerning stock certificates,
shareholder records, account
information, dividends, or
stock transfers should contact
InterDigital's transfer agent:

Equiniti Trust Company, LLC
48 Wall Street, Floor 23
New York, NY 10005
equiniti.com/us

Independent Registered Public Account Firm

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania

Investor Relations

+1 302-300-1857
investor.relations@interdigital.com

Corporate Information is as
of April 25, 2025. InterDigital
is a registered trademark
of InterDigital, Inc. All other
trademarks, services marks, and/
or trade names appearing in this
Annual Report are the property
of their respective holders.

LOCATIONS

Corporate Headquarters

200 Bellevue Parkway
Suite 300
Wilmington, Delaware 19809
T: +1.302.281.3600

Other Office Locations

Brussels, Belgium
Los Altos, California
Montreal, Canada
Beijing, China
London, England
Espoo, Finland

Issy-les-Moulineaux, France
Cesson-Sévigné, France
Indianapolis, Indiana
Melville, New York
New York, New York
Conshohocken, Pennsylvania
Washington, D.C.



InterDigital, Inc.

200 Bellevue Parkway
Suite 300
Wilmington, Delaware 19809
T: +1.302.281.3600

interdigital.com

