

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 6, 2022

ALLEGRO MICROSYSTEMS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39675
(Commission
File Number)

46-2405937
(IRS Employer
Identification No.)

955 Perimeter Road
Manchester, New Hampshire
(Address of principal executive offices)

03103
(Zip Code)

(603) 626-2300
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ALGM	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On May 9, 2022, Allegro MicroSystems, Inc. (the “Company”) issued a press release announcing its financial results for the quarter and fiscal year ended March 25, 2022. The full text of the press release issued is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information set forth in this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 9, 2022, the Company announced that Ravi Vig is retiring from his position as President and Chief Executive Officer of the Company, effective June 13, 2022 (the “Retirement Date”). On May 6, 2022, Mr. Vig provided notice of his retirement from the Board of Directors (the “Board”) of the Company, effective on the Retirement Date. The Company and the Board express their appreciation to Mr. Vig for his dedicated and outstanding service to the Company and wish him well in his retirement.

On May 7, 2022, the Board appointed Vineet Nargolwala to serve as President and Chief Executive Officer of the Company, effective June 13, 2022 (the “Effective Date”). On May 7, 2022, the Board elected, effective on the Effective Date, Mr. Nargolwala as a Class I director of the Board to serve until the Company’s 2024 annual meeting of stockholders and until his successor is elected or appointed and qualified or until his earlier death, resignation, disqualification or removal. Mr. Vig will work closely with Mr. Nargolwala until the Retirement Date and will be available to consult with the Company until the six-month anniversary of the Retirement Date (the “Consulting Period”) to ensure a smooth and orderly transition of responsibilities.

Mr. Nargolwala, age 49, is a technology executive with over 25 years of global executive leadership experience. Prior to joining Allegro, Mr. Nargolwala previously served as Executive Vice President of Sensing Solutions at Sensata Technologies (NYSE: ST), a leading industrial technology company that develops sensors and sensor-based solutions for the automotive, heavy vehicle and off-road, industrial, and aerospace industries, from March 2020 to May 2022. Mr. Nargolwala joined Sensata as Vice President, Sensors Americas in February 2013 and was later promoted to Senior Vice President, Performance Sensing, North America, Japan and Korea in April 2016. In February 2019, he was appointed Senior Vice President, General Manager, Global Safety & Mobility, and in September 2019, he was appointed Senior Vice President, Sensing Solutions. Prior to Sensata, he was with Honeywell International Inc. for over nine years in business strategy and P&L leadership roles of increasing responsibility. Prior to Honeywell, Mr. Nargolwala was at Nortel Networks in product management and engineering roles. Mr. Nargolwala holds a Bachelor’s degree in Electrical Engineering from Maharaja Sayajirao University in Baroda, India, a Master’s degree in Electrical Engineering from the University of Texas and a Master of Business Administration from Cornell University.

Second Amended and Restated Severance Agreement

On May 6, 2022, the Company entered into a second amended and restated severance agreement (the “Second A&R Severance Agreement”) with Mr. Vig. The Second A&R Severance Agreement amends and restates the amended and restated severance agreement that Mr. Vig previously entered into with the Company on September 30, 2020.

Pursuant to the Second A&R Severance Agreement, if Mr. Vig incurs a qualifying termination of employment, then in addition to payment of any accrued amounts and subject to Mr. Vig's timely executing a release of claims and continuing to comply with his restrictive covenant obligations, he will be entitled to receive an amount equal to the sum of (i) 100% of his then-current base salary, plus (ii) 100% of his then-current target bonus, plus (iii) a prorated annual bonus for the fiscal year in which Mr. Vig's termination occurs (determined based on Mr. Vig's projected annual performance bonus at the time of termination and pro-rated based on time served during the applicable fiscal year), plus (iv) up to 12 months of reasonable executive transition support following the termination date, the total of which will be payable in a lump sum within 15 days following the date of his termination, and (v) continued coverage under the Company's group health insurance under the Consolidated Budget Reconciliation Act of 1985 ("COBRA") until Mr. Vig becomes eligible for Medicare insurance.

In addition, the Second A&R Severance Agreement provides that if Mr. Vig incurs a qualifying termination of employment, any performance-based equity incentive awards then-held by Mr. Vig will remain outstanding and eligible to vest in accordance with their terms, to the extent earned based on the achievement of applicable performance conditions. To the extent that any applicable performance conditions have not been achieved as of the termination date, such performance-based equity incentive awards will be forfeited as of the date of termination (collectively, the "Forfeited Awards"). Immediately prior to the date of such termination, as applicable, Mr. Vig will be granted an award of time-vesting restricted stock units ("RSUs") covering a number of shares of the Company's common stock equal to no less than the product obtained by multiplying the number of shares of the Company's common stock underlying the Forfeited Awards by the percentage achievement of the performance goals associated with such Forfeited Awards, assuming target satisfaction thereof or, if greater, generally based on the level of actual achievement of the performance goals, measured through the end of the most recent fiscal quarter.

The foregoing description of the Second A&R Severance Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Second A&R Severance Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

Letter Agreement

On May 6, 2022, the Company entered into a letter agreement with Mr. Vig (the "Letter Agreement"), which provides that in connection with Mr. Vig's retirement from the Company, Mr. Vig will (i) receive the severance payments and benefits described above under the Second A&R Severance Agreement and (ii) provide up to eight hours per week of transition-related consulting services from time to time as requested by the Company for a period of six months following the date of his termination of employment with the Company, or a shorter period mutually agreed upon by the Company and Mr. Vig, or as determined by the Company after providing at least seven days' prior notice. In connection with such consulting services, Mr. Vig will receive a fee of \$10,000 per week.

The foregoing description of the Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Letter Agreement, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and incorporated by reference herein.

Employment Agreement

On May 2, 2022, the Company entered into an employment agreement with Mr. Nargolwala (the "Employment Agreement"), the material terms and conditions of which are summarized below.

Under the Employment Agreement, Mr. Nargolwala's annual base salary will equal \$600,000 and his annual bonus will be targeted at 110% of his annual base salary, up to a maximum of 220% of his annual base salary. Mr. Nargolwala's annual bonus will be pro-rated for fiscal year 2023 based on the partial year served, with the pro-rated amount being at least equal to 110% of his annual base salary. In addition to any annual bonus that

Mr. Nargolwala receives for fiscal year 2023, under the Employment Agreement, Mr. Nargolwala is entitled to receive a \$217,000 bonus on the first regular payroll date following the Effective Date (the "Signing Bonus"). In the event that Mr. Nargolwala resigns without "Good Reason" or the Company terminates his employment for "Cause" (as such terms are defined in the Employment Agreement) within 12 months following the Effective Date, Mr. Nargolwala will be required to repay the Signing Bonus within 30 days of such termination. In the event that Mr. Nargolwala resigns without Good Reason or the Company terminates his employment for Cause following the 12-month anniversary of the Effective Date but within 24 months following the Effective Date, Mr. Nargolwala will be required to repay a portion of the Signing Bonus within 30 days of such termination.

The Employment Agreement also provides that, on the Effective Date, subject to approval by the Compensation Committee of the Board (the "Committee"), the Company will grant to Mr. Nargolwala RSUs representing a number of shares of the Company's common stock having a grant date fair value of \$4,000,000 (the "Sign-On RSU Award"). The Sign-On RSU Award will vest as to 60% of the RSUs on the first anniversary of the Effective Date and as to the remaining 40% of the RSUs on the second anniversary of the Effective Date, in each case, subject to Mr. Nargolwala's continued employment with the Company through such anniversary.

In addition, subject to approval by the Committee, in August 2022, the Company will grant to Mr. Nargolwala an equity award representing a number of shares of the Company's common stock having a grant date fair value of \$4,000,000 (the "Initial Equity Award"). Forty percent (40%) of the Initial Equity Award will be granted in the form of time-vesting RSUs, which will be eligible to vest in substantially equal installments over four years. The remaining 60% of the Initial Equity Award will be granted in the form of performance share units which will be eligible to vest based on the achievement of performance goals over a three-year performance period ending in 2025. Vesting of the Initial Equity Award is subject to Mr. Nargolwala's continued service with the Company.

In the event that Mr. Nargolwala's employment is terminated by the Company without Cause or by Mr. Nargolwala for Good Reason, in each case as defined in the Employment Agreement (each, a "Qualifying Termination"), then in addition to payment of any accrued amounts and subject to Mr. Nargolwala's timely executing a release of claims and continuing to comply with his restrictive covenant obligations, he will be entitled to receive (i) a lump sum payment equal to 2.0 times his then current base salary (3.0 times if such termination occurs before the first anniversary of the Effective Date), (ii) a prorated annual bonus for the fiscal year in which Mr. Nargolwala's termination occurs (determined based on Mr. Nargolwala's projected annual performance bonus at the time of termination and pro-rated based on time served during the applicable fiscal year), (iii) continued coverage under the Company's group health insurance under COBRA for up to 12 months, (iv) accelerated vesting of outstanding time-based equity awards with respect to the number of shares that would have become vested on the next applicable vesting date following such Qualifying Termination and (v) vesting of outstanding performance-based equity awards with respect to a pro-rated portion of the shares subject such awards, with the applicable performance conditions being deemed achieved at the greater of the target performance level or the trending performance level, as determined by the Committee.

The Employment Agreement also provides that in the event of a Qualifying Termination that occurs within 24 months following a "Change of Control" (as defined in the Allegro MicroSystems, Inc. 2020 Omnibus Incentive Compensation Plan), then in lieu of the foregoing, Mr. Nargolwala will be entitled to (i) a lump sum payment equal to 2.0 times the sum of his then-current base salary and target bonus (3.0 times if such termination occurs before the first anniversary of the Effective Date), (ii) a prorated annual bonus for the fiscal year in which Mr. Nargolwala's termination occurs (determined based on Mr. Nargolwala's projected annual performance bonus at the time of termination and pro-rated based on time served during the applicable fiscal year), (iii) continued coverage under the Company's group health insurance under COBRA for up to 24 months, (iv) full accelerated vesting of Mr. Nargolwala's

outstanding equity awards, with vesting of performance-based awards with performance conditions that are subject to vesting requirements that would otherwise continue to apply following such Change of Control being deemed achieved at the greater of the target performance level or the trending performance level, as determined by the Committee.

The foregoing description of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Employment Agreement, a copy of which is filed as Exhibit 10.3 to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.

On May 9, 2022, the Company issued a press release announcing the appointment of Mr. Nargolwala as President and Chief Executive Officer of the Company. A copy of the press release is attached as Exhibit 99.2 and incorporated herein by reference.

The information set forth in this Item 7.01, including Exhibit 99.2, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that Section, nor shall it be deemed to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Second Amended and Restated Severance Agreement, dated May 6, 2022
10.2	Letter Agreement, dated May 6, 2022
10.3	Employment Agreement, dated May 2, 2022
99.1	Earnings Press Release issued by Allegro MicroSystems, Inc. on May 9, 2022
99.2	Press Release issued by Allegro MicroSystems, Inc. on May 9, 2022
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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

Date: May 9, 2022

ALLEGRO MICROSYSTEMS, INC.

/s/ Derek P. D'Antilio

Derek P. D'Antilio

Senior Vice President, Chief Financial
Officer and Treasurer

President and CEO

SECOND AMENDED AND RESTATED SEVERANCE AGREEMENT

THIS AGREEMENT (the “Agreement”) is entered into as of May 6, 2022 between Allegro MicroSystems, LLC, a Delaware limited liability company (“Allegro”), and Ravi Vig, President and Chief Executive Officer of Allegro (“Executive”).

WHEREAS, Allegro and Executive are parties to that certain Amended and Restated Severance Agreement dated September 30, 2020 (the “2020 Agreement”);

WHEREAS, Allegro MicroSystems, Inc. (“AMI”) executed a successful initial public offering and transition to a publicly-traded company. Allegro wishes to acknowledge Executive’s contributions to the success of the Company and further align Executive towards Allegro’s long-term performance, enhancement of shareholder value, and continuation of Executive’s employment with Allegro without undue concern regarding the security of Executive’s employment.

NOW, THEREFORE, the parties agree to amend and restate the 2020 Agreement as follows:

1. **[RESERVED]**
2. **Certain Definitions.**

For purposes of this Agreement, certain terms shall have the meaning set forth below:

2.1 “Cause” means a good faith determination by the Board of Directors of Allegro MicroSystems, Inc. (“AMI”) of any one or more of the following: (a) Executive’s (x) continued or repeated failure or refusal (after prior written notice thereof from the Board of Directors of AMI and Executive’s failure to cure the same (if curable) within ten (10) calendar days of such written notice, and other than due to Executive’s disability) to substantially perform the duties required by Executive’s position with AMI or any of its subsidiaries (it being understood that Executive’s failure to attain performance goals or targets or to otherwise fail to substantially perform the duties required by Executive’s position shall not constitute “Cause” hereunder if such failure is as a result of actions taken or not taken in good faith and with reasonable belief that such actions or omissions were in the best interests of AMI and its subsidiaries) or (y) failure or refusal to follow lawful directives of the Board of Directors of AMI; (b) gross negligence or willful misconduct (including unauthorized disclosure of material proprietary information) by Executive which results in a material detriment to AMI or any of its subsidiaries; (c) Executive’s conviction (by a court of competent jurisdiction, not subject to further appeal) of, or pleading guilty to, a felony that involves fraud or moral turpitude or that is perpetrated against AMI or any of its subsidiaries, their respective businesses or any of their respective assets, properties or personnel; or (d) a material breach by Executive of the Restrictive Covenants, this Agreement, or of any other written agreement with the Company to which Executive is a party.

2.2 The term “Company” means Allegro MicroSystems, LLC or any successor to Allegro, including without limitation any entity that acquires all or substantially all of Allegro’s assets or any entity into which Allegro merges.

2.3 The term “Company’s Governing Body” means the board of directors of AMI if the Company is then a subsidiary of AMI; if not, the board of directors of the Company if the Company is then a corporation or the board of managers or the managing member of the Company within the meaning of the applicable limited liability act if the Company is then a limited liability company; or, if none of the foregoing, the Company’s governing body under applicable law or its constituent documents.

2.4 The term “Good Reason” shall mean the occurrence of any of the following without Executive’s prior written consent: (a) a material reduction in Executive’s base salary paid or payable by the Company and/or any of its subsidiaries; (b) a material reduction in the Target Bonus of Executive for any fiscal year of the Company to a Target Bonus that is more than ten percent (10%) below the Target Bonus of Executive for the immediately preceding fiscal year of the Company; (c) a material diminution in Executive’s authority, duties, responsibilities, or reporting relationship in connection with Executive’s employment with the Company; (d) the relocation of Executive’s principal work location in connection with his employment by the Company to a facility or location more than thirty-five (35) miles from Executive’s then present principal work location, or (e) the Company has materially breached this Agreement, including without limitation a failure to comply with the assignment to successor requirement in Section 9.

2.5 The term “Restrictive Covenants” means the restrictive covenants set forth in one or more of Executive’s Stock Awards (as defined below)

2.6 The term “Retirement” means Executive’s retirement from the Company after attaining an age of at least sixty-two (62) years, except that Retirement may be earlier at the discretion of the Company. Upon notice from the Executive of his intention to retire, the Company may at its election engage the Executive to facilitate the transition of his duties for a period of up to twelve (12) months. Payments made following Retirement shall not be made until the Executive’s Termination Date.

2.7 The term “Designated Stock Price” means the greater of (a) the fair market value of a share of the Company’s common stock on the date shares of common stock of the Company are delivered in satisfaction of such award or (b) the trailing twenty (20)-day trailing average share price of a share of the Company’s common stock as measured as of the Termination Date.

2.8 The term “Target Bonus” means the target bonus for a fiscal year as specified for Executive under Allegro’s Annual Incentive Plan or any successor annual bonus plan maintained by the Company. In the event that a Target Bonus has not been established for a fiscal year because action has not yet been taken within such fiscal year to approve the annual bonus plan target pool and Target Bonuses, the Target Bonus shall be the same as Executive’s Target Bonus for the preceding fiscal year.

2.9 The term “Termination Date” means the date the Executive terminates from employment with the Company due to any reason set forth in this Agreement including, without limitation, termination of employment without Cause, termination of employment for Cause, termination of employment due to Retirement, termination of employment for Good Reason, and termination due to Executive’s death.

2.10 The term “Trending Annual Bonus” on any calculation date means Executive’s projected annual incentive bonus for the then current fiscal year under Allegro’s Annual Incentive Plan or any successor annual bonus plan maintained by the Company, which Trending Annual Bonus shall be calculated based on the then most recent projected performance of the Company.

2.11 The “PSU Percentage” means the percentage achievement of the performance goals associated with a Performance Award held by Executive determined as follows: (i) assuming the performance goals associated with such awards were satisfied at target, or (ii) assuming the performance goals associated with such awards were measured as of the end of the AMI Fiscal Q2, 2022 and presented to the Compensation Committee in November, 2021 (but only with respect to any such performance goals that were in effect as of the end of the most recent fiscal quarter), or (iii) assuming the performance goals associated with such awards were measured as of the end of the most recent fiscal quarter as of the Termination Date, in each case, as presented to the Compensation Committee, whichever of subclause (i), (ii) or (iii) results in the greatest percentage achievement with respect to such Performance Award.

3. Severance Benefit and Health Care Continuation Benefit Following Termination without Cause, for Good Reason, or for Retirement.

3.1 Executive shall be entitled to the following “Severance Benefit” as described in this Section 3 in the event that the Company terminates Executive’s employment without Cause or the Executive terminates Executive’s employment for Good Reason, or in the event of Executive’s Retirement:

- (a) 100% of Executive’s annual base salary on the Termination Date;
- (b) 100% of Executive’s Target Bonus on the Termination Date; and
- (c) a prorated bonus for the fiscal year in which termination occurs, determined by multiplying (i) the Trending Annual Bonus on the Termination Date by (ii) a ratio equal to the number of completed days of employment in the fiscal year prior to and including the Termination Date divided by the total number of days in such fiscal year.
- (d) Up to twelve (12) months of reasonable executive transition support after the Termination Date.

3.2 [RESERVED]

3.3 Any applicable Severance Benefit payable under this Agreement shall be paid to Executive in a single lump sum not later than fifteen (15) days following the Executive's Termination Date unless the Release described in Section 7 has not become effective, in which case the Severance Benefit shall be paid not later than five (5) days after the Release becomes effective, but in any event on or before the sixtieth (60th) day following Executive's termination; *provided however, that*, if the period for executing and not revoking the Release spans two taxable years, such portion of the Severance Benefit shall be paid in the second taxable year.

3.4 Payment of the Severance Benefit shall be net of applicable withholding taxes.

3.5 In addition to the Severance Benefit, for a period beginning on the date after the Termination Date and ending on the date of the executive's eligibility for Medicare insurance, (such applicable period, the "Continuation Period"), Executive shall remain eligible to participate in the Company's group health plans ("Health Plan") on the same basis as similarly situated active employees of the Company but with the Company paying the full monthly cost of Executive's coverage during the Continuation Period. The Company shall provide the Executive with notice of his right to elect COBRA coverage under the Health Plan; provided, however, the Executive shall receive the Company paid benefit described herein during the Continuation Period irrespective of whether or not the Executive elects COBRA. . The amount paid by the Company for Executive's coverage during the Continuation Period will be treated as taxable income to the Executive. If the Company is unable to provide this benefit under the Company's group health plan without incurring penalties or other adverse tax consequences pursuant to the Affordable Care Act or other similar legislation or regulations, the Company shall provide a make-up benefit to Executive equal to the value of the benefit available to the Executive by allowing participation in the Health Plan during the Continuation Period.

Payment of the health plan continuation coverage pursuant to this Section 3.5 shall be conditioned upon Executive's timely execution of the Release described in Section 7 and the Release having become effective by its terms on or before the sixtieth (60th) day following Executive's termination.

3.6 If the Company, at the time of giving Executive notice of termination, specifies or requests a Termination Date later than the notice date, Executive shall not be required to accept a Termination Date that is more than two weeks after the date of notice of termination, and the failure to agree to a later Termination Date shall not be construed as a voluntary termination by Executive. The Termination Date for purposes of this Section 3, consistent with the preceding sentence, shall be the final day of employment of Executive by the Company. For the avoidance of doubt, this Section 3.6 shall not apply to the Executive's termination for Retirement.

4. **[RESERVED]**

5. **AMI Stock Rights Following Termination without Cause, for Good Reason, or for Retirement, or Due to Executive's Death**

5.1 In the event that (i) the Company terminates Executive's employment without Cause, (ii) Executive terminates employment with the Company after satisfying one or more of the conditions set forth in Section 6, or (iii) Executive's employment terminates due to his death, the AMI stock awards, stock options, stock appreciation rights, and/or stock units (any of the foregoing, "Stock Awards") that Executive may own or have a conditional right to immediately prior to the Termination Date shall receive following treatment:

- (a) For Stock Awards that include one or more performance conditions (e.g., Performance Stock Units) ("Performance Awards") that have not been achieved on the Termination Date, such awards shall be forfeited in accordance with their terms as of the Termination Date (such forfeited awards, the "Forfeited Awards");
- (b) Immediately prior to the Termination Date or, in the case of a termination of employment due to his death, as of such death, the Executive shall be granted a restricted stock unit award ("New RSU"), with the aggregate number of shares underlying such New RSU to be no less than the number of shares of common stock underlying each such Forfeited Award multiplied by the PSU Percentage for such award and with such New RSU grant to be in the form of fully-vested restricted stock units settled in shares of common stock of the Company on the Termination Date or in the form of cash, to be determined in the discretion of the Company;
- (c) For any Performance Awards that are not forfeited in accordance with their terms as of the Termination Date (the "Retained Performance Awards"), such Retained Performance Awards shall remain outstanding and eligible to vest and be settled in accordance with their terms; provided, however, that the number of shares underlying such Retained Performance Awards that are earned with respect to any such Retained Performance Award shall be determined by applying the PSU Percentage to such award (the resulting number of earned shares, the "Earned Shares"). In no event, however, shall the number of shares that are so delivered have a fair market value on the date of delivery (determined using the closing price of a share of common stock on such date) that is less than the number of Earned Shares multiplied by the Designated Stock Price;
- (d) All other Stock Awards shall accelerate in full as of Executive's Termination Date; and
- (e) Except as set forth in subsection (b) above and with respect to any Stock Award, all Stock Award payments shall be made in the time and form as specified in the respective grant agreement; it being understood that, if any Stock Award is paid by its terms later than thirty (30) days following the Separation Date, the number of shares of common stock to be delivered in respect of such awards shall have a fair market value not less than the number of shares that are to be delivered by the terms of such award multiplied by the Designated Stock Price.

6. Voluntary Termination for Good Reason, Retirement or Otherwise.

Executive shall be entitled to terminate employment on the Termination Date with the Company and receive the Severance Benefit, the health care continuation benefit, and the stock rights as specified in Sections 3 and 5 upon one or more of the following conditions, provided that Executive timely executes the Release described in Section 7 and the Release becomes effective by its terms on or before the sixtieth (60th) day following Executive's termination:

6.1 If an event constituting Good Reason occurs, and Executive gives the Company written notice within sixty (60) days following the event of Good Reason, detailing why Executive believes a Good Reason event has occurred, the Company shall have thirty (30) days after receipt of such written notice to remedy or cure the event of Good Reason. If the Company does not remedy or cure the event within such period and the event constitutes Good Reason as defined in this Agreement, Executive's employment shall be deemed terminated for Good Reason at the end of such thirty-day cure period. Executive's notice shall be delivered to the Company's Governing Body.

- (a) The Termination Date for purposes of Section 6.1 shall be, if earlier than the expiration of the thirty-day cure period described in Section 6.1, the date that the Company gives written notice to Executive that the Company does not intend to cure the event of Good Reason.
- (b) If an event of Good Reason is (or includes) a material reduction in annual base salary or Target Bonus as described in Section 2.4(b), the applicable severance benefit shall be calculated on the basis of annual base salary and Target Bonus as the same existed immediately prior to such reduction.

6.2 If the Executive provides prior written notice of Executive's Retirement as set forth in the definition of Retirement (or such shorter period as may be agreed to by the Company's Board of Directors).

6.3 In the absence of an event of Good Reason, Retirement, or termination by Executive for personal reasons, if payment of the benefits hereunder is approved by the Company's Governing Body upon the recommendation of the Compensation Committee of such Company's Governing Body, then such approved payments will be made to Executive on the Termination Date.

7. Release Requirement; Compliance with Restrictive Covenants.

7.1 As a prerequisite to the Company's payment of the benefits and payments described in this Agreement, other than in connection with a termination due to the Executive's death, Executive shall have executed and delivered to the Company a general release of claims ("Release") and the Release shall have become effective in accordance with its terms as specified in this Section 7 on or prior to the sixtieth (60th) day following Executive's termination. The Release shall be substantially in the form attached as Exhibit A. The Company may modify the Release versus the form attached as Exhibit A in order to specify the amount of the Severance Benefit or other benefits, comply with changes in law, or reflect changes in relevant facts (such as the name of the Company). However, the Company shall not include any additional requirements or provisions in the Release, including without limitation any restrictive covenants concerning post-termination activities of Executive without Executive's prior written consent.

7.2 The Company shall deliver the form of Release to Executive on or prior to the date of termination. Executive shall have at least twenty-one (21) days within which to consider the Release. Executive shall have up to seven (7) days after execution and delivery of the Release to revoke the Release. The Release shall not become effective until the revocation period has expired without revocation of the Release by Executive.

7.3 The health insurance continuation benefit described in Section 3.5 shall be provided to Executive on a monthly basis after the Termination Date on the assumption that the Release will become effective, provided that entitlement to such benefit shall expire if the Release does not become effective within sixty (60) days after the Termination Date and, in such case, Executive shall be required to promptly return amounts paid on his or her behalf to the Company.

7.4 Executive's entitlement to receive and to retain the benefits and payments described in this Agreement (other than in connection with a termination due to Executive's death) shall be conditioned upon Executive's compliance with the Restrictive Covenants, which Restrictive Covenants are hereby incorporated in their entirety as though fully set forth herein and which Restrictive Covenants shall survive any termination of Executive's employment.

8. Exclusive Remedy.

Executive's receipt of the Severance Payment and other consideration provided in this Agreement shall be in lieu of any benefits specified under any prior severance agreement between Allegro and Executive, the Severance Policy for Senior Staff Members of the Company dated November 2, 2016, the severance policy for salaried employees adopted by Allegro Microsystems, Inc. on May 24, 2012, any other severance policy maintained by the Company; any benefits pursuant to any other agreement or understanding between Executive and the Company relating to termination of employment; and any benefits under the Company's Annual Incentive Plan or its successor for the fiscal year in which termination occurs. However, this Agreement shall not divest Executive of Executive's right to distributions from Allegro's Executive Deferred Compensation Plan or any right to vested benefits under the terms of the Company's benefit plans, to be paid accrued wages and vacation through the Termination Date or to be reimbursed for properly substantiated business expenses in accordance with the Company's expense reimbursement policy.

9. Successors and Assigns.

This Agreement shall inure to the benefit of, and shall be binding upon, the Company and its successors and assigns, including any successor entity by merger, consolidation or transfer of all or substantially all of the Company's assets. The Company shall require and cause any person, group or entity that acquires all or substantially all of the assets of the Company to accept a written assignment of this Agreement by the Company, and to acknowledge in such document that the acquiror accepts the assignment and undertakes to perform this Agreement in accordance with its

terms. Executive shall be entitled to assign his rights under this Agreement by will or the laws of descent and distribution in the case of his death. Any amounts that are due to Executive hereunder at the time of his death shall be paid or provided to his estate subject to and following the execution of a release of claims or other similar documentation reasonably requested by the Company by the Executor of the Estate.

10. Amended or Successor Agreements.

If requested by the Company, Executive will in good faith consider and negotiate an amended or a successor agreement in order to address revised circumstances (for example, restructuring of the Allegro group of companies), providing that there is no diminution in the level of benefits available to Executive hereunder.

11. Miscellaneous Provisions.

11.1 Arbitration. Any claim, dispute or controversy arising out of this Agreement, the interpretation, validity or enforceability of this Agreement or the alleged breach thereof shall be settled by binding arbitration. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association in Boston, Massachusetts or elsewhere by mutual agreement. The Company shall bear responsibility for all costs of arbitration and shall reimburse Executive for his or her reasonable attorneys' fees. Judgment may be entered on the arbitration award in any court having jurisdiction.

11.2 Attorney's Fees. The Company shall pay, directly to Executive's attorneys, upon submission of appropriate supporting documentation, for all reasonable attorneys' fees and expenses incurred in connection with the review, negotiation, drafting and execution of this Agreement and related agreements and arrangements.

11.3 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the state of New Hampshire.

11.4 Entire Agreement. This Agreement constitutes the entire agreement and understanding between Executive and Company concerning the subject matter hereof, and supersedes all prior negotiations or understandings between the parties, whether written or oral, including employment offer letters, concerning such matter.

11.5 Employment at Will. Executive's employment with the Company shall remain at will. Nothing in the Agreement shall provide Executive with any right to continued employment with the Company for any specific period of time, or interfere with or restrict the right of either Executive or the Company to terminate Executive's employment at any time.

11.6 Application of Section 409A. The payments contemplated by this Agreement are intended to be exempt from, or to comply with the requirements of, Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and this Agreement shall be interpreted with that intent. Notwithstanding the foregoing, the tax treatment of amounts payable and benefits provided under this Agreement is not warranted or guaranteed, and neither the Company nor any of its members, shareholders, employees, directors, officers, agents or affiliates, shall be held liable for any taxes, interest, penalties or other monetary amounts owed by Executive or any other taxpayer as a result of this Agreement, including by reason of Section 409A or any similar State statute. In the event that payment of one or more of the benefits or payments hereunder would result in the imposition of any such taxes, interest, penalties or other monetary amounts owed by Executive or any other taxpayer by reason of Section 409A or any similar State statute, the mechanism of delivery of such benefit or payment shall be modified to the extent permissible under Section 409A to eliminate such imposition (e.g. through the grant of a new fully-vested Stock Award and/or cash payment of equivalent value). Notwithstanding anything to the contrary in this Agreement, if at the time Executive's employment terminates, Executive is a "specified employee," as defined below, any and all amounts payable under this Agreement on account of Executive's separation from service that would (but for this provision) be payable within six (6) months following the date of such separation from service, shall instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon Executive's death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of the safe harbor set forth in Section 1.409A-1(b)(9)(iii), as determined by the Company in its reasonable good faith discretion); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of Section 409A of the Code. For purposes of this Agreement, with respect to payments that are subject to Section 409A and that are payable upon or with reference to Executive's termination of employment, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), from the Company, and the term "specified employee" means an individual determined by the Company to be a specified employee of the Company under Treasury regulation Section 1.409A-1(i). Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. To the extent required by Section 409A, if the period for executing and not revoking the Release spans two taxable years, the Severance Benefit shall be paid in the second taxable year. Any tax gross up payment hereunder shall be made no later than the end of the calendar year following the calendar year in which the related taxes are remitted to the appropriate tax authorities, or at such other specified time or schedule that may be permitted under Treas. Reg. Section 1.409A-3(i)(1)(v). The amount of expenses eligible for reimbursement, or in-kind benefits provided, during any calendar year ay not affect the expenses eligible for reimbursement, or in-kind benefits to be provided in any other calendar year. The reimbursement of an eligible expense must made on or before the last day of the calendar year following the calendar year in which the expense was incurred. The right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

11.7 Proprietary Information. Nothing in this Agreement or the Release shall be construed as an elimination or waiver of Executive's obligations not to disclose confidential or proprietary information to third parties as required by Company policy and any agreements between the Company and Executive that were executed during Executive's employment with the Company.

11.8 Waiver; Amendment. No waiver of any breach of this Agreement shall be construed to be a waiver of any other breach of this Agreement. No waiver or amendment of this Agreement shall be effective unless set forth in a written document signed by Executive and an executive of the Company authorized by the Company's Governing Body.

11.9 Notices. Any notices required or permitted by this Agreement shall be in writing, and may be transmitted by personal delivery, by courier service or by e-mail if receipt of such e-mail is acknowledged by the receiving party. Notices shall be addressed to the recipient's principal business office.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

ALLEGRO MICROSYSTEMS, INC

/s/ Ravi Vig

Ravi Vig

/s/ Yoshihiro Suzuki

Yoshihiro Suzuki
Chairman of the Board

GENERAL RELEASE OF CLAIMS

This GENERAL RELEASE OF CLAIMS ("Release") is made by _____ ("Executive"), a resident of _____, _____, in favor of Allegro MicroSystems, LLC of Manchester, New Hampshire (the "Company"), and all related entities, corporations, partnerships and subsidiaries of the Company, as well as each of their current and former directors, insurers, officers, trustees, partners, successors in interest, representatives and agents.

WHEREAS, Executive's employment by the Company has ended or will end on _____, ____ (the "Termination Date"); and

WHEREAS, Executive wishes to provide the Company with a general release in exchange for the consideration to be provided by the Company to Executive pursuant to that certain Severance Agreement between Executive and the Company dated _____, 2021 (the "Severance Agreement").

NOW THEREFORE, in consideration of the commitments and mutual promises contained in this document, it is agreed as follows:

ONE: This Release shall constitute full accord and satisfaction of any and all claims which have been or could be raised by Executive and a covenant not to sue (as set forth in Paragraph THREE below).

TWO: In return for Executive's releases under this Release, Allegro shall provide the following "Consideration" to Executive:

- (a) The Severance Benefit defined in the Severance Agreement, which shall be an amount equal to__.
- (b) Company payment of medical insurance coverage for a period of time as specified in the Severance Agreement.
- (c) Other commitments of the Company as set forth in the Severance Agreement.

THREE: In return for the Consideration to be provided by the Company to Executive, on behalf of Executive and his or her heirs, beneficiaries, devisees, executors, administrators, attorneys, personal representatives, and assigns, Executive promises not to sue, and Executive releases and gives up any claim he/she has or may have against, the Company or any of its current or former subsidiaries, affiliated companies, parent companies, shareholders, directors, officers, employees, agents, benefit plans, trustees or representatives, or their successors or assigns, including without limitation any claim under federal, state, or local law relating to Executive's employment with the Company or the termination thereof, from the beginning of time up to and including the date of execution of this Release, including, but not limited to, any and all claims for breach of express or implied contract or any covenant of good faith and fair dealing; all claims for retaliation or

violation of public policy; all claims for unpaid wages under the Massachusetts Wage Act or corresponding New Hampshire law; all claims arising under the Massachusetts and New Hampshire anti-discrimination in employment laws, the Massachusetts Civil Rights Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, Sarbanes-Oxley, the Patriot Act, the Family and Medical Leave Act, or any other federal, state, or local laws relating to employment or benefits associated with employment; claims for emotional distress, mental anguish, personal injury, loss of consortium, and any and all claims that may be asserted on Executive's behalf by others; any claim for wages, compensation, and expenses paid or unpaid during the term of Executive's employment; and any claim for compensatory, punitive, or liquidated damages, interest, attorney's fees, costs, or disbursements. Executive retains Executive's rights under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), for any accrued vested benefits under any retirement plan covering Executive's employment, or rights to enforce the terms of this Release.

Executive also is waiving, releasing and discharging all claims under any federal, state, local, and/or municipal statute, law, amendment, directive, order, and/or regulation enacted in response to the COVID-19 pandemic.

Massachusetts Wage Act Waiver. By signing this Agreement, Executive acknowledges that this waiver includes any claims against the Company and other releasees under Mass. Gen. Laws ch. 149, § 148 et seq., – the Massachusetts Wage Act. These claims include, but are not limited to, claims for failure to pay earned wages, failure to pay overtime, failure to pay earned commissions, failure to timely pay wages, failure to pay accrued vacation or holiday pay, failure to furnish appropriate pay stubs, improper wage deductions, and failure to provide proper check-cashing facilities.

FOUR: Nothing contained in this Release of Claims shall be construed to prohibit Executive from filing a charge with or participating in any investigation or proceeding conducted by the federal Equal Employment Opportunity Commission or a comparable state or local agency, provided, however, that Executive hereby agrees to waive his or her right to recover monetary damages or other individual relief in any charge, complaint or lawsuit filed by Executive or by anyone else on his or her behalf.

Executive further acknowledges, understands, and agrees that Executive has been paid all wages (including all base compensation and accrued vacation pay) to which Executive is or was entitled by virtue of Executive's employment with the Company and that Executive is unaware of any facts or circumstances indicating that Executive may have an outstanding claim for unpaid wages.

In exchange for Executive's waivers, releases and commitments set forth herein, including his waiver and release of all claims arising under the Age Discrimination in Employment Act, the payments, benefits and other considerations that Executive is receiving pursuant to the Severance Agreement exceed any payment, benefit or other thing of value to which he would otherwise be entitled, and are just and sufficient consideration for the waivers, releases and commitments set forth herein.

FIVE: This Release, including without limitation the general release and covenant not to sue, applies to all claims due to anything arising before Executive signed this Release, including even those claims not presently known to Executive.

SIX: This Release sets forth the entire understanding between the parties pertaining to this subject matter except for the Severance Agreement. There is no other agreement, oral or written, which adds to or subtracts from this Release or the Severance Agreement or otherwise modifies them. In the event that any provision of this Release is held by any agency or court of competent jurisdiction to be illegal or invalid, the validity of the remaining provisions shall not be affected; and, the illegal or invalid provisions shall be reformed to the extent possible to be consistent with the other terms of this Release; and if they cannot be so reformed, then an invalid provision shall be deemed not to be a part of this Release.

SEVEN: This Release shall be interpreted under the laws of the State of New Hampshire.

EIGHT: Executive acknowledges that Executive received this Release on _____, ____ and that Executive has been informed that Executive has twenty-one (21) days to review and consider this Release and also acknowledges that Executive has been advised of the right to consult legal advisors of Executive's choosing with regard to this Release. Any modifications to the terms of this Release do not operate to extend the twenty-one (21) day time limit for Executive's review of the Release. Executive may sign this Release prior to the expiration of the twenty-one (21) day deadline expressed above, and Executive affirms that if Executive does so prior to that date it is done according to Executive's own free will. Executive understands that Executive may revoke this Release within seven (7) days after the date of Executive's signature on this Release by sending written notice of his/her intent to revoke to the Company's Vice President of Human Resources or its President via courier service on or before the expiration of that seven (7) day right of revocation. Executive acknowledges that this Release can be revoked only in its entirety and that once revoked no provision of this Release is enforceable. The Company will have no obligations under this Release until the eighth (8th) day after Executive's signature on this Release.

NINE: EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS CAREFULLY READ AND UNDERSTANDS THIS RELEASE CONSISTING OF THREE PAGES. EXECUTIVE ALSO ACKNOWLEDGES THAT EXECUTIVE ENTERS INTO THIS RELEASE VOLUNTARILY, WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE AND WITHOUT PRESSURE OR COERCION. EXECUTIVE ALSO ACKNOWLEDGES THAT EXECUTIVE HAS HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL PRIOR TO SIGNING THIS RELEASE.

IN WITNESS WHEREOF, Executive has executed this Release as of the date indicated below.

RAVI VIG

Dated: _____

Allegro MicroSystems, Inc.
955 Perimeter Road
Manchester, New Hampshire 03103

May 6, 2022

Ravi Vig

Re: **Employment Transition**

Dear Ravi:

Allegro MicroSystems, Inc., (the "Company," and together with any of its subsidiaries and affiliates, the "Company Group") is grateful for your contributions and many years of dedicated service and wishes you well in your transition out of the Company. This letter agreement (the "Letter") is to memorialize our agreement regarding your retirement and your assistance with the transition of your duties and responsibilities to a successor. Capitalized terms not defined herein shall have the meanings set forth in that certain Second Amended and Restated Severance Agreement by and between you and the Company, which is being entered into on the same date as this Letter (the "Severance Agreement").

You and the Company agree that your employment with the Company Group will end on June 13, 2022, or such later or earlier date as you and the Company may otherwise agree in writing (the "Retirement Date"). On the Retirement Date, you will cease to serve as the Company's President and Chief Executive Officer or in any other employee role or in any other position with the Company Group, except as set forth below. On or prior to the Retirement Date, you will resign as a member of the board of directors of the Company and, as of the Retirement Date, you will be deemed to have resigned from all other offices, positions, and directorships then held with the Company Group. You agree that you will execute any documents or instruments reasonably requested by the Company in connection with or to give effect to the foregoing.

The Company agrees that in connection with your departure, you will be entitled to receive the severance payments and benefits set forth in Section 3 of the Severance Agreement, including the Severance Benefit described in Section 3.1 of the Severance Agreement and the Health Plan benefits described in Section 3.5 of the Severance Agreement, which benefits will be paid and provided in accordance with and subject to the terms and conditions of Section 3 of the Severance Agreement. In addition, your outstanding Stock Awards will vest and become payable in accordance with Section 5 thereof. The foregoing payments and benefits are subject to all of the terms and conditions of the Severance Agreement, including your continued compliance with the Restrictive Covenants and the requirement for you to execute and not revoke the Release in the form attached as Exhibit A to the Severance Agreement. The Company will deliver an execution version of the Release to you on or before the Retirement Date and as a condition to receiving the foregoing payments and benefits, you must sign such Release on or after the Retirement Date and within 21 days after the Retirement Date, and you must not revoke the Release.

With respect to the Health Plan benefits described in Section 3.5 of the Severance Agreement, you agree that you will timely elect COBRA continuation coverage under the Health Plan and the Company will pay or reimburse the cost of the COBRA premiums for a period of 18 months in accordance with the terms of Section 3.5. For the remainder of the period in which you are entitled to benefits under Section 3.5 of the Severance Agreement (which, for the avoidance of doubt will end in October 2024), the Company will pay you an equivalent monthly cash amount.

In order to facilitate an orderly transition, the Company desires to engage you, and you agree to serve, in a consulting role as a Senior Counselor to the Company's Board of Directors for a period of six months following the Retirement Date, or such longer or shorter period as you and the Company may otherwise agree (the "Consulting Period"); *provided*, that the Consulting Period may be shortened by mutual agreement between you and the Company or unilaterally by the Company after providing at least seven (7) days' notice to you. During the Consulting Period, you agree to remain available to provide up to eight (8) hours per week of such transition-related consulting services and advice as may be requested from time to time by the Company (the "Consulting Services"). In connection with the Consulting Services, you will be entitled to receive a "Consulting Fee" in an amount equal to \$10,000 per week. The Consulting Fee will be paid in cash bi-weekly in arrears. It is hereby understood and agreed by you and the Company that your performance of the Consulting Services will be as an independent contractor and not as an officer or employee of the Company or any of its subsidiaries or affiliates, and that, except as may be required by applicable law or expressly set forth herein or in the Severance Agreement, following the Retirement Date, you will receive no employee benefits from the Company or its subsidiaries or affiliates in connection with the Consulting Services. You and Company further acknowledge and agree that it is intended that you will incur a "separation from service" (a "Separation from Service") under Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), as of the Retirement Date. Accordingly, the level of bona fide services that you will perform for the Company during the Consulting Period will in any case be less than twenty percent (20%) of the average level of bona fide services performed by you for the Company over the thirty-six (36) month period immediately preceding the Retirement Date.

We again thank you for your career of service and dedicated contributions to the Company and look forward to a smooth transition.

Sincerely,

/s/ Yoshihiro (Zen) Suzuki

Yoshihiro (Zen) Suzuki,
Chairman of the Board
Allegro Microsystems, Inc.

This Letter is hereby acknowledged and agreed as of May 6, 2022:

/s/ Ravi Vig
Ravi Vig

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") entered into as of May 2, 2022, with employment commencing effective as of July 1, 2022 or such other mutually agreed date (the "Effective Date") is made by and between Vineet Nargolwala ("Executive") and Allegro MicroSystems, Inc., a Delaware corporation (together with any of its subsidiaries and affiliates as may employ Executive from time to time, and any successor(s) thereto, the "Company").

RECITALS

WHEREAS, the Company desires to assure itself of the services of Executive by engaging Executive to perform services under the terms hereof.; and

WHEREAS, Executive desires to provide services to the Company on the terms herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment.

1.1 In General. The Company and/or Allegro Microsystems, LLC shall employ Executive and Executive shall enter such employment, for the period set forth in Section 1.2, in the position set forth in Section 1.3, and upon the other terms and conditions herein provided.

1.2 Term of Employment. Executive shall be employed at will, meaning that either the Company or Executive may terminate the Agreement and Executive's employment at any time for any reason or no reason, with or without cause, subject to the terms of this Agreement. The period of Executive's employment hereunder is hereinafter referred to as the "Term".

1.3 Position and Duties. During the Term, Executive: (a) shall serve as President and Chief Executive Officer of the Company, with responsibilities, duties and authority customary for such position, subject to direction by the Board of Directors of the Company (the "Board"); (b) shall report to the Board; (c) shall devote substantially all Executive's working time and efforts to the business and affairs of the Company and its subsidiaries and (d) agrees to observe and comply with the Company's rules and policies as adopted by the Company from time to time. In addition, on or as soon as practicable after the Effective Date, the Company shall cause Executive to be appointed or nominated for election to the Board. The parties acknowledge and agree that Executive's duties, responsibilities and authority may include services for one or more subsidiaries or affiliates of the Company.

2. Compensation and Related Matters.

2.1 Annual Base Salary. During the Term, Executive shall receive a base salary at a rate of \$600,000 per annum, which shall be paid in accordance with the customary payroll practices of the Company, subject to review by the compensation committee of the Board (the "Committee") in its sole discretion (the "Annual Base Salary").

2.2 Annual Bonus. During the Term, Executive will be eligible to participate in the Company's annual incentive compensation program. Executive's annual incentive compensation under such incentive program (the "Annual Bonus") shall be targeted at 110% of Executive's Annual Base Salary (the "Target Bonus"), up to a maximum of 220% of Executive's Annual Base Salary if maximum performance are achieved for the applicable fiscal year. The actual amount of any Annual Bonus shall be based on the achievement of performance goals to be determined by the Committee in consultation with Executive. Any Annual Bonus that is earned will be paid at the same time annual bonuses are paid to other executives of the Company generally, subject to Executive's continuous employment through the date of payment. Executive's fiscal year 2023 annual bonus will be pro-rated based on Executive's partial year of service and such pro-rated amount will be paid at least at the Target Bonus level (e.g., if Executive works 10 months in fiscal year 2023, the Annual Bonus for fiscal year 2023 will be at least \$550,000 (i.e., 10/12 of \$660,000)).

2.3 Signing Bonus. In consideration for Executive commencing employment with the Company, on the first regular payroll date following the Effective Date, the Company shall pay to Executive a one-time cash bonus in an amount equal to \$217,000, less applicable withholdings and deductions (the "Signing Bonus"). Notwithstanding the foregoing, in the event that Executive's employment is terminated for Cause or Executive resigns his employment with the Company without Good Reason (as defined below), in either case on or prior to the twelve (12)-month anniversary of the Effective Date, then Executive hereby agrees to repay the full Signing Bonus, which such repayment shall occur no later than thirty (30) days after the date of Executive's resignation of employment with the Company. In the event that Executive's employment is terminated for Cause or Executive resigns his employment with the Company without Good Reason following the twelve (12)-month anniversary of the Effective Date but on or prior to the 24-month anniversary of the Effective Date, then Executive hereby agrees to repay a pro-rata portion of the Signing Bonus determined by multiplying (i) the Signing Bonus by (ii) a fraction the numerator of which is 24 minus the number of months elapsed from the Effective Date through the Termination Date (as defined below) and the denominator of which is 24, which such repayment shall occur no later than thirty (30) days after the date of Executive's resignation of employment with the Company. Executive hereby authorizes the Company to immediately offset against and reduce any amounts otherwise due to Executive for any amounts in respect of the obligation to repay the Signing Bonus.

2.4 Sign-On Equity Award. Subject to approval by the Committee, on Executive's first date of employment with the Company (the "Start Date"), the Company shall grant to Executive a restricted stock unit ("RSU") award covering shares of the Company's common stock with a grant-date value equal to \$4,000,000 (the "Sign-On RSU Award"). The Sign-On RSU Award will vest as to 60% of the RSUs on the first anniversary of the

Effective Date and as to the remaining 40% of the RSUs on the second anniversary of the effective date, in each case, subject to Executive's continued employment through each applicable vesting date. Except as otherwise specifically provided in this Agreement, the Sign-On RSU Award shall be governed in all respects by the terms and conditions of the Allegro MicroSystems, Inc. 2020 Omnibus Incentive Compensation Plan, as may be amended from time to time (the "2020 Plan") and the applicable award agreement thereunder.

2.5 Initial Equity Award. In addition to the Sign-On RSU Award, subject to approval by the Committee, in August 2022, the Company shall grant to Executive an equity incentive compensation award under the 2020 Plan covering shares of the Company's common stock with an aggregate grant-date value equal to \$4,000,000 (the "Initial Equity Award"). Forty percent (40%) of the total Initial Equity Award will be granted in the form of time vesting RSUs and shall vest based on Executive's continued service with the Company over a period of four years. The remaining 60% of the total Initial Equity Award will be granted in the form of performance share units that shall vest based on achievement of performance goals and continued service over a three year performance period (fiscal years 2023 to 2025). The terms and conditions of the Initial Equity Awards shall be set forth in separate award agreements to be entered into by Executive and the Company. Except as otherwise specifically provided in this Agreement, the Initial Equity Award shall be governed in all respects by the terms and conditions of the 2020 Plan and the applicable award agreement.

2.6 Benefits. Executive shall be eligible to participate in employee benefit plans, programs and arrangements of the Company, as in effect from time to time (including, without limitation, the Company's group medical and dental insurance plans and the Company's 401(k) plan).

2.7 Vacation; Holidays. During the Term, Executive shall be entitled to five (5) weeks paid vacation each full calendar year. Any vacation shall be taken at the reasonable and mutual convenience of the Company and Executive. Holidays shall be provided in accordance with Company policy, as in effect from time to time.

2.8 Business Expenses. During the Term, the Company shall reimburse Executive for all reasonable, documented, out-of-pocket travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's applicable expense reimbursement policies and procedures.

3. Termination.

3.1 Executive's employment with the Company may be terminated under the following circumstances:

- (a) *Death*. Executive's employment with the Company shall immediately terminate upon his death.
- (b) *Disability*. If Executive has incurred a Disability, the Company may terminate Executive's employment. For purposes of this Agreement,

“Disability” shall mean that the Executive has been determined to be (1) disabled and entitled to receive benefits under the Company’s long-term disability plan and (2) disabled under Treasury Regulation Section 1.409A-3(i)(4) or its successor. The date on which Executive shall be deemed to have incurred a Disability shall be the first date both requirements are satisfied as determined by the Board.

- (c) *Termination for Cause.* The Company may terminate the Executive’s employment for Cause. For purposes of this Agreement, “Cause” shall mean a good faith determination by the Board of any one or more of the following: (i) Executive’s continued or repeated failure or refusal (after prior written notice thereof from the Board and Executive’s failure to cure the same (if curable) within ten (10) calendar days of such written notice, and other than due to Executive’s Disability) to substantially perform the duties required by Executive’s position with the Company or any of its subsidiaries (it being understood that Executive’s failure to attain performance goals or targets or to otherwise fail to substantially perform the duties required by Executive’s position shall not constitute “Cause” hereunder if such failure is as a result of actions taken or not taken in good faith and with reasonable belief that such actions or omissions were in the best interests of the Company and its subsidiaries); (ii) Executive’s failure or refusal to follow lawful directives of the Board; (iii) gross negligence or willful misconduct (including unauthorized disclosure of material proprietary information) by Executive, which results in a material detriment to the Company or any of its subsidiaries; (iv) Executive’s conviction (by a court of competent jurisdiction, not subject to further appeal) of, or pleading guilty to, a felony that involves fraud or moral turpitude or that is perpetrated against the Company or any of its subsidiaries, their respective businesses or any of their respective assets, properties or personnel; or (v) a material breach by Executive of the Restrictive Covenants, this Agreement, or of any other written agreement with the Company to which Executive is a party.
- (d) *Termination without Cause.* The Company may terminate the Executive’s employment without Cause.
- (e) *Resignation by Executive for Good Reason.* Executive may resign from Executive’s employment for Good Reason. For purposes of this Agreement, “Good Reason” shall mean the occurrence of any of the following without Executive’s prior written consent: (i) a reduction in Executive’s Annual Base Salary; (ii) a reduction in Executive’s Target Bonus; (iii) a material diminution in Executive’s authority, duties, responsibilities, or reporting relationship in connection with Executive’s employment with the Company; (iv) the relocation of Executive’s principal work location in connection with his employment by the Company to a facility or location more than seventy five (75) miles from Executive’s present principal work location; or (v) the Company has materially breached this Agreement, including without limitation a failure to comply with the assignment to successor requirement in Section 9.1 below.

Notwithstanding the foregoing, Executive will not be deemed to have resigned for Good Reason unless (1) Executive gives the Company written notice within sixty (60) days following the occurrence of the event(s) constituting Good Reason detailing the facts and circumstances believed by Executive to constitute Good Reason, (2) the Company has thirty (30) days after receipt of such written notice to remedy or cure the event of Good Reason and fails to remedy or cure the event within such period and (3) the effective date of Executive's termination for Good Reason occurs no later than thirty (30) days after the expiration of the Company's cure period. With respect to the foregoing definition, the term "Company" will be interpreted to include any subsidiary, parent, affiliate, or any successor thereto, if appropriate.

- (f) *Resignation by Executive without Good Reason.* The Executive may resign from the Executive's employment for any reason other than for Good Reason.

3.2 **Notice of Termination.** Any termination of employment (other than due to the Executive's death), shall be communicated by a written notice to the other party hereto (a "**Notice of Termination**"): (i) indicating the specific termination provision in this Agreement relied upon, and (ii) specifying a Termination Date (as defined below) which, if submitted by the Executive, shall be at least thirty (30) days following the date of such notice. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder. If the Company, at the time of giving Executive notice of termination, specifies or requests a Termination Date later than the date of the Notice of Termination, Executive shall not be required to accept a Termination Date that is more than two weeks after the date of Notice of Termination, and the failure to agree to a later Termination Date shall not be construed as a voluntary termination by Executive. The Termination Date for purposes of this Section 3.2, consistent with the preceding sentence, shall be the final day of employment of Executive by the Company. For purposes of this Agreement, "**Termination Date**" shall mean the date of the termination of Executive's employment with the Company, which, if Executive's employment is terminated as a result of Executive's death, will be the date of Executive's death, and otherwise shall be the date specified in a Notice of Termination.

4. **Payments and Benefits Upon Termination.**

4.1 **In General.** Upon a termination of the Executive's employment for any reason, the Executive (or the Executive's estate) shall be entitled to receive: (i) any portion of the Executive's Annual Base Salary through the Termination Date not theretofore paid, (ii) any expenses owed to the Executive under Section 2.8, and (iii) any amount arising from the Executive's participation in, or benefits under, any employee benefit plans, programs

or arrangements under Section 2.6, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements (collectively, the "Accrued Obligations"). Except as otherwise set forth in Section 4.2 below, the payments and benefits described in this Section 4.1 shall be the only payments and benefits payable in the event of the Executive's termination of employment for any reason.

4.2 Qualifying Termination Outside of the Change of Control Period. Subject to Executive's delivery to the Company of a Release that becomes effective and irrevocable in accordance with Section 10.5(c) below and Executive's continued compliance with the Restrictive Covenants, in the event of termination of Executive's employment due to a Qualifying Termination outside of the Change of Control Period (as defined below), then in addition to the Accrued Obligations, Executive shall be entitled to the following (the "Regular Severance Benefits"):

- (a) *Base Salary Severance.* The Company shall pay to Executive an amount equal to 3.0x (if the Termination Date occurs before the first anniversary of the Effective Date) or 2.0x (if the Termination Date occurs on or after the first anniversary of the Effective Date) (whichever is applicable, the "Severance Multiplier") the Annual Base Salary as of the Termination Date (disregarding any reduction thereto constituting Good Reason) (the "Base Salary Severance") payable, less applicable withholdings and deductions, in a single lump sum cash payment on the first regular payroll date following the date the Release becomes effective and irrevocable or as otherwise provided in Section 10.5(c) below.
- (b) *Prorated Bonus.* The Company shall pay to Executive a prorated Annual Bonus for the fiscal year in which the Termination Date occurs, determined by multiplying the Target Bonus on the Termination Date by a ratio equal to the number of completed days of employment in the fiscal year prior to and including the Termination Date divided by the total number of days in such fiscal year (the "Prorated Bonus"), payable, less applicable withholdings and deductions, in a single lump sum cash payment on the first regular payroll date following the date the Release becomes effective and irrevocable or as otherwise provided in Section 10.5(c) below.
- (c) *COBRA.* If Executive is a participant on the Termination Date in a group health plan of the Company that is subject to Section 601 et seq. of the Employee Retirement Income Security Act of 1974, as amended, or similar state health care continuation coverage law ("COBRA"), if Executive timely elects to accept continued health insurance coverage under COBRA, the Company shall pay or reimburse to Executive an amount equal to the full monthly cost of Executive's COBRA coverage until the earlier of twelve (12) months after the Termination Date or such date as Executive becomes eligible for health insurance coverage through any subsequent employment (the "COBRA Subsidy Period"). If Executive desires to continue health care coverage under COBRA after becoming eligible for other health insurance coverage or otherwise after the COBRA Subsidy

Period, Executive may do so for the balance of the applicable COBRA period at Executive's expense consistent with the requirements of COBRA. Notwithstanding the foregoing, the Company shall not be required to provide Executive with the healthcare continuation coverage benefits in this Section 4.2(c) if doing so would result in the imposition of penalties or other adverse consequences to the Company pursuant to the Patient Protection and Affordable Care Act of 2010, as amended, or any successor legislation or regulations thereunder.

- (d) Equity Acceleration. The Sign-On RSU Award will vest in full to the extent unvested as of the Termination Date. The vesting of Executive's outstanding equity awards (other than the Sign-On RSU Award) as of the Termination Date that are not subject to performance-based vesting requirements shall be accelerated effective as of immediately prior to such Termination Date with respect to that number of shares subject thereto that would have become vested on the next applicable vesting date following the Termination Date as if Executive had remained employed by the Company through such vesting date. The vesting of Executive's outstanding equity awards as of the Termination Date that are subject to performance-based vesting requirements shall be accelerated effective as of immediately prior to such Termination Date with respect to a pro-rated portion of the shares subject thereto (determined based on the number of days that Executive was employed during the applicable performance period relative to the total number of days in the performance period), with the performance conditions being deemed achieved at the greater of the target performance level or the "trending performance" level determined by the Committee using the most recent scorecard submitted to the Committee immediately prior to the Termination Date.

4.3 Qualifying Termination within the Change of Control Period. Subject to Executive's delivery to the Company of a Release that becomes effective and irrevocable in accordance with Section 10.5(c) below and Executive's continued compliance with the Restrictive Covenants, in the event of termination of Executive's employment due to a Qualifying Termination within the twenty-four (24)-month period immediately following the consummation of a Change of Control (as defined in the 2020 Plan) (the "Change of Control Period"), in addition to the Accrued Obligations, and in lieu of the Regular Severance Benefits, Executive shall be entitled to receive (the "Change of Control Severance Benefits"): (a) the Base Salary Severance described in Section 4.2(a) above, except that (i) the Severance Multiplier shall be 3.0x if the Termination Date occurs before the second anniversary of the Effective Date or 2.0x if the Termination Date occurs on or after the second anniversary of the Effective Date and (ii) the Base Salary Severance amount shall be equal to the Severance Multiplier multiplied by the sum of the Annual Base Salary and Target Bonus; (b) the Prorated Bonus described in Section 4.2(b) above; (c) the healthcare continuation coverage benefits described in Section 4.2(c) above, except that the COBRA Subsidy Period shall be 24 months instead of 12 months, and (d) 100% vesting of all outstanding equity awards effective as of immediately prior to the Termination Date, with vesting of awards that are subject to performance-based vesting

requirements that would otherwise continue to apply following the Change in Control transaction being deemed achieved at the greater of the target performance level or the “trending performance” level determined by the Committee using the most recent scorecard submitted to the Committee immediately prior to the Termination Date.

4.4 Tax Withholding. The payments and benefits described in this Section 4 shall be subject to applicable tax withholding obligations.

5. **Release Requirement; Compliance with Restrictive Covenants.**

5.1 As a prerequisite to the Company’s payment of the Regular Severance Benefits or the Change of Control Severance Benefits, as applicable (in either case, the “Severance Benefits”), Executive shall have executed and delivered to the Company a general release of claims substantially in the form attached as Exhibit A (“Release”) and the Release shall have become effective and irrevocable in accordance with its terms as specified in this Section 5 on or prior to the sixtieth (60th) day following the Termination Date. The Company may modify the Release in order to specify the amount of the Severance Benefits, comply with changes in law, or reflect changes in relevant facts (such as the name of the Company). However, the Company shall not include any additional requirements or provisions in the Release, including without limitation any restrictive covenants concerning post-termination activities of Executive without Executive’s prior written consent.

5.2 The Company shall deliver the form of Release to Executive on or prior to the Termination Date. The Release shall not become effective until the Release Expiration Date (as defined below).

5.3 The health insurance continuation benefit described in Section 4.2(c) shall be provided to Executive on a monthly basis after the Termination Date on the assumption that the Release will become effective on the sixtieth (60th) day following the Termination Date, provided that entitlement to such benefit shall expire if the Release does not become effective within sixty (60) days after the Termination Date and, in such case, Executive shall be required to promptly return amounts paid on his behalf to the Company.

5.4 Executive’s entitlement to receive and to retain the Severance Benefits will be conditioned upon Executive’s compliance with all restrictive covenants concerning post-termination activities of Executive contained in any other written agreement between Executive and the Company (collectively, “Restrictive Covenants”), which Restrictive Covenants are hereby incorporated in their entirety as though fully set forth herein.

6. **Parachute Payments.**

6.1 Best Pay Cap. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by Executive or paid on Executive’s behalf (including any payment or benefit received in connection with a termination of Executive’s employment, whether pursuant to the terms of this Agreement, any other plan, arrangement or agreement or otherwise) (all such payments and benefits, including the payments and benefits under Section 4, being hereinafter referred to as the “Total Payments”) would be subject (in whole or part), to the excise tax imposed under

Section 4999 of the Internal Revenue Code of 1986, as amended (the “Code”) (or any similar tax that may be imposed by any taxing authority) (such excise tax or similar tax, the “Excise Tax”), then the Total Payments shall be reduced solely to the extent necessary to ensure that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income or payroll taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local or payroll income taxes on such Total Payments and the amount of Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). If a reduction is to occur pursuant to this Section 6.1, unless an affirmative election by Executive is permitted by (such that it would not result in taxation under) Section 409A, the reduction to the Total Payments shall be implemented in the following order: (i) cash severance payments under this Agreement; (ii) accelerated vesting of any equity-based awards; (iii) non-cash benefits under this Agreement; and (iv) any other payments or benefits under this Agreement or otherwise. If no reduction is to occur pursuant to this Section 6.1, the Total Payments shall be delivered and paid to Executive in full.

6.2 Certain Exclusions. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which Executive shall have waived at such time and in such manner as not to constitute a “payment” within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of a qualified accounting firm or other advisor appointed or engaged by the Company with Executive’s prior written consent prior to any change in ownership or control (within the meaning of Treasury Regulations Section 1.280G-1, Q&As 27 - 29) (the “Independent Advisors”), does not constitute a “parachute payment” within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the written opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the “base amount” (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G of the Code. In the event that the Independent Advisors are serving as accountants, auditors or counsel for the individual, entity or group effecting the change in ownership or control (within the meaning of Treasury Regulations Section 1.280G-1, Q&As 27 - 29), the Company shall appoint another qualified accounting firm or other advisor to make the determinations hereunder (which firms shall then be referred to as the “Independent Advisors” hereunder). All determinations hereunder shall be made by the Independent Advisors, who shall provide detailed supporting calculations both to the Company and Executive at such time as it is requested by the Company or Executive. The determination of the Independent Advisors shall be final and binding

upon the Company and Executive. The Company shall be responsible for all charges for the Independent Advisors. The Company and Executive shall promptly deliver to each other copies of any written communications, and summaries of any verbal communications, with any taxing authority regarding the Excise Tax covered by this Section 6.

6.3 Mitigation of Excise Tax. Notwithstanding anything contained in this Agreement or any other agreement between Executive and the Company or any of its subsidiaries to the contrary, Executive and the Company shall in good faith attempt to agree on steps to ensure that no payments to which Executive would otherwise be entitled to receive pursuant to this Agreement or any such other plan, arrangement or agreement will be "parachute payments" as defined in Section 280G(b)(2) of the Code and shall cooperate with each other to mitigate the impact of the Excise Tax and any potential reduction to payments or benefits provided under this Agreement, any other plan, arrangement or agreement or otherwise.

7. Exclusive Remedy.

7.1 Executive's receipt of the Severance Benefits shall be in lieu of any benefits specified under any other severance policy maintained by the Company; any benefits pursuant to any other agreement or understanding between Executive and the Company relating to termination of employment; and any Annual Bonus for the fiscal year in which the Termination Date occurs.

8. Successors and Assigns.

8.1 This Agreement shall inure to the benefit of, and shall be binding upon, the Company and its successors and assigns, including any successor entity by merger, consolidation or transfer of all or substantially all of the Company's assets. The Company shall require and cause any person, group or entity that acquires all or substantially all of the assets of the Company to accept a written assignment of this Agreement by the Company, and to acknowledge in such document that the acquiror accepts the assignment and undertakes to perform this Agreement in accordance with its terms.

9. Amended or Successor Agreements.

9.1 If requested by the Company, Executive will in good faith consider and negotiate an amended or a successor agreement in order to address revised circumstances (for example the restructuring of the Company), providing that there is no diminution in the level of benefits available to Executive hereunder.

10. Miscellaneous Provisions.

10.1 Arbitration. Any claim, dispute or controversy arising out of this Agreement, the interpretation, validity or enforceability of this Agreement or the alleged breach thereof shall be settled by binding arbitration. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association in Manchester, New Hampshire, or elsewhere by mutual agreement. The Company shall bear responsibility for all costs of arbitration and shall reimburse Executive for his reasonable attorneys' fees. Judgment may be entered on the arbitration award in any court having jurisdiction.

10.2 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the state of New Hampshire.

10.3 Entire Agreement. This Agreement constitutes the entire agreement and understanding between Executive and Company concerning the subject matter hereof, and supersedes all prior negotiations or understandings between the parties, whether written or oral, including employment offer letter, concerning such matter.

10.4 Employment At-Will. Executive's employment with the Company shall remain at will. Nothing in the Agreement shall provide Executive with any right to continued employment with the Company for any specific period of time or interfere with or restrict the right of either Executive or the Company to terminate Executive's employment at any time.

10.5 Application of Section 409A.

- (a) *General*. The parties hereto acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code ("Section 409A"). Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder will be immediately taxable to Executive under Section 409A, the Company reserves the right (without any obligation to do so or to indemnify Executive for failure to do so) to (i) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (ii) take such other actions as the Company determines to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Executive or any other individual to the Company or any of its affiliates, employees or agents.
- (b) *Separation from Service under Section 409A*. Notwithstanding any provision to the contrary in this Agreement: (i) no amount shall be payable pursuant to Section 4.2 or Section 4.3 unless the termination of Executive's employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations; (ii) for purposes of Section 409A, Executive's right to receive installment payments pursuant to Section 4.2 or Section 4.3 shall be treated as a right to receive a

series of separate and distinct payments; and (iii) to the extent that any reimbursement of expenses or in-kind benefits constitutes “deferred compensation” under Section 409A, such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed at the time of his separation from service to be a “specified employee” for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the termination benefits to which the Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of the Executive’s termination benefits shall not be provided to the Executive prior to the earlier of (x) the expiration of the six-month period measured from the date of the Executive’s “separation from service” with the Company (as such term is defined in the Treasury Regulations issued under Section 409A) or (y) the date of the Executive’s death; upon the earlier of such dates, all payments deferred pursuant to this sentence shall be paid in a lump sum to the Executive, and any remaining payments due under the Agreement shall be paid as otherwise provided herein.

- (c) Release. Notwithstanding anything to the contrary in this Agreement, to the extent that any payments of “nonqualified deferred compensation” (within the meaning of Section 409A) due under this Agreement as a result of Executive’s termination of employment are subject to Executive’s execution and delivery of a Release, (i) the Company shall deliver the Release to Executive within ten (10) business days following the Termination Date, and the Company’s failure to deliver a Release prior to the expiration of such ten (10) business day period shall constitute a waiver of any requirement to execute a Release, (ii) if Executive fails to execute the Release on or prior to the Release Expiration Date (as defined below) or timely revokes his acceptance of the Release thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release, and (iii) in any case where the Termination Date and the Release Expiration Date fall in two separate taxable years, any payments required to be made to Executive that are conditioned on the Release and are treated as nonqualified deferred compensation for purposes of Section 409A shall be made in the later taxable year. For purposes of this Section 10.5(c), “Release Expiration Date” shall mean the date that is twenty-one (21) days following the date upon which the Company timely delivers the Release to Executive, or, in the event that Executive’s termination of employment is “in connection with an exit incentive or other employment termination program” (as such phrase is defined in the Age Discrimination in Employment Act of 1967), the date that is forty-five (45) days following

such delivery date. To the extent that any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under this Agreement as a result of Executive's termination of employment are delayed pursuant to this Section 10.5(c), such amounts shall be paid in a lump sum on the first payroll date following the date that Executive executes and does not revoke the Release (and the applicable revocation period has expired) or, in the case of any payments subject to Section 10.5(c)(iii), on the first payroll period to occur in the subsequent taxable year, if later.

10.6 Proprietary Information. Nothing in this Agreement or the Release shall be construed as an elimination or waiver of Executive's obligations not to disclose confidential or proprietary information to third parties as required by Company policy and any agreements between the Company and Executive that were executed during Executive's employment with the Company.

10.7 Waiver; Amendment. No waiver of any breach of this Agreement shall be construed to be a waiver of any other breach of this Agreement. No waiver or amendment of this Agreement shall be effective unless set forth in a written document signed by Executive and an executive of the Company authorized by the Board.

10.8 Notices. Any notices required or permitted by this Agreement shall be in writing, and may be transmitted by personal delivery, by courier service or by e-mail if receipt of such e-mail is acknowledged by the receiving party. Notices shall be addressed to the recipient's principal business office.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

ALLEGRO MICROSYSTEMS, INC.

/s/ Vineet Nargolwala

Executive

/s/ Sharon Briansky

Name: Sharon Briansky
Title: Senior Vice President,
General Counsel and Secretary

GENERAL RELEASE OF CLAIMS

This GENERAL RELEASE OF CLAIMS (“Release”) is made by _____ (“Executive”), a resident of _____ in favor of Allegro MicroSystems, Inc. (the “Company”), and all related entities, corporations, partnerships and subsidiaries of the Company, as well as each of their current and former directors, insurers, officers, trustees, partners, successors in interest, representatives and agents.

WHEREAS, Executive’s employment by the Company has ended or will end on _____ (the “Termination Date”); and

WHEREAS, Executive wishes to provide the Company with a general release in exchange for the consideration to be provided by the Company to Executive pursuant to that certain Employment Agreement between Executive and the Company dated [•], 2022 (the “Employment Agreement”).

NOW THEREFORE, in consideration of the commitments and mutual promises contained in this document, it is agreed as follows:

ONE: This Release shall constitute full accord and satisfaction of any and all claims which have been or could be raised by Executive and a covenant not to sue (as set forth in Paragraph THREE below).

TWO: In return for Executive’s releases under this Release, the Company shall provide the following “Consideration” to Executive:

- a) The Base Salary Severance defined in the Employment Agreement, which shall be an amount equal to _____ (\$xxx, xxx.xx)
- b) The Prorated Bonus defined in the Employment Agreement, which shall be an amount equal to _____ (\$xxx, xxx.xx)
- c) Company payment of COBRA medical insurance coverage for a period of time as specified in the Employment Agreement.
- d) Vesting and payment of certain equity awards outstanding and held by Executive as of the Termination Date, in accordance with Section 4.2(d) or Section 4.3 of the Employment Agreement, as applicable.
- e) Other commitments of the Company as set forth in the Employment Agreement.

THREE: In return for the Consideration to be provided by the Company to Executive, on behalf of Executive and his heirs, beneficiaries, devisees, executors, administrators, attorneys, personal representatives, and assigns, Executive promises not to sue, and Executive releases and gives up any claim he/ she has or may have against, the Company or any of its current or former subsidiaries, affiliated companies, parent companies,

shareholders, directors, officers, employees, agents, benefit plans, trustees or representatives, or their successors or assigns, including without limitation any claim under federal, state, or local law relating to Executive's employment with the Company or the termination thereof, from the beginning of time up to and including the date of execution of this Release, including, but not limited to, any and all claims for breach of express or implied contract or any covenant of good faith and fair dealing; all claims for retaliation or violation of public policy; all claims for unpaid wages under the Massachusetts Wage Act or corresponding New Hampshire law; all claims arising under the Massachusetts and New Hampshire anti-discrimination in employment laws, the Massachusetts Civil Rights Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, Sarbanes-Oxley, the Patriot Act, the Family and Medical Leave Act, or any other federal, state, or local laws relating to employment or benefits associated with employment; claims for emotional distress, mental anguish, personal injury, loss of consortium, and any and all claims that may be asserted on Executive's behalf by others; any claim for wages, compensation, and expenses paid or unpaid during the term of Executive's employment; and any claim for compensatory, punitive, or liquidated damages, interest, attorney's fees, costs, or disbursements. Executive retains Executive's rights under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), for any accrued vested benefits under any retirement plan covering Executive's employment, or rights to enforce the terms of this Release.

FOUR: Nothing contained in this Release of Claims shall be construed to prohibit Executive from filing a charge with or participating in any investigation or proceeding conducted by the federal Equal Employment Opportunity Commission or a comparable state or local agency, provided, however, that Executive hereby agrees to waive his right to recover monetary damages or other individual relief in any charge, complaint or lawsuit filed by Executive or by anyone else on his behalf.

Executive further acknowledges, understands, and agrees that Executive has been paid all wages (including all base compensation and accrued vacation pay) to which Executive is or was entitled by virtue of Executive's employment with the Company and that Executive is unaware of any facts or circumstances indicating that Executive may have an outstanding claim for unpaid wages.

FIVE: This Release, including without limitation the general release and covenant not to sue, applies to all claims due to anything arising before Executive signed this Release, including even those claims not presently known to Executive.

SIX: This Release sets forth the entire understanding between the parties pertaining to this subject matter except for the Employment Agreement. There is no other agreement, oral or written, which adds to or subtracts from this Release or the Employment Agreement or otherwise modifies them. In the event that any provision of this Release is held by any agency or court of competent jurisdiction to be illegal or invalid, the validity of the remaining provisions shall not be affected; and, the illegal or invalid provisions shall be reformed to the extent possible to be consistent with the other terms of this Release; and if they cannot be so reformed, then an invalid provision shall be deemed not to be a part of this Release.

SEVEN: This Release shall be interpreted under the laws of the state of New Hampshire.

EIGHT: Executive acknowledges that Executive received this Release and that Executive has been informed that Executive has forty-five (45) days to review and consider this Release and also acknowledges that Executive has been advised of the right to consult legal advisors of Executive's choosing with regard to this Release. Any modifications to the terms of this Release do not operate to extend the forty-five (45) day limit for Executive's review of the Release. Executive may sign this Release prior to the expiration of the forty-five (45) day deadline expressed above, and Executive affirms that if Executive does so prior to that date it is done according to Executive's own free will. Executive understands that Executive may revoke this Release within seven (7) days after the date of Executive's signature on this Release by sending written notice of his/her intent to revoke to the Company's Vice President of Human Resources or its President via courier service on or before the expiration of that seven (7) day right of revocation. Executive acknowledges that this Release can be revoked only in its entirety and that once revoked no provision of this Release is enforceable. The Company will have no obligations under this Release until the eighth (8th) day after Executive's signature on this Release.

NINE: EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS CAREFULLY READ AND UNDERSTANDS THIS RELEASE CONSISTING OF THREE PAGES. EXECUTIVE ALSO ACKNOWLEDGES THAT EXECUTIVE ENTERS INTO THIS RELEASE VOLUNTARILY, WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE AND WITHOUT PRESSURE OR COERCION. EXECUTIVE ALSO ACKNOWLEDGES THAT EXECUTIVE HAS HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL PRIOR TO SIGNING THIS RELEASE.

IN WITNESS WHEREOF, Executive has executed this Release as of the date indicated below.

[Name]

Date:

Allegro MicroSystems Reports Fourth Quarter and Fiscal Year 2022 Results**—Company Achieves Record Revenue and Profitability for the Fourth Quarter and Full Year—**

Manchester, NH, May 9, 2022 – Allegro MicroSystems, Inc. (“Allegro” or the “Company”) (Nasdaq:ALGM), a global leader in power and sensing semiconductor solutions for motion control and energy efficient systems, today announced financial results for its fourth quarter and fiscal year 2022 that ended March 25, 2022. The Company’s net sales increased 7% sequentially to a new quarterly record of \$200.3 million. Both GAAP and non-GAAP gross margin also reached records, and earnings per share was at the high end of guidance.

Quarter Highlights:

- Total net sales of \$200.3 million increased 14% year-over-year, exceeding guidance.
- Automotive net sales of \$141.2 million were up 19% year-over-year.
- Industrial net sales of \$34.7 million were up 19% year-over-year.
- GAAP gross margin of 54.7% and non-GAAP gross margin of 55.6% set new records.
- Operating margin on a GAAP basis was 15.1% and on a non-GAAP basis was 23.2%.
- GAAP diluted earnings per share was \$0.13 and non-GAAP diluted EPS was \$0.21, up 11% sequentially and at the high end of guidance.

For the full year, net sales were \$768.7 million, an increase of 30% compared to the prior year. Gross margin was 53.0% on a GAAP basis, an increase of 583 bps over the prior year, and 54.1% on a non-GAAP basis, an increase of 410 bps over the prior year and representing new records and meaningful progress toward the Company’s target of 55%. Improvements in operating income resulted in significant earnings per share growth on both a GAAP and non-GAAP basis.

Fiscal Year Highlights:

- Total net sales of \$768.7 million were up 30% year-over-year.
- Automotive net sales of \$531.6 million were up 34% year-over-year.
- Industrial net sales of \$133.2 million were up 40% year-over-year.
- GAAP gross margin was 53.0% and non-GAAP gross margin was 54.1%.
- Operating margin on a GAAP basis was 17.8% and on a non-GAAP basis was 23.2%.
- GAAP diluted earnings per share was \$0.62, representing 520% year-over-year growth, and non-GAAP diluted EPS was \$0.78, representing 70% year-over-year growth.

“Allegro’s outstanding fourth quarter execution capped a year of record results as well as the achievement of several key milestones,” said Ravi Vig, President and CEO of Allegro MicroSystems. “In fiscal 2022, we demonstrated magnetic sensor and power technology leadership, drove record revenues across our business, and meaningfully grew earnings per share through margin expansion and operating leverage. The secular trends that drive our long-term trajectory – including vehicle electrification, advanced driver assistance systems, data center efficiency and efficient motion control – continue to see strong adoption in the market. In addition, our design win momentum and record backlog will continue to serve as significant growth drivers for fiscal 2023, contributing to an increase in our full year revenue growth outlook to the high-teens.”

Business Summary and Outlook

Automotive represented 71% of revenue in the quarter and grew 8.0% sequentially, driven by strong content expansion across active safety, comfort and convenience as well as vehicle electrification applications. Automotive net sales for fiscal year 2022 grew 34% year-over-year to reach a record high of \$531.6 million, with ADAS and xEV growing to approximately 36% of automotive revenue. The Company shared that new products represented the majority of design wins during the fiscal year, driven by the close alignment of its innovation pipeline with high growth xEV and ADAS applications.

Industrial end markets represented 17% of revenue in the quarter and increased 9% sequentially, reaching record levels. The Company continued to gain momentum across multiple categories, including data center, green energy and EV charging infrastructure. Industrial sales for fiscal year 2022 grew 40% year-over-year to reach a record high of \$133.2 million, resulting from the Company's alignment to key trends in automation and efficient motion control, as well as its successful transformation to improve its scale and focus in the broad market.

For the first quarter ending June 24, 2022, the Company expects total net sales to be in the range of \$205 million to \$210 million. Non-GAAP gross margin is expected to be in the range of 54% to 55% and non-GAAP earnings per diluted share are expected to be in the range of \$0.22 to \$0.23.

Allegro has not provided a reconciliation of its first fiscal quarter outlook for non-GAAP gross margin and non-GAAP earnings per diluted share because estimates of all of the reconciling items cannot be provided without unreasonable efforts. It is difficult to reasonably provide a forward-looking estimate between such forward-looking non-GAAP measures and the comparable forward-looking GAAP measures. Certain factors that are materially significant to Allegro's ability to estimate these items are out of its control and/or cannot be reasonably predicted.

Earnings Webcast

A webcast will be held on Tuesday, May 10, 2022 at 8:30 a.m. Eastern time. Ravi Vig, President and Chief Executive Officer and Derek D'Antilio, Chief Financial Officer, will discuss Allegro's financial results.

The webcast will be available on the Investor Relations section of the Company's website at investors.allegromicro.com. A recording of the webcast will be posted in the same location shortly after the call concludes and will be available for at least 30 days.

About Allegro MicroSystems

Allegro MicroSystems is a leading global designer, developer, fabless manufacturer and marketer of sensor integrated circuits ("ICs") and application-specific analog power ICs enabling emerging technologies in the automotive and industrial markets. Allegro's diverse product portfolio provides efficient and reliable solutions for the electrification of vehicles, automotive ADAS safety features, automation for Industry 4.0 and power saving technologies for data centers and green energy applications.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our expected financial performance for our first fiscal quarter ending June 24, 2022. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate," "target," "mission," "may," "will," "would," "project," "predict," "contemplate," "potential," or the negative thereof and similar words and expressions.

Forward-looking statements are based on management's current expectations, beliefs and assumptions and on information currently available to us. Such statements are subject to a number of known and unknown risks, uncertainties and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various important factors, including, but not limited to: downturns or volatility in general economic conditions, including as a result of the COVID-19 pandemic, particularly in the automotive market; COVID-19 induced lock-downs and suppression on our supply chain and customer demand; our ability to compete effectively, expand our market share and increase our net sales and profitability; our ability to compensate for decreases in average selling prices of our products; the cyclical nature of the analog semiconductor industry; shifts in our product mix or customer mix, which could negatively impact our gross margin; our ability to manage any sustained yield problems or other delays at our third-party wafer fabrication facilities or in the final assembly and test of our products; any disruptions at our primary third-party wafer fabrication facilities; our ability to fully realize the benefits of past and potential future initiatives designed to improve our competitiveness, growth and profitability; our ability to accurately predict our quarterly net sales and operating results; our ability to adjust our supply chain volume to account for changing market conditions and customer demand; our reliance on a limited number of third-party wafer fabrication facilities and suppliers of other materials; our dependence on manufacturing operations in the Philippines; our reliance on distributors to generate sales; our indebtedness may limit our flexibility to operate our business; the loss of one or more significant end customers; our ability to develop new product features or new products in a timely and cost-effective manner; our ability to meet customers' quality requirements; uncertainties related to the design win process and our ability to recover design and development expenses and to generate timely or sufficient net sales or margins; changes in government trade policies, including the imposition of tariffs and export restrictions; our exposures to warranty claims, product liability claims and product recalls; our ability to protect our proprietary technology and inventions through patents or trade secrets; our ability to commercialize our products without infringing third-party intellectual property rights; disruptions or breaches of our information technology systems; risks related to governmental regulation and other legal obligations, including privacy, data protection, information security, consumer protection, environmental and occupational health and safety, anti-corruption and anti-bribery, and trade controls; our dependence on international customers and operations; the availability of rebates, tax credits and other financial incentives on end-user demands for certain products; the volatility of currency exchange rates; risks related to acquisitions of and investments in new businesses, products or technologies, joint ventures and other strategic transactions; our ability to raise capital to support our growth strategy; our ability to effectively manage our growth and to retain key and highly skilled personnel; changes in tax rates or the adoption of new tax legislation; risks related to litigation, including securities class action litigation; and our ability to accurately estimate market opportunity and growth forecasts; and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on May 19, 2021, as any such factors may be updated from time to time in our other filings with the SEC, which are accessible on the SEC's website at www.sec.gov and the Investors Relations page of our website at investors.allegromicro.com.

All forward-looking statements speak only as of the date of this press release and, except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

ALLEGRO MICROSYSTEMS, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except share and per share amounts)

	Three-Month Period Ended		Fiscal Year Ended		
	March 25, 2022 (Unaudited)	March 26, 2021 (Unaudited)	March 25, 2022 (Unaudited)	March 26, 2021	March 27, 2020
Net sales	\$ 163,559	\$ 143,017	\$ 619,861	\$ 486,546	\$ 465,532
Net sales to related party	36,734	32,091	148,813	104,661	184,557
Total net sales	200,293	175,108	768,674	591,207	650,089
Cost of goods sold	90,690	88,102	361,214	312,305	388,813
Gross profit	109,603	87,006	407,460	278,902	261,276
Operating expenses:					
Research and development	32,432	28,140	121,873	108,649	102,052
Selling, general and administrative	46,822	34,799	150,937	153,476	106,396
Impairment of long-lived assets	—	7,119	—	7,119	—
Change in fair value of contingent consideration	100	(2,500)	(2,000)	(2,500)	—
Total operating expenses	79,354	67,558	270,810	266,744	208,448
Operating income	30,249	19,448	136,650	12,158	52,828
Other income (expense):					
Loss on debt extinguishment	—	—	—	(9,055)	—
Interest income (expense), net	707	(668)	(1,057)	(2,603)	(110)
Foreign currency transaction (loss) gain	(513)	(1,558)	(568)	(2,889)	1,391
Income in earnings of equity investment	215	6	1,007	1,413	—
Other, net	(502)	(178)	4,714	(475)	(831)
Income (loss) before income taxes	30,156	17,050	140,746	(1,451)	53,278
Income tax provision (benefit)	4,504	8,361	21,191	(19,552)	16,173
Net income	25,652	8,689	119,555	18,101	37,105
Net income attributable to non-controlling interests	36	45	148	148	134
Net income attributable to Allegro MicroSystems, Inc.	\$ 25,616	\$ 8,644	\$ 119,407	\$ 17,953	\$ 36,971
Net income attributable to Allegro MicroSystems, Inc. per share:					
Basic	\$ 0.13	\$ 0.05	\$ 0.63	\$ 0.22	\$ 3.70
Diluted	\$ 0.13	\$ 0.05	\$ 0.62	\$ 0.10	\$ 3.70
Weighted average shares outstanding:					
Basic	189,997,738	189,429,893	189,748,427	83,448,055	10,000,000
Diluted	192,125,252	190,860,556	191,811,205	176,416,645	10,000,000

Supplemental Schedule of Total Net Sales

The following table summarizes total net sales by market within the Company's unaudited consolidated statements of operations:

	Three-Month Period Ended		Change		Fiscal Year Ended		Change	
	March 25, 2022	March 26, 2021	Amount	%	March 25, 2022	March 26, 2021	Amount	%
(Dollars in thousands)								
Automotive	\$141,213	\$118,539	\$22,674	19.1%	\$531,564	\$398,298	\$133,266	33.5%
Industrial	34,654	29,162	5,492	18.8%	133,187	94,872	38,315	40.4%
Other	24,426	27,407	(2,981)	(10.9)%	103,923	98,037	5,886	6.0%
Total net sales	<u>\$200,293</u>	<u>\$175,108</u>	<u>\$25,185</u>	14.4%	<u>\$768,674</u>	<u>\$591,207</u>	<u>\$177,467</u>	30.0%

Supplemental Schedule of Stock-Based Compensation

The Company recorded stock-based compensation expense in the following expense categories of its unaudited consolidated statements of operations:

(In thousands)	Three-Month Period Ended		Fiscal Year Ended	
	March 25, 2022	March 26, 2021	March 25, 2022	March 26, 2021
Cost of sales	\$ 1,184	\$ 314	\$ 3,176	\$ 5,158
Research and development	1,119	536	3,933	3,573
Selling, general and administrative	12,598	2,119	26,439	41,139
Total stock-based compensation	<u>\$ 14,901</u>	<u>\$ 2,969</u>	<u>\$ 33,548</u>	<u>\$ 49,870</u>

Supplemental Schedule of Acquisition Related Intangible Amortization Costs

The Company recorded intangible amortization expense related to its acquisition of Voxtel in the following expense categories of its unaudited consolidated statements of operations:

(In thousands)	Three-Month Period Ended		Fiscal Year Ended	
	March 25, 2022	March 26, 2021	March 25, 2022	March 26, 2021
Cost of sales	\$ 273	\$ 273	1,092	651
Selling, general and administrative	22	37	90	117
Total intangible amortization	<u>\$ 295</u>	<u>\$ 310</u>	<u>\$ 1,182</u>	<u>\$ 768</u>

ALLEGRO MICROSYSTEMS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	March 25, 2022 (Unaudited)	March 26, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 282,383	\$197,214
Restricted cash	7,416	6,661
Trade accounts receivable, net of provision for expected credit losses of \$105 at March 25, 2022 and allowances for doubtful accounts \$138 at March 26, 2021	87,359	69,500
Trade and other accounts receivable due from related party	27,360	23,832
Accounts receivable - other	4,144	1,516
Inventories	86,160	87,498
Prepaid expenses and other current assets	14,995	18,374
Current portion of related party note receivable	1,875	—
Assets held for sale	—	25,969
Total current assets	<u>511,692</u>	<u>430,564</u>
Property, plant and equipment, net	210,028	192,393
Operating lease right-of-use assets	16,049	—
Deferred income tax assets	17,967	26,972
Goodwill	20,009	20,106
Intangible assets, net	35,970	36,366
Related party note receivable, less current portion	5,625	—
Equity investment in related party	27,671	26,664
Other assets, net	47,609	14,613
Total assets	<u>\$ 892,620</u>	<u>\$747,678</u>
Liabilities, Non-Controlling Interest and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	\$ 29,836	\$ 35,389
Amounts due to related party	5,222	2,353
Accrued expenses and other current liabilities	65,459	78,932
Current portion of operating lease liabilities	3,706	—
Total current liabilities	<u>104,223</u>	<u>116,674</u>
Obligations due under Senior Secured Credit Facilities	25,000	25,000
Operating lease liabilities, less current portion	12,748	—
Other long-term liabilities	15,286	19,133
Total liabilities	<u>157,257</u>	<u>160,807</u>
Stockholders' Equity:		
Preferred Stock, \$0.01 par value; 20,000,000 shares authorized, no shares issued or outstanding at March 25, 2022 and March 26, 2021	—	—
Common stock, \$0.01 par value; 1,000,000,000 shares authorized, 190,473,595 shares issued and outstanding at March 25, 2022; 1,000,000,000 shares authorized, 189,588,161 issued and outstanding at March 26, 2021	1,905	1,896
Additional paid-in capital	627,792	592,170
Retained earnings	122,958	3,551
Accumulated other comprehensive loss	(18,448)	(11,865)
Equity attributable to Allegro MicroSystems, Inc.	<u>734,207</u>	<u>585,752</u>
Non-controlling interests	1,156	1,119
Total stockholders' equity	<u>735,363</u>	<u>586,871</u>
Total liabilities, non-controlling interest and stockholders' equity	<u>\$ 892,620</u>	<u>\$747,678</u>

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

	Fiscal Year Ended		
	March 25, 2022 (Unaudited)	March 26, 2021	March 27, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 119,555	\$ 18,101	\$ 37,105
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	48,527	48,307	64,048
Amortization of debt issuance costs	101	226	—
Deferred income taxes	7,498	(18,931)	(4,909)
Stock-based compensation	33,548	49,870	1,435
(Gain) loss on disposal of assets	(349)	269	698
Loss on debt extinguishment	—	9,055	—
Change in fair value of contingent consideration	(2,000)	(2,500)	—
Impairment of long-lived assets	—	7,119	—
Provisions for inventory and credit losses/bad debt	6,297	5,019	3,891
Unrealized gains on marketable securities	(3,722)	—	—
Changes in operating assets and liabilities:			
Trade accounts receivable	(18,347)	(9,303)	16,441
Accounts receivable - other	(2,668)	(28)	346
Inventories	(4,471)	7,641	346
Prepaid expenses and other assets	(19,450)	(29,047)	2,629
Trade accounts payable	(4,348)	15,099	(3,122)
Due to/from related parties	(659)	4,878	(23,946)
Accrued expenses and other current and long-term liabilities	(3,383)	14,795	(13,543)
Net cash provided by operating activities	<u>156,129</u>	<u>120,570</u>	<u>81,419</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(69,941)	(40,673)	(45,615)
Acquisition of business, net of cash acquired	(14,549)	(11,555)	—
Proceeds from sales of property, plant and equipment	27,408	318	3,936
Investments in marketable securities	(9,189)	—	—
Contribution of cash balances due to divestiture of subsidiary	—	(16,335)	—
Net cash used in investing activities	<u>(66,271)</u>	<u>(68,245)</u>	<u>(41,679)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Related party note receivable	(7,500)	51,377	30,000
Proceeds from initial public offering, net of underwriting discounts and other offering costs	—	321,425	—
Payments for taxes related to net share settlement of equity awards	—	—	—
Proceeds from issuance of common stock under equity award and purchase plans less payments for taxes related to net share settlement of equity awards	2,193	(27,707)	—
Dividends paid	—	(400,000)	—
Borrowings of senior secured debt, net of deferred financing costs	—	315,719	43,000
Repayment of senior secured debt	—	(300,000)	—
Repayment of unsecured credit facilities	—	(33,000)	—
Capital contribution	—	—	9,500
Net cash (used in) provided by financing activities	<u>(5,307)</u>	<u>(72,186)</u>	<u>82,500</u>
Effect of exchange rate changes on Cash and cash equivalents and Restricted cash	<u>1,373</u>	<u>3,860</u>	<u>(5,621)</u>
Net (decrease) increase in Cash and cash equivalents and Restricted cash	85,924	(16,001)	116,619
Cash and cash equivalents and Restricted cash at beginning of period	<u>203,875</u>	<u>219,876</u>	<u>103,257</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD:	<u>\$ 289,799</u>	<u>\$ 203,875</u>	<u>\$219,876</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH:			
Cash and cash equivalents at beginning of period	\$ 197,214	\$ 214,491	\$ 99,743
Restricted cash at beginning of period	6,661	5,385	3,514
Cash and cash equivalents and Restricted cash at beginning of period	<u>\$ 203,875</u>	<u>\$ 219,876</u>	<u>\$103,257</u>
Cash and cash equivalents at end of period	282,383	197,214	214,491
Restricted cash at end of period	7,416	6,661	5,385
Cash and cash equivalents and Restricted cash at end of period	<u>\$ 289,799</u>	<u>\$ 203,875</u>	<u>\$219,876</u>

Consolidated Statements of Cash Flows (cont.)
(in thousands)

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest	\$ 813	\$ 2,746	\$ 2,448
Cash paid for income taxes	\$22,195	\$ 8,908	\$15,873
Non-cash transactions:			
Changes in Trade accounts payable related to Property, plant and equipment, net	\$ (2,021)	\$ (3,226)	\$ (1,542)
Assets held for sale transferred from property, plant and equipment, net	—	25,969	—
Loans to cover purchase of common stock under employee stock plan	—	171	232
Recognition of right of use assets and lease liability upon adoption of new accounting standard	356	—	—

Non-GAAP Financial Measures

In addition to the measures presented in our consolidated financial statements, we regularly review other measures, defined as non-GAAP financial measures by the SEC, to evaluate our business, measure our performance, identify trends, prepare financial forecasts and make strategic decisions. The key measures we consider are non-GAAP Gross Profit, non-GAAP Gross Margin, non-GAAP Operating Expenses, non-GAAP Operating Income, non-GAAP Operating Margin, non-GAAP Profit before Tax, non-GAAP Provision for Income Tax, non-GAAP Net Income, non-GAAP Net Income per Share, EBITDA, Adjusted EBITDA and Adjusted EBITDA margin (collectively, the “Non-GAAP Financial Measures”). These Non-GAAP Financial Measures provide supplemental information regarding our operating performance on a non-GAAP basis that excludes certain gains, losses and charges of a non-cash nature or that occur relatively infrequently and/or that management considers to be unrelated to our core operations, and in the case of non-GAAP Provision for Income Tax, management believes that this non-GAAP measure of income taxes provides it with the ability to evaluate the non-GAAP Provision for Income Taxes across different reporting periods on a consistent basis, independent of special items and discrete items, which may vary in size and frequency. By presenting these Non-GAAP Financial Measures, we provide a basis for comparison of our business operations between periods by excluding items that we do not believe are indicative of our core operating performance, and we believe that investors’ understanding of our performance is enhanced by our presenting these Non-GAAP Financial Measures, as they provide a reasonable basis for comparing our ongoing results of operations. Management believes that tracking and presenting these Non-GAAP Financial Measures provides management and the investment community with valuable insight into matters such as: our ongoing core operations, our ability to generate cash to service our debt and fund our operations; and the underlying business trends that are affecting our performance. These Non-GAAP Financial Measures are used by both management and our board of directors, together with the comparable GAAP information, in evaluating our current performance and planning our future business activities. In particular, management finds it useful to exclude non-cash charges in order to better correlate our operating activities with our ability to generate cash from operations and to exclude certain cash charges as a means of more accurately predicting our liquidity requirements. We believe that these Non-GAAP Financial Measures, when used in conjunction with our GAAP financial information, also allow investors to better evaluate our financial performance in comparison to other periods and to other companies in our industry.

These Non-GAAP Financial Measures have significant limitations as analytical tools. Some of these limitations are that:

- such measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- such measures exclude certain costs which are important in analyzing our GAAP results;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- such measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- such measures do not reflect our tax expense or the cash requirements to pay our taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future;
- such measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate such measures differently than we do, thereby further limiting their usefulness as comparative measures.

The Non-GAAP Financial Measures are supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. These Non-GAAP Financial Measures should not be considered as substitutes for

GAAP financial measures such as gross profit, gross margin, net income or any other performance measures derived in accordance with GAAP. Also, in the future we may incur expenses or charges such as those being adjusted in the calculation of these Non-GAAP Financial Measures. Our presentation of these Non-GAAP Financial Measures should not be construed as an inference that future results will be unaffected by unusual or nonrecurring items.

Our prior disclosure referred to non-GAAP Gross Profit and non-GAAP Gross Margin as Adjusted Gross Profit and Adjusted Gross Margin, respectively. No changes have been made to how we calculate these measures.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

We calculate non-GAAP Gross Profit and non-GAAP Gross Margin excluding the items below from cost of goods sold in applicable periods, and we calculate non-GAAP Gross Margin as non-GAAP Gross Profit divided by total net sales.

- Voxtel inventory impairment—Represents costs related to the discontinuation of one of our product lines manufactured by Voxtel.
- Inventory cost amortization—Represents intercompany inventory transactions incurred from purchases made from PSL in fiscal year 2020. Such costs are one-time incurred expenses impacting our operating results during fiscal year 2021 following the disposition of PSL during the fiscal year ended March 26, 2021 (the “PSL Divestiture”). Such costs did not have a continuing impact on our operating results after our second fiscal quarter of fiscal year 2021.
- Foundry service payment—Represents foundry service payments incurred under our Price Support Agreement with PSL in respect to the guaranteed capacity at PSL to support our production forecast and are one-time costs incurred impacting our operating results during fiscal year 2021 following the PSL Divestiture. Such costs did have a continuing impact on our operating results after fiscal year 2021.
- Stock-based compensation—Represents non-cash expenses arising from the grant of stock-based awards.
- AMTC Facility consolidation one-time costs—Represents one-time costs incurred in connection with closing of the AMTC Facility and transitioning of test and assembly functions to the AMPI Facility announced in fiscal year 2020, consisting of: moving equipment between facilities, contract terminations and other non-recurring charges. The closure and transition of the AMTC Facility was substantially completed as of the end of March 2021 and closed on the sale in August 2021. These costs are in addition to, and not duplicative of, the adjustments noted in note (*) below.
- Amortization of acquisition-related intangible assets—Represents non-cash expenses associated with the amortization of intangible assets in connection with the acquisition of Voxtel, which closed in August 2020.
- COVID-19 related expenses—Represents expenses attributable to the COVID-19 pandemic primarily related to increased purchases of masks, gloves and other protective materials, and overtime premium compensation paid for maintaining 24-hour service at the AMPI Facility.

(*) Non-GAAP Gross Profit and the corresponding calculation of non-GAAP Gross Margin in this release do not include adjustments consisting of:

- Additional AMTC-related costs—Represents costs relating to the closing of the AMTC Facility and the transitioning of test and assembly functions to the AMPI Facility in the Philippines announced in fiscal year 2020 consisting of the net savings expected to result from the movement of work to the AMPI Facility, which facility had duplicative capacity based on the buildouts of the AMPI Facility in fiscal years 2019 and 2018. The elimination of these costs did not reduce our production capacity and therefore did not have direct effects on our ability to generate revenue. The closure and transition of the AMTC Facility was substantially completed as of the end of March 2021.

- Out-of-period adjustment for depreciation expense of giant magnetoresistance assets (“GMR assets”)—Represents a one-time depreciation expense related to the correction of an immaterial error, related to 2017, for certain manufacturing assets that have reached the end of their useful lives.

Non-GAAP Operating Expenses, non-GAAP Operating Income and non-GAAP Operating Margin

We calculate non-GAAP Operating Expenses and non-GAAP Operating Income excluding the same items excluded above to the extent they are classified as operating expenses, and also excluding the items below in applicable periods. We calculate non-GAAP Operating Margin as non-GAAP Operating Income divided by total net sales.

- Transaction fees—Represents transaction-related legal and consulting fees incurred primarily in connection with (i) the acquisition of Voxel in fiscal year 2020, (ii) one-time transaction-related legal and consulting fees in fiscal 2021, (iii) one-time transaction-related legal, consulting and registration fees related to a secondary offering on behalf of certain shareholders in fiscal 2022, and (iv) one-time transaction-related legal and consulting fees in fiscal 2022 not related to (iii).
- Severance—Represents severance costs associated with (i) labor savings initiatives to manage overall compensation expense as a result of the declining sales volume during the applicable period, including a voluntary separation incentive payment plan for employees near retirement and a reduction in force, (ii) the closing of the AMTC Facility and the transitioning of test and assembly functions to the AMPI Facility announced and initiated in fiscal year 2020, (iii) costs related to the discontinuation of one of our product lines manufactured by Voxel in fiscal year 2022, and (iv) nonrecurring separation costs related to the departure of an officer in fiscal year 2022.
- Impairment of long-lived assets—Represents impairment charge incurred in connection with the sale of the AMTC Facility.
- Change in fair value of contingent consideration—Represents the change in fair value of contingent consideration payable in connection with the acquisition of Voxel.

(**) Non-GAAP Operating Income in this release does not include adjustments consisting of those set forth in note (*) to the calculation of non-GAAP Gross Profit, and the corresponding calculation of non-GAAP Gross Margin, above or:

- Labor savings—Represents salary and benefit costs related to employees whose positions were eliminated through voluntary separation programs or other reductions in force (not associated with the closure of the AMTC Facility or any other plant or facility) and a restructuring of overhead positions from high-cost to low-cost jurisdictions net of costs for newly hired employees in connection with such restructuring.

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin

We calculate EBITDA as net income minus interest income (expense), tax provision (benefit), and depreciation and amortization expenses. We calculate Adjusted EBITDA as EBITDA excluding the same items excluded above and also excluding the items below in applicable periods. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by total net sales.

- Non-core loss (gain) on sale of equipment—Represents non-core miscellaneous losses and gains on the sale of equipment.
- Miscellaneous legal judgment charge—Represents a one-time charge associated with the final payment of the previously accrued amount payable with respect to a VAT dispute related to the construction of the AMPI Facility.
- Loss on debt extinguishment—Represents one-time costs representing deferred financing costs associated with the \$300.0 million of our term loan facility repaid during the fiscal year ended March 26, 2021.

- Foreign currency translation loss—Represents losses and gains resulting from the remeasurement and settlement of intercompany debt and operational transactions, as well as transactions with external customers or vendors denominated in currencies other than the functional currency of the legal entity in which the transaction is recorded.
- Income in earnings of equity investment—Represents our equity method investment in PSL.
- Unrealized losses (gains) on investments—Represents mark-to-market adjustments on equity investments with readily determinable fair values.

Non-GAAP Profit before Tax, Non-GAAP Net Income, and Non-GAAP Basic and Diluted Earnings Per Share

We calculate non-GAAP Profit before Tax as Profit before as Income (Loss) before Income Taxes excluding the same items excluded above and also excluding the item below in applicable periods. We calculate non-GAAP Net Income as Net Income excluding the same items excluded above and also excluding the item below in applicable periods.

- Interest on repaid portion of term loan facility—Represents interest expense associated with the \$300.0 million of our term loan facility repaid during the period.

Non-GAAP Provision for Income Tax

In calculating non-GAAP Provision for Income Tax, we have added back the following to GAAP Income Tax Provision (Benefit):

- Tax effect of adjustments to GAAP results—Represents the estimated income tax effect of the adjustments to non-GAAP Profit Before Tax described above and elimination of discrete tax adjustments.

	Three-Month Period Ended			Fiscal Year Ended	
	March 25, 2022	December 24, 2021	March 26, 2021	March 25, 2022	March 26, 2021
(Dollars in thousands)					
Reconciliation of Non-GAAP Gross Profit					
GAAP Gross Profit	\$ 109,603	\$ 101,165	\$ 87,006	\$ 407,460	\$ 278,902
Voxel inventory impairment	—	—	—	3,106	—
Inventory cost amortization	—	—	—	—	2,698
Foundry service payment	—	—	930	—	5,930
Stock-based compensation	1,184	742	314	3,176	5,158
AMTC Facility consolidation one-time costs	—	—	625	144	2,184
Amortization of acquisition-related intangible assets	273	273	273	1,092	651
COVID-19 related expenses	296	137	64	1,092	202
Total Non-GAAP Adjustments	\$ 1,753	\$ 1,152	\$ 2,206	\$ 8,610	\$ 16,823
Non-GAAP gross profit*	\$ 111,356	\$ 102,317	\$ 89,212	\$ 416,070	\$ 295,725
Non-GAAP gross margin	55.6%	54.8%	50.9%	54.1%	50.0%

* Non-GAAP Gross Profit and the corresponding calculation of non-GAAP Gross Margin do not include adjustments for the following components of our net income: (i) additional AMTC related costs of \$— and \$6,553 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, and out-of-period adjustment for depreciation expense of GMR assets of \$— and \$768 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively.

	Three-Month Period Ended			Fiscal Year Ended	
	March 25, 2022	December 24, 2021	March 26, 2021	March 25, 2022	March 26, 2021
(Dollars in thousands)					
Reconciliation of Non-GAAP Operating Expenses					
GAAP Operating Expenses	\$ 79,354	\$ 65,560	\$ 67,558	\$ 270,810	\$ 266,744
Research and Development Expenses					
GAAP Research and Development Expenses	32,432	30,297	28,140	121,873	108,649
Stock-based compensation	1,119	1,019	536	3,933	3,573
AMTC Facility consolidation one-time costs	—	—	—	2	2
COVID-19 related expenses	3	6	8	23	100
Transaction fees	5	—	—	5	18
Non-GAAP Research and Development Expenses	31,305	29,272	27,596	117,910	104,956
Selling, General and Administrative Expenses					
GAAP Selling, General and Administrative Expenses	46,822	37,963	34,799	150,937	153,476
Stock-based compensation	12,598	5,859	2,119	26,439	41,139
AMTC Facility consolidation one-time costs	74	108	1,488	657	5,626
Amortization of acquisition-related intangible assets	22	23	37	90	117
COVID-19 related expenses	215	356	250	1,503	4,926
Transaction fees	384	1,085	3,727	1,498	7,426
Severance	—	578	—	746	156
Non-GAAP Selling, General and Administrative Expenses	33,529	29,954	27,178	120,004	94,086
Change in fair value of contingent consideration	100	(2,700)	(2,500)	(2,000)	(2,500)
Total Non-GAAP Adjustments	14,520	6,334	12,784	32,896	67,702
Non-GAAP operating expenses *	\$ 64,834	\$ 59,226	\$ 54,774	\$ 237,914	\$ 199,042

* Non-GAAP Operating Expenses do not include adjustments for the following components of our net income: (i) additional AMTC related costs of \$— and \$723 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, and labor savings costs of \$— and \$218 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively.

	Three-Month Period Ended			Fiscal Year Ended	
	March 25, 2022	December 24, 2021	March 26, 2021	March 25, 2022	March 26, 2021
(Dollars in thousands)					
Reconciliation of Non-GAAP Operating Income					
GAAP Operating Income	\$ 30,249	\$ 35,605	\$ 19,448	\$ 136,650	\$ 12,158
Voxtel inventory impairment	—	—	—	3,106	—
Inventory cost amortization	—	—	—	—	2,698
Foundry service payment	—	—	930	—	5,930
Stock-based compensation	14,901	7,620	2,969	33,548	49,870
AMTC Facility consolidation one-time costs	74	108	2,113	803	7,812
Amortization of acquisition-related intangible assets	295	296	310	1,182	768
COVID-19 related expenses	514	499	322	2,618	5,228
Impairment of long-lived assets	—	—	7,119	—	7,119
Change in fair value of contingent consideration	100	(2,700)	(2,500)	(2,000)	(2,500)
Transaction fees	389	1,085	3,727	1,503	7,444
Severance	—	578	—	746	156
Total Non-GAAP Adjustments	\$ 16,273	\$ 7,486	\$ 14,990	\$ 41,506	\$ 84,525
Non-GAAP Operating Income*	\$ 46,522	\$ 43,091	\$ 34,438	\$ 178,156	\$ 96,683
Non-GAAP Operating Margin* (% of net sales)	23.2%	23.1%	19.7%	23.2%	16.4%

* Non-GAAP Operating Income and the corresponding calculation of non-GAAP Operating Margin do not include adjustments for the following components of our net income: (i) additional AMTC related costs of \$— and \$7,276 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, labor savings costs of \$— and \$218 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, and out-of-period adjustment for depreciation expense of GMR assets of \$— and \$768 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively.

	Three-Month Period Ended			Fiscal Year Ended	
	March 25, 2022	December 24, 2021	March 26, 2021	March 25, 2022	March 26, 2021
(Dollars in thousands)					
Reconciliation of EBITDA and Adjusted EBITDA					
GAAP Net Income	\$ 25,652	\$ 32,973	\$ 8,689	\$ 119,555	\$ 18,101
Interest (income) expense, net	(707)	269	668	1,057	2,603
Income tax provision (benefit)	4,504	6,281	8,361	21,191	(19,552)
Depreciation & amortization	12,006	12,011	12,082	48,527	48,307
EBITDA	\$ 41,455	\$ 51,534	\$ 29,800	\$ 190,330	\$ 49,459
Non-core loss (gain) on sale of equipment	1	(19)	156	(349)	442
Voxtel inventory impairment	—	—	—	3,106	—
Miscellaneous legal judgment charge	—	—	—	—	574
Loss on debt extinguishment	—	—	—	—	9,055
Foreign currency translation loss	513	3	1,558	568	2,889
Income in earnings of equity investment	(215)	(287)	(6)	(1,007)	(1,413)
Unrealized losses (gains) on investments	760	(3,504)	—	(3,722)	—
Stock-based compensation	14,901	7,620	2,969	33,548	49,870
AMTC Facility consolidation one-time costs	74	108	2,113	803	7,812
COVID-19 related expenses	514	499	322	2,618	5,228
Impairment of long-lived assets	—	—	7,119	—	7,119
Change in fair value of contingent consideration	100	(2,700)	(2,500)	(2,000)	(2,500)
Transaction fees	389	1,085	3,727	1,503	7,444
Severance	—	578	—	746	156
Inventory cost amortization	—	—	—	—	2,698
Foundry service payment	—	—	930	—	5,930
Adjusted EBITDA*	\$ 58,492	\$ 54,917	\$ 46,188	\$ 226,144	\$ 144,763
Adjusted EBITDA Margin* (% of net sales)	29.2%	29.4%	26.4%	29.4%	24.5%

* Adjusted EBITDA and the corresponding calculation of Adjusted EBITDA Margin do not include adjustments for the following components of our net income: (i) AMTC additional costs of \$— and \$7,276 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, and labor savings costs of \$— and \$218 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively.

	Three-Month Period Ended			Fiscal Year Ended	
	March 25, 2022	December 24, 2021	March 26, 2021	March 25, 2022	March 26, 2021
	(Dollars in thousands)				
Reconciliation of Non-GAAP Profit before Tax					
GAAP Income (Loss) before Tax Provision (Benefit)	\$ 30,156	\$ 39,254	\$ 17,050	\$ 140,746	\$ (1,451)
Non-core loss (gain) on sale of equipment	1	(19)	156	(349)	442
Voxtel inventory impairment	—	—	—	3,106	—
Miscellaneous legal judgment charge	—	—	—	—	574
Loss on debt extinguishment	—	—	—	—	9,055
Foreign currency translation loss	513	3	1,558	568	2,889
Income in earnings of equity investment	(215)	(287)	(6)	(1,007)	(1,413)
Unrealized losses (gains) on investments	760	(3,504)	—	(3,722)	—
Inventory cost amortization	—	—	—	—	2,698
Foundry service payment	—	—	930	—	5,930
Stock-based compensation	14,901	7,620	2,969	33,548	49,870
Interest on repaid portion of Term Loan Facility	—	—	—	—	2,163
AMTC Facility consolidation one-time costs	74	108	2,113	803	7,812
Amortization of acquisition-related intangible assets	295	296	310	1,182	768
COVID-19 related expenses	514	499	322	2,618	5,228
Change in fair value of contingent consideration	100	(2,700)	(2,500)	(2,000)	(2,500)
Transaction fees	389	1,085	3,727	1,503	7,444
Severance	—	578	—	746	156
Total Non-GAAP Adjustments	\$ 17,332	\$ 3,679	\$ 16,698	\$ 36,996	\$ 98,235
Non-GAAP Profit before Tax*	\$ 47,488	\$ 42,933	\$ 33,748	\$ 177,742	\$ 96,784

* Non-GAAP Profit before Tax does not include adjustments for the following components of our net income: (i) additional AMTC related costs of \$— and \$7,276 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, labor savings costs of \$— and \$218 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, and out-of-period adjustment for depreciation expense of GMR assets of \$— and \$768 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively.

	Three-Month Period Ended			Fiscal Year Ended	
	March 25, 2022	December 24, 2021	March 26, 2021	March 25, 2022	March 26, 2021
(Dollars in thousands)					
Reconciliation of Non-GAAP Provision for Income Taxes					
GAAP Income Tax Provision (Benefit)	\$ 4,504	\$ 6,281	\$ 8,361	\$ 21,191	\$ (19,552)
GAAP effective tax rate	14.9%	16.0%	49.0%	15.1%	1347.5%
Tax effect of adjustments to GAAP results	2,817	561	(3,053)	6,415	34,486
Non-GAAP Provision for Income Taxes *	\$ 7,321	\$ 6,842	\$ 5,308	\$ 27,606	\$ 14,934
<i>Non-GAAP effective tax rate</i>	15.4%	15.9%	15.7%	15.5%	15.4%

* Non-GAAP Provision for Income Taxes does not include tax adjustments for the following components of our net income: additional AMTC related costs, labor savings costs, and out-of-period adjustment for depreciation expense of GMR assets. The related tax effect of those adjustments to GAAP results were \$— and \$1,851 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively.

	Three-Month Period Ended			Fiscal Year Ended	
	March 25, 2022	December 24, 2021	March 26, 2021	March 25, 2022	March 26, 2021
(Dollars in thousands)					
Reconciliation of Non-GAAP Net Income					
GAAP Net Income	\$ 25,652	\$ 32,973	\$ 8,689	\$ 119,555	\$ 18,101
GAAP Basic Earnings per Share	\$ 0.14	\$ 0.17	\$ 0.05	\$ 0.63	\$ 0.22
GAAP Diluted Earnings per Share	\$ 0.13	\$ 0.17	\$ 0.05	\$ 0.62	\$ 0.10
Non-core loss (gain) on sale of equipment	1	(19)	156	(349)	442
Voxtel inventory impairment	—	—	—	3,106	—
Miscellaneous legal judgment charge	—	—	—	—	574
Loss on debt extinguishment	—	—	—	—	9,055
Foreign currency translation loss	513	3	1,558	568	2,889
Income in earnings of equity investment	(215)	(287)	(6)	(1,007)	(1,413)
Unrealized losses (gains) on investments	760	(3,504)	—	(3,722)	—
Inventory cost amortization	—	—	—	—	2,698
Foundry service payment	—	—	930	—	5,930
Stock-based compensation	14,901	7,620	2,969	33,548	49,870
Interest on repaid portion of Term Loan Facility	—	—	—	—	2,163
AMTC Facility consolidation one-time costs	74	108	2,113	803	7,812
Amortization of acquisition-related intangible assets	295	296	310	1,182	768
COVID-19 related expenses	514	499	322	2,618	5,228
Impairment of long-lived assets	—	—	7,119	—	7,119
Change in fair value of contingent consideration	100	(2,700)	(2,500)	(2,000)	(2,500)
Transaction fees	389	1,085	3,727	1,503	7,444
Severance	—	578	—	746	156
Tax effect of adjustments to GAAP results	(2,817)	(561)	3,053	(6,415)	(34,486)
Non-GAAP Net Income*	\$ 40,167	\$ 36,091	\$ 28,440	\$ 150,136	\$ 81,850
Basic weighted average common shares	189,997,738	189,736,901	189,429,893	189,748,427	83,448,055
Diluted weighted average common shares	192,125,252	192,068,222	190,860,556	191,811,205	176,416,645
Non-GAAP Basic Earnings per Share	\$ 0.21	\$ 0.19	\$ 0.15	\$ 0.79	\$ 0.98
Non-GAAP Diluted Earnings per Share	\$ 0.21	\$ 0.19	\$ 0.15	\$ 0.78	\$ 0.46

* Non-GAAP Net Income does not include adjustments for the following components of our net income: (i) additional AMTC related costs of \$— and \$7,276 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, labor savings costs of \$— and \$218 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, and out-of-period adjustment for depreciation expense of GMR assets of \$— and \$768 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively, and (ii) the related tax effect of adjustments to GAAP results of \$— and \$1,851 for the fiscal years ended March 25, 2022 and March 26, 2021, respectively.

Investor Contact:

Katherine Blye

Investor Relations

Phone: (603) 626-2306

kblye@ALLEGROMICRO.com

Allegro MicroSystems Announces CEO Retirement and Appointment of Successor
—Former Sensata Technologies Executive Brings Over 25 Years of Technology Leadership—

Manchester, NH, May 9, 2022 – Allegro MicroSystems, Inc. (“Allegro” or the “Company”) (Nasdaq: ALGM), a global leader in power and sensing semiconductor solutions for motion control and energy efficient systems, today announced that its President and Chief Executive Officer, Ravi Vig, is retiring. Mr. Vig, will retire, effective June 13, 2022, from his roles as President, CEO and a member of the board of directors, which he has held since 2016 after joining the Company in 1984. Mr. Vig will continue to support the leadership transition and serve in an advisory role to the Company for the next 6 months.

“On behalf of the Board and the entire management team, I would like to extend our sincere appreciation to Ravi for his dedication, contributions and leadership to Allegro for nearly 38 years,” stated Yoshihiro (Zen) Suzuki, Chairman of Allegro MicroSystems. “He has been instrumental in our strategic transformation, successfully bringing the company public and leading us through our initial growth phase, culminating in the achievement of record annual growth in net sales of 30% in fiscal year 2022.”

“It has been an honor and privilege to lead Allegro through the Company’s strategic transformation, and our transition from a private company to a high-growth public company,” commented Ravi Vig. “The decision to retire was one of the most difficult decisions of my career, yet it is the right time for me personally and for the Company as we report record results for fiscal year 2022. Allegro’s market opportunity has never been greater, and the Company is uniquely positioned to benefit from key secular growth trends in xEV, ADAS, data center and industrial to further extend its growth trajectory.”

After an extensive search, the board of directors has appointed Vineet Nargolwala as President and CEO and a member of the board of directors, effective June 13, 2022. Mr. Suzuki commented, “We are very pleased to welcome Vineet to the Allegro executive team and believe his extensive leadership experience and proven track record of growth in multiple industries will be integral to taking Allegro to the next level of growth and expansion.”

“I am thrilled to join Allegro at such an exciting time and become a part of this world class management and engineering team,” stated Mr. Nargolwala. “Allegro has an outstanding reputation for technology innovation and quality as the leading provider of semiconductor technologies for sensing and power in the automotive and industrial markets. With alignment to fast growing markets and strong design win momentum, I believe the Company has significant opportunities ahead that are anchored on key trends in electrification, Industry 4.0, data centers, autonomous vehicles and efficient motion control. I look forward to further advancing Allegro’s growth strategy and driving value for all stakeholders for years to come.”

Vineet Nargolwala is a successful technology executive with over 25 years of global executive leadership experience. Prior to joining Allegro, Mr. Nargolwala previously served as Executive Vice President of Sensing Solutions at Sensata Technologies (NYSE: ST), a leading industrial technology company that develops sensors and sensor-based solutions for the automotive, heavy vehicle and off-road, industrial, and aerospace industries. He joined Sensata in 2013 and held various global executive positions. Prior to Sensata, he was with Honeywell International Inc. for over nine years in business strategy and P&L leadership roles of increasing responsibility. Prior to Honeywell, Mr. Nargolwala was at Nortel Networks in product management and engineering roles. Mr. Nargolwala holds a bachelor’s degree in Electrical Engineering from Maharaja Sayajirao University in Baroda, India, a master’s degree in Electrical Engineering from the University of Texas and a Master of Business Administration from Cornell University.

About Allegro MicroSystems

Allegro MicroSystems is a leading global designer, developer, fables manufacturer and marketer of sensor integrated circuits (“ICs”) and application-specific analog power ICs enabling emerging technologies in the automotive and industrial markets. Allegro’s diverse product portfolio provides efficient and reliable solutions for the electrification of vehicles, automotive ADAS safety features, automation for Industry 4.0 and power saving technologies for data centers and green energy applications.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate,” “target,” “mission,” “may,” “will,” “would,” “project,” “predict,” “contemplate,” “potential,” or the negative thereof and similar words and expressions.

Forward-looking statements are based on management’s current expectations, beliefs and assumptions and on information currently available to us. Such statements are subject to a number of known and unknown risks, uncertainties and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various important factors, including, but not limited to: downturns or volatility in general economic conditions, including as a result of the COVID-19 pandemic, particularly in the automotive market; COVID-19 induced lock-downs and suppression on our supply chain and customer demand; our ability to compete effectively, expand our market share and increase our net sales and profitability; our ability to compensate for decreases in average selling prices of our products; the cyclical nature of the analog semiconductor industry; shifts in our product mix or customer mix, which could negatively impact our gross margin; our ability to manage any sustained yield problems or other delays at our third-party wafer fabrication facilities or in the final assembly and test of our products; any disruptions at our primary third-party wafer fabrication facilities; our ability to fully realize the benefits of past and potential future initiatives designed to improve our competitiveness, growth and profitability; our ability to accurately predict our quarterly net sales and operating results; our ability to adjust our supply chain volume to account for changing market conditions and customer demand; our reliance on a limited number of third-party wafer fabrication facilities and suppliers of other materials; our dependence on manufacturing operations in the Philippines; our reliance on distributors to generate sales; our indebtedness may limit our flexibility to operate our business; the loss of one or more significant end customers; our ability to develop new product features or new products in a timely and cost-effective manner; our ability to meet customers’ quality requirements; uncertainties related to the design win process and our ability to recover design and development expenses and to generate timely or sufficient net sales or margins; changes in government trade policies, including the imposition of tariffs and export restrictions; our exposures to warranty claims, product liability claims and product recalls; our ability to protect our proprietary technology and inventions through patents or trade secrets; our ability to commercialize our products without infringing third-party intellectual property rights; disruptions or breaches of our information technology systems; risks related to governmental regulation and other legal obligations, including privacy, data protection, information security, consumer protection, environmental and occupational health and safety, anti-corruption and anti-bribery, and trade controls; our dependence on international customers and operations; the availability of rebates, tax credits and other financial incentives on end-user demands for certain products; the volatility of currency exchange rates; risks related to acquisitions of and investments in new businesses, products or technologies, joint ventures and other strategic transactions; our ability to raise capital to support our growth strategy; our ability to effectively manage our growth and to retain key and highly skilled personnel; changes in tax rates or the adoption of new tax legislation; risks related to litigation, including securities class action litigation; and our ability to accurately estimate market opportunity and growth forecasts; and other important factors discussed under the caption “Risk Factors” in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on May 19, 2021, as any such factors may be updated from time to time in our other filings with the SEC, which are accessible on the SEC’s website at www.sec.gov and the Investors Relations page of our website at investors.allegromicro.com.

All forward-looking statements speak only as of the date of this press release and, except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Investor Contact:

Katherine Blye

Investor Relations

Phone: (603) 626-2306

kblye@ALLEGROMICRO.com