

Qualcomm 2024 Annual Meeting of Stockholders

March 5th, 2024

Corporate Participants:

Mark D. McLaughlin – Qualcomm Incorporated, Chair of the Board

Ann Chaplin – Qualcomm Incorporated, General Counsel & Corporate Secretary

Cristiano R. Amon – Qualcomm Incorporated, President & Chief Executive Officer

Akash Palkhiwala – Qualcomm Incorporated, Chief Financial Officer & Chief Operating Officer

Video Narrator: Welcome to the edge of possible. Qualcomm is changing the game, driving advances in on-device AI across industries, giving designers new ways to shape the world we live in, and creating tools that can bring our imaginations.

Actor: Okay, bring it up.

Video Narrator: -- to life.

Actor: Add a solar panel array. Yeah, there we go.

Video Narrator: Whether you're architecting a new world or reinventing the supply chain, Qualcomm is transforming business to bring intelligent computing everywhere. Helping the auto industry design smarter vehicles.

Car AI Assistant: Don't forget, it's date night tonight.

Actor: Why don't you find a store that sells Single Creamery ice cream.

Video Narrator: -- So, you can sit back and enjoy the drive. Qualcomm is engineering human progress, creating a smarter, more connected world for everyone.

Mark McLaughlin: Good morning, ladies and gentlemen, I'm Mark McLaughlin, Chair of the Board of Directors of Qualcomm Incorporated. And welcome to Qualcomm's 2024 Annual Meeting of Stockholders. Before I call the meeting to order, I'd like to introduce the other members of the Board who are with us this morning. Sylvia Acevedo, Mark Fields, Jeff Henderson, Greg Johnson,

Ann Livermore, Jamie Miller, Irene Rosenfeld, Neil Smit, Jean-Pascal Tricoire, and Tony Vinciguerra.

I would also like to introduce our executives who are here with us. Cristiano Amon, Qualcomm's President and Chief Executive Officer. Cristiano is also a member of the Board. Akash Palkhiwala, our Chief Financial Officer and Chief Operating Officer; Heather Ace, our Chief Human Resources Officer; Ann Chaplin, our General Counsel and Corporate Secretary; and Alex Rogers, our President, QTL and Global Affairs.

Finally, with us is Bob Barrett of the accounting firm PricewaterhouseCoopers LLP, the Company's independent public accountants. Mr. Barrett has no formal statement to make in today's meeting, but he will be available to answer any questions concerning PwC and its services to the Company during the question-and-answer session.

Today's meeting will be conducted according to the agenda set forth in the proxy statement and the Rules of Conduct for the meeting, which are available on the web portal. Please note that we will post both a replay and a transcript of this meeting on our website following the meeting.

Qualcomm's 2024 Annual Meeting of Stockholders will now come to order. I will act as Chair of the meeting and Ann Chaplin will act as Secretary. After the formal portion of the meeting, Cristiano will provide a business update, and the executive team will take questions. I will now turn it over to Ann for certain procedural matters.

Ann Chaplin: Thank you, Mark. The polls are now open for voting and will remain open through the reporting of preliminary results. Stockholders who have already voted either by mail, the internet or telephone do not need to vote today unless you wish to change your vote. If you wish to vote during this meeting, please use the "Vote Here" button on the web portal.

In addition, if you wish to ask a question, please do so by typing your question in the "Ask a Question" box on the portal and clicking the Submit button. As Mark noted, we will take questions following the formal portion of the meeting and business presentation. We will answer as many of your questions as time permits.

I have with me an Affidavit certifying that commencing on January 18th, 2024, a Notice of the 2024 Annual Meeting of Stockholders was distributed to stockholders of record as of the close of business on the record date of January 8th, 2024. The Affidavit of Distribution will be attached to the minutes of this meeting.

Mr. Peter Descovich has been appointed to act as the Inspector of Election for this meeting. Mr. Descovich has taken and subscribed to the customary Oath of Office to execute his duties with strict impartiality. This Oath will also be attached to the minutes of this meeting. The Inspector's function is to decide upon the qualifications of voters, accept their votes, and when voting is complete, to tally the final votes.

Mr. Descovich is also on the line. I have been informed by the Inspector of Election that at least a majority of the Company's outstanding shares of common stock are present here today in person or by proxy. This constitutes a quorum for the transaction of business.

Since the requirements for calling this meeting have been duly observed, and there are represented here more than the necessary number of shares of the outstanding common stock of the Company to constitute a quorum, this meeting is duly constituted for the transaction of all business. And our Chair will now review the proposals.

Mark McLaughlin: The formal business of this meeting is listed in the Notice of Annual Meeting and Proxy Statement that was provided to stockholders. There are six proposals to be considered. And I will now place each of the proposals before the meeting.

The first item of business is the election of 12 Directors to serve until next year's Annual Meeting of Stockholders. The Board has nominated the following persons for election as Directors and recommends the stockholders vote for each nominee: Sylvia Acevedo, Cristiano Amon, Mark Fields, Jeff Henderson, Greg Johnson, Ann Livermore, Mark McLaughlin, Jamie Miller, Irene Rosenfeld, Neil Smit, Jean-Pascal Tricoire, and Tony Vinciguerra. Since no other Director nominations were received prior to the deadline specified in our Bylaws and stated in last year's proxy materials, the nominations are closed.

The second item of business is the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent public accountants for our fiscal year ending September 29th, 2024. The Board recommends that stockholders vote for this proposal.

The next item of business is Proposal 3, which asks stockholders to adopt a resolution described in the proxy statement to approve the compensation of the Company's named executive officers on a non-binding, advisory basis. The Board recommends that the stockholders vote for this proposal.

The fourth item of business is the approval of the amended and restated Qualcomm Incorporated 2023 Long-Term Incentive Plan, including an increase in the share reserve by 15 million shares, as further described in the proxy statement. The Board recommends that the stockholders vote for this proposal.

The fifth item of business is the approval of an amendment to our Certificate of Incorporation to reflect new Delaware law provisions regarding the exculpation of officers. The Board's statement in support of this proposal is set forth in a proxy statement. And the Board recommends that the stockholders vote for this proposal.

And the final item of business is Proposal 6, which asks stockholders to approve an amendment to our Bylaws to require claims against the Company under the federal Securities Act to be brought in federal court. The Board's statement in support of this proposal is set forth in the proxy statement. And the Board recommends that stockholders vote for this proposal.

And that concludes the proposals for today's meeting. With the proposals presented, I will now share the preliminary voting results. The Inspector of Election has informed me that based on the preliminary count of the proxies received, all nominees for Director have been elected.

The selection of PricewaterhouseCoopers as the Company's independent public accountants for our fiscal year ending September 29th, 2024 has been ratified.

The stockholder advisory vote on the compensation of the Company's named executive officers has been approved.

The Amended and Restated 2023 Long-Term Incentive Plan has been approved.

The amendment to our Certificate of Incorporation to reflect Delaware law provisions regarding officer exculpation has been approved.

The amendment to our Bylaws to require claims under the Securities Act to be brought in federal court has been approved. Back to you, Ann.

Ann Chaplain: Thank you, Mark. Following this meeting, the Inspector of Election will tabulate any votes cast during the meeting and certify and provide final voting results. The final voting results will be published on our website and reported within four business days on a Form 8-K, which will be filed with the Securities and Exchange Commission.

I now declare the polls closed and the official portion of the meeting concluded. In a moment, Cristiano will provide a business presentation, after which we will have a question-and-answer session. Please note that we may make forward-looking statements during the presentation or the question-and-answer session regarding future events or future results of the Company. Actual events or results may differ materially from those in the forward-looking statements. Please refer to the risk factors section of our most recent quarterly report on Form 10-Q for a description of important factors that could cause actual events or results to differ materially from those in the forward-looking statements.

In addition, for any non-GAAP financial measures used in the presentation, a reconciliation to the most directly comparable GAAP measures is provided on the Investor Relations page of our website at www.qualcomm.com. I would now like to turn the meeting over to Cristiano.

Cristiano R. Amon: Thank you for joining us today. I'm delighted to discuss our vision and opportunities with you.

Qualcomm's focus is to deliver intelligent computing everywhere, helping the world tackle its most important challenges. In 2023, we made significant strides in executing our strategy. Our proven solutions continue to drive transformation across major industries, and our Snapdragon platforms power extraordinary consumer and enterprise experiences.

Building on our nearly 40-year history of era-defining innovation, our leading technologies include advanced wireless connectivity, high-performance, low-power compute, and on-device intelligence. Together with our ecosystem partners, we're enabling next-generation digital transformation that can enrich lives, improve businesses, and advance societies.

A revolutionary development last year was Generative AI. And we are witnessing an unprecedented pace of innovation and adoption. We believe the impact will be significant as Gen AI applications become indispensable companions and business enablers.

Qualcomm is helping drive the evolution of Gen AI to run on-device in addition to the cloud, transforming how we interact with our devices and making the user experience more natural, precise, personalized, reliable, and private.

We're bringing Gen AI capabilities to smartphone users worldwide. Our leadership in premium and high-tier Android devices continues with our latest Snapdragon mobile platforms, which now feature significantly enhanced AI processing performance.

We also believe the AI revolution will extend beyond smartphones. This year will be an inflection point for the PC industry with the arrival of next-generation PCs and a redefined Windows experience featuring Copilot, an AI companion that intelligently adapts to your needs.

Purpose built for this new opportunity, the Snapdragon X Elite, our first implementation of the custom Qualcomm Oryon CPU, features industry-leading AI performance and significant improvements in performance and battery life. It is poised to set the industry benchmark for on-device Gen AI and Copilot experiences.

Our breakthrough technologies are also helping to enable the future of spatial computing, and our Snapdragon platforms remain the preferred choice for leading virtual reality, mixed reality, and augmented reality designs. The convergence of physical and digital spaces continues to be a strong opportunity.

While the digital transformation of industries is still in the early phases, the scale of the opportunity for Qualcomm in the long term across many verticals is significant. As we position ourselves for growth in one of the largest addressable opportunities, we are accelerating investments in ecosystem development and broad channel enablement.

In networking, we're a leader in Wi-Fi technology across enterprise, home networks and broadband gateways, and are well positioned for the transition from Wi-Fi 6 and 6E to Wi-Fi 7 later this year. And we're also driving next-generation broadband with our 5G Fixed Wireless Access solutions, which offer operators the most efficient means of connecting the last mile.

Lastly, in automotive, the industry continues to evolve at an unprecedented rate driven by the adoption of digital technologies. The software-defined vehicle is at the core of this transformation, offering automakers a significant opportunity to deliver enhanced connectivity, improved safety and security features, increased levels of autonomy, as well as new business models and revenue streams.

Our Snapdragon Digital Chassis remains at the center of this transformation. Throughout the year, we continued to add new design wins to our automotive pipeline and we extended our Snapdragon Digital Chassis solutions to meet the requirements of other vehicle classes such as motorcycles, e-bikes, scooters and all-terrain vehicles. We're pleased with the progress we have made in automotive and look forward to working with our ecosystem partners to drive this industry into the future.

There are few companies that are as well positioned as Qualcomm to participate in the transformation of so many industries. We have the industry's best team. Our technology roadmap has never been stronger. Our diversification strategy is working, and the fundamentals of Qualcomm's growth drivers remain unchanged. Qualcomm remains focused on engineering human progress. Thank you, and we're grateful for your support.

Mauricio Lopez-Hodoyan: Welcome to the Q&A portion of the meeting. I'm Mauricio Lopez-Hodoyan, Vice President of Investor Relations at Qualcomm. I'll be reading stockholder questions that are germane to the meeting. If we have multiple questions on the same or similar topics, we'll group those questions to avoid repetition.

As a reminder, a replay and transcript of this meeting, including this Q&A session will be available on the Investor Relations page of our website at www.qualcomm.com following the meeting.

And now for our first question: What do you see as the biggest opportunities for the Company in the next few years?

Cristiano R. Amon: Hello, everyone. This is Cristiano Amon. The biggest opportunity for the Company is the digital transformation that is happening in the Edge that can leverage technologies that the Company has had the leadership on for many years such as connectivity, high-performance compute, and on-device intelligence.

And what we have determined at Qualcomm a few years ago, as we put together the strategy for growth and diversification, is that there are many new end markets beyond mobile that can benefit from our technology. And that's reflected in how we've been executing in automotive,

how we're entering the PC space, how we've been well positioned for the future transition to spatial computing, and what we are doing at the Edge for industrial.

And we believe that's one of the largest addressable markets in the history of our Company. And we've been executing to the plan.

Mauricio Lopez-Hodoyan: Next question. You issued a press release this morning announcing an increase in your quarterly dividend. Can you provide any additional background on your capital return strategy?

Cristiano R. Amon: Akash, could you answer that question?

Akash Palkhiwala: Sure. Good morning, everyone. So, as you're aware, our capital return strategy is really two parts. We increased our dividends this morning from \$0.80 to \$0.85 per share per quarter. And this is consistent with the trend we've had of increasing dividends over the last several years.

The second part of our capital return program is buying back our stock. And so as we've committed to shareholders, we plan to use most of our free cash flow in any given year as a combination of these two instruments to return to shareholders. And so pretty consistent capital return policy over the last several years, and consistent with what we've communicated to the investors and we plan to continue to execute to it.

Mauricio Lopez-Hodoyan: We have another question on what role will Generative AI play in Qualcomm's growth story going forward?

Cristiano R. Amon: Yes. You know, the accelerating computing requirements to enable Generative AI, it's a great opportunity for Qualcomm. One of the highly differentiated technologies of Qualcomm is

the ability to do Gen AI in a very efficient way from a power consumption [standpoint], in the ability to actually have Gen AI run continuously all day on battery-powered devices.

We see that coming to phones. We actually recently announced, at Mobile World Congress, our AI Hub showing over 75 models from language, audio, visual, and many other applications already optimized to our Gen AI processing engine. We call it the NPU, the Neural Processing Unit.

That is going to start showing a number of different use cases on devices. In automotive, we have the ability to enable Gen AI in the Snapdragon Digital Cockpit. And we'll create new user experiences as you actually have contextual conversation with the assistant while you're behind the wheel. And we're seeing that happening in the PC as we enter the space with the Copilot.

So, I will summarize it. I think Gen AI can create an opportunity for a whole new upgrade cycle in phones as this ecosystem mature. It will consolidate the Qualcomm leadership position in modern digital cockpit experiences and actually is a significant tailwind of our entry into the PC space. It's a significant opportunity for Qualcomm in the coming years.

Mauricio Lopez-Hodoyan: Next question, the SD X Elite SoC for PCs is likely in production to support PC sales mid-year 2024. Were sales revenues for these chips included your guidance for 2Q fiscal 2024 as accruals? And how many PC makers have contracted to buy these chips?

Cristiano R. Amon: So, I'll start the answer. And I'll ask Akash to talk about the financial implications of this product. The X Elite today, it's, for the Windows ecosystem, one of the fastest performing SoC for laptop. And it's part of the next-generation Windows, which is Windows AI with embedded Copilot experiences.

We have now designs of the X Elite across all PC makers from HP, Dell, Lenovo, Asus, Acer. We also have designs with companies like Samsung and other mobile players. And it's scheduled to launch in the Back to School 2024. Akash, you may want to answer the question about the financial implication, please?

Akash Palkhiwala: Yeah. From a revenue timing perspective, as Cristiano mentioned, we expect Back to School launches for new devices with our chips. So that would impact our fourth fiscal quarter a little bit, but really, we see this as a material event in fiscal 2025.

Mauricio Lopez-Hodoyan: How is the relationship with Apple going? Are we concerned about losing their business?

Cristiano R. Amon: We have a great relationship with Apple. As related to supply, the modem technology for the iPhones, I think we've just recently extended the agreement to include products launching by Apple all the way to 2026. We also renewed our license agreement. It was a unilateral decision made by Apple to extend the agreement until 2027. And we're just executing the chipset supply to iPhones based on this contract.

Mauricio Lopez-Hodoyan: Okay. Next question. What are you doing to ensure that you maintain technical leadership?

Cristiano R. Amon: That's a great question. And I think that has a lot to do with the history of the Company. I think, one thing we're very proud of since the beginning of Qualcomm, we had continued to reinvent ourselves from the early days of CDMA to be a leader in OFDMA with transition of 4G to deliver 5G one year ahead of schedule.

And in this whole process, changing the Company from a communications company to a connected computing company, think for future of the computing devices. And you see that happening again as Qualcomm has developed one of the most power-efficient, accelerating computing technology for AI.

Qualcomm is all about innovation. The majority of our employees, our engineers, actually, we were one of the leading US companies in terms of patent disclosures in 2023. And I think, we can never become complacent and continue to drive the technology roadmap forward. I think that's what defines our Company.

Mauricio Lopez-Hodoyan: Okay, next question. Can you provide us with any updates on the traction your automotive products are receiving?

Cristiano R. Amon: Yes. The automotive business is one of the most successful examples of the Qualcomm growth and diversification strategy. As being not well known as an automotive supplier, I think Qualcomm today is the industry leader in modern digital cockpit experiences and connectivity.

And we have designs with virtually every car company in the world. We have been supporting the connection of the car to the cloud, the new fully immersive digital cockpit. And we provide both the processor -- or the processor or the stack for assisted driving. We have disclosed that we have a pipeline of over \$30 billion in design wins within the automotive industry.

And at the next earnings call, we will provide an update on this pipeline. It continues to grow faster than the market as Qualcomm gains share. And we are on track to meet our \$4 billion revenue in 2026 and \$9 billion at the end of the decade.

Mauricio Lopez-Hodoyan: And that concludes today's Q&A session. Cristiano, would you like to make any closing remarks?

Cristiano R. Amon: No, I just wanted to say thank you to all of our stockholders, to our employees, and to our partners.