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

FORM 8-K/A
(Amendment No. 1)

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

Date of Report (Date of earliest event reported): August 15, 2022

Navitas Semiconductor Corporation

(Exact name of registrant as specified in its charter)

Delaware	**001-39755**	**85-2560226**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3520 Challenger Street, Torrance, California	**90503-1640**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(844) 654-2642**

2101 E. El Segundo Blvd., Suite 205, El Segundo, California 90245
(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 obligations 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(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.0001 per share	**NVTS**	**The Nasdaq Stock Market LLC**

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. ☐

EXPLANATORY NOTE

This amendment no. 1 on Form 8-K/A is being filed by Navitas Semiconductor Corporation ("Navitas" or the "Company") to amend its current report on Form 8-K filed on August 15, 2022. As reported in the initial Form 8-K, Navitas completed its acquisition (the "Acquisition") of GeneSiC Semiconductor Inc., a Delaware corporation ("GeneSiC"), on August 15, 2022. The financial statements required by Item 9.01(a) and (b) of Form 8-K in connection with the Acquisition were not included in the initial report. Rather, as permitted by the instructions to Item 9.01, Navitas is filing this amendment to include the required financial statements and pro forma financial information. Except as so amended, all of the information in the initial current report on Form 8-K (including exhibits) is unchanged. Also, except as specifically described herein, this amendment does not describe events occurring after our filing of the initial Form 8-K, or modify or update disclosures in the initial Form 8-K (including exhibits) affected by such subsequent events. This amendment should be read in conjunction with the initial Form 8-K and our other SEC filings.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The historical audited balance sheets of GeneSiC as of December 31, 2021 and 2020 and the related audited statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes thereto, and the independent auditor's report, are filed as Exhibit 99.1 to this Form 8-K/A.

The unaudited condensed balance sheets of GeneSiC as of June 30, 2022 and December 31, 2021 and the related unaudited statements of operations, stockholders' equity, and cash flows for the six months ended June 30, 2022, and the related notes thereto are filed as Exhibit 99.2 to this Form 8-K/A.

(b) Pro Forma Financial Information

The following unaudited pro forma financial information for the Company is filed as Exhibit 99.3 to this Form 8-K/A:

- Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2022;
- Unaudited Pro Forma Condensed Combined Statement of Operations for the six months ended June 30, 2022;
- Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2021; and
- Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

Cautionary Language Concerning Forward-Looking Statements

The pro forma financial information in Exhibit 99.2 contains forward looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements about the commercial progress and future financial performance of the Company as well as the Acquisition. This pro forma financial information contains forward-looking statements that are based upon management's current expectations, assumptions, estimates, projections and beliefs. These statements include, but are not limited to, statements regarding our current product offerings and marketing efforts, and the financial impact of the Acquisition. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or achievements to be materially different and adverse from those expressed in or implied by these forward-looking statements. Other risks relating to the Company's business, including risks that could cause results to differ materially from those projected in such forward-looking statements, are provided in the Company's annual report on Form 10-K for the year ended December 31, 2021, subsequent quarterly reports on Form 10-Q, especially under the heading "Risk Factors." The forward-looking statements in this Form 8-K/A speak only as of this date, and the Company disclaims any intent or obligation to revise or update publicly any forward-looking statement except as required by law.

(d) *Exhibits*

The following exhibits are filed as part of this amendment no. 1 on Form 8-K/A:

Exhibit Number	**Description**
23.1	Consent of CohnReznick LLP
99.1	Audited financial statements of GeneSiC Semiconductor Inc. for the years ended December 31, 2021 and 2020
99.2	Unaudited condensed financial statements of GeneSiC Semiconductor Inc. as of and for the six months ended June 30, 2022
99.3	Unaudited pro forma condensed combined financial information for Navitas
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

NAVITAS SEMICONDUCTOR CORPORATION

Dated: October 31, 2022

By: /s/ Gene Sheridan
Gene Sheridan
President and Chief Executive Officer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-262324) of Navitas Semiconductor Corporation, of our report dated October 26, 2022 with respect to the financial statements of GeneSiC Semiconductor Inc. as of and for the years ended December 31, 2021 and 2020, which is included in the Current Report on Form 8-K/A filed by Navitas Semiconductor Corporation on October 31, 2022.

/s/ CohnReznick LLP

Los Angeles, California
October 31, 2022

Exhbit 99.1

GeneSiC Semiconductor Inc.

Financial Statements
and Independent Auditor's Report

December 31, 2021 and 2020

GeneSiC Semiconductor Inc.

Index

Independent Auditor's Report

To the Management
GeneSiC Semiconductor Inc.

We have audited the financial statements of GeneSiC Semiconductor Inc., which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GeneSiC Semiconductor Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GeneSiC Semiconductor Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GeneSiC Semiconductor Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GeneSiC Semiconductor Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GeneSiC Semiconductor Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

CohnReznick LLP

Los Angeles, California
October 26, 2022

GeneSiC Semiconductor Inc.

Balance Sheets
December 31, 2021 and 2020

Assets

		2021		2020
Current assets				
Cash	$	941,414	$	581,754
Accounts receivable		3,499,790		1,440,722
Inventory		884,594		379,036
Prepaid expenses and other		4,800		3,326
Total current assets		5,330,598		2,404,838
Property and equipment, net of accumulated depreciation and amortization		13,701		10,194
Total assets	$	5,344,299	$	2,415,032

Liabilities and Stockholder's Equity

		2021		2020
Current liabilities				
Accounts payable	$	718,511	$	433,035
Accrued expenses		641,608		187,184
Total current liabilities		1,360,119		620,219
Commitments and contingencies				
Stockholder's equity				
Common stock, no par value, 5,000 shares authorized, issued, and outstanding		50,000		50,000
Retained earnings		3,934,180		1,744,813
Total stockholder's equity		3,984,180		1,794,813
Total liabilities and stockholder's equity	$	5,344,299	$	2,415,032

See Notes to Financial Statements.

GeneSiC Semiconductor Inc.

Statements of Operations
Years Ended December 31, 2021 and 2020

	2021	2020
Revenue, net	$ 14,408,643	$ 6,505,525
Cost of revenue	4,826,004	2,984,602
Gross profit	9,582,639	3,520,923
Selling, general and administrative	1,773,803	1,191,753
Operating income	7,808,836	2,329,170
Other income (expense)		
Other income	11	350,206
Other expense	(73,225)	(1,169)
Total other income (expense)	(73,214)	349,037
Net income	$ 7,735,622	$ 2,678,207

See Notes to Financial Statements.

GeneSiC Semiconductor Inc.

Statements of Stockholders' Equity
Years Ended December 31, 2021 and 2020

	Common stock				Retained		
	Shares		Amount		earnings		Total
Balance, January 1, 2020	5,000	$	50,000	$	1,411,606	$	1,461,606
Distributions	-		-		(2,345,000)		(2,345,000)
Net income	-		-		2,678,207		2,678,207
Balance, December 31, 2020	5,000	$	50,000	$	1,744,813	$	1,794,813
Distributions	-	$	-	$	(5,546,255)	$	(5,546,255)
Net income	-		-		7,735,622		7,735,622
Balance, December 31, 2021	5,000	$	50,000	$	3,934,180	$	3,984,180

See Notes to Financial Statements.

GeneSiC Semiconductor Inc.

Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows provided by operating activities		
Net income	$ 7,735,622	$ 2,678,207
Adjustments to reconcile net income to net cash provide by operating activities		
Depreciation and amortization	9,607	15,976
Gain on forgiveness of SBA loan	-	(350,038)
Changes in operating assets and liabilities		
Accounts receivable	(2,059,068)	(371,123)
Inventory	(505,558)	(160,959)
Prepaid expenses and other	(1,474)	1,516
Accounts payable	285,476	267,464
Accrued expenses	454,424	75,352
Net cash provided by operating activities	5,919,029	2,156,395
Cash flows from investing activities		
Purchases of property and equipment	(13,114)	(8,002)
Net cash used in investing activities	(13,114)	(8,002)
Cash flows from financing activities		
Distributions to stockholder	(5,546,255)	(2,345,000)
Proceeds from SBA loan	-	350,038
Net cash used in financing activities	(5,546,255)	(1,994,962)
Net increase in cash	359,660	153,431
Cash, beginning	581,754	428,323
Cash, end	$ 941,414	$ 581,754
Supplemental disclosure of cash flow information		
Forgiveness of SBA loan	$ -	$ 350,038

See Notes to Financial Statements.

Note 1 - Business and summary of significant accounting policies

Business

GeneSiC Semiconductor Inc. (the "Company") was incorporated in the State of Maryland on May 10, 2004. In December 2004, the Company elected to be treated as an S-Corporation. In February 2022, the Company converted to a Delaware corporation. The principal business of the Company is to provide technical expertise in specialized engineering and scientific fields to the various federal government agencies and the supply of materials and equipment incidental to the technical knowhow. The Company also provides the silicon and silicon carbide products to commercial clients.

Accounts receivable

Accounts receivable are reported as the amount management expects to collect from outstanding balances. Management performs an analysis of the current status of each individual customer account to determine the appropriate level for the allowance for doubtful accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts.

Inventory

Inventory consists of raw material, work-in-progress, and finished goods and is valued at the lower of cost or net realizable value with cost determined using the first-in, first-out cost method. The Company periodically reviews inventory for potential obsolescence based upon an aging analysis of the inventory on hand, specifically known inventory-related risks, and assumptions about future demand and market conditions. Inventory items determined to be impaired based on such review are reduced to their net realizable value.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, generally ranging from three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life of the asset or the lease term. Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Long-lived assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Company compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that an impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset carrying values and the present value of estimated net cash flows or comparable market values, giving consideration to recent operating performance and pricing trends. There were no impairments of long-lived assets for the years ended December 31, 2021 and 2020.

Deferred rent

The Company records rent expense under its operating lease on a straight-line basis over the lease term. Deferred rent results from the difference between increasing monthly cash rent payments and the straight-line expense. There was no deferred rent balance as of December 31, 2021 and 2020.

Revenue recognition

Revenue from the sale of goods is recognized at a point in time when a contract exists with a customer that specifies an agreed upon sales price and when the performance obligation is satisfied by transferring the goods to the customer, which generally occurs upon shipment. Revenue is recognized at the amount that depicts the consideration the Company expects to be entitled to in exchange for those goods. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties. Revenue from the sale of goods amounted to $9,220,034 and $2,247,566 for the years ended December 31, 2021 and 2020, respectively.

Contract revenue is recognized in three types of contracts. Contract revenue amounted to $5,188,609 and $4,257,959 for the years ended December 31, 2021 and 2020, respectively. The Company provides services under fixed fee, cost plus fee and time and material type contracts:

- On fixed fee contracts, revenues are recognized on the basis of the estimated percentage of completion of services, the percentage being the ratio of direct labor hours worked to total contracted hours.

- On cost plus fee type contracts, revenues are recognized as costs are incurred such as direct labor and other direct costs, indirect costs and the applicable fees earned. Reimbursable costs are included in both revenues and expenses.

- For time and materials type contracts, revenues are recognized by the application of contract labor and material rates as services are performed.

Advertising

Advertising costs, which are included in other expenses, are expensed as incurred. Advertising costs charged to operations for the years ended December 31, 2021 and 2020 amounted to $16,619 and $451, respectively.

Income taxes

The Company is a qualified "S" corporation. Earnings and losses for tax reporting purposes are included in the personal income tax returns of the stockholders. Accordingly, no provision for income taxes has been reflected in these financial statements. State income tax expense for the Company is based upon transactions entering into the pretax operating results, using the statutory tax rates applicable to "S" corporations. The Company expects to pay the necessary distributions to satisfy the stockholder's estimated personal income tax liabilities based upon the Company's taxable income, if any.

When necessary, the Company recognizes interest and penalties associated with tax matters as part of operating expenses and includes accrued interest and penalties with accrued expenses in the balance sheets.

The Company has no unrecognized tax benefits at December 31, 2021 and 2020. The Company's federal and state income tax returns prior to fiscal year 2018 and 2017, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently adopted accounting pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606) providing new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers and reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues.

The Company adopted the new revenue recognition guidance as of January 1, 2020 using the modified retrospective method of transition for all contracts that were not completed as of that date. Adoption of the new revenue recognition guidance did not have an impact on the timing of the Company's revenue recognition.

Subsequent events

The Company has evaluated subsequent events through October 26, 2022, which is the date the financial statements were available to be issued (see Note 9).

Note 2 - Business and credit concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company maintains its cash with high credit quality financial institutions. At times, such amounts may exceed federally insured limits. At December 31, 2021 and 2020, the Company had cash in excess of federally insured limits. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties. As of December 31, 2021 and 2020, there were no losses incurred with respect to excess amounts over the FDIC insured limits.

At December 31, 2021 and 2020, the Company had four customers that accounted for approximately 74% of its accounts receivable and one customer that accounted for approximately 89% of its accounts receivable, respectively. For the years ended December 31, 2021 and 2020, two customers accounted for approximately 33% and 45% of the Company's revenues, respectively.

During the years ended December 31, 2021 and 2020, the Company sourced approximately 73% of its inventories from three vendors and 72% of its inventory from one vendor, respectively.

Note 3 - Inventory

At December 31, 2021 and 2020, inventory consisted of the following:

	2021	2020
Raw material	$ 187,617	$ 104,417
Work in progress	480,547	169,661
Finished goods	216,430	104,958
	$ 884,594	$ 379,036

Note 4 - Property and equipment

At December 31, 2021 and 2020, property and equipment consist of the following:

	2021	2020
Computer and other equipment	$ 293,779	$ 280,779
Software	5,615	5,615
	299,394	286,394
Less accumulated depreciation and amortization	285,693	276,200
	$ 13,701	$ 10,194

For the years ended December 31, 2021 and 2020, depreciation and amortization expense was $9,607and $15,976, respectively.

Note 5 - Commitments and contingencies

Lease commitments

The Company leases its corporate office from a related party under common control under a noncancelable operating lease expiring in February 2024. For the years ended December 31, 2021 and 2020, total rental expenses under the operating leases that have initial or remaining lease terms in excess of one year is $128,520 and $220,320, respectively.

The following is a schedule by years of future minimum lease payments at December 31, 2021 required under the operating leases that have initial or remaining noncancelable terms in excess of one year:

2022	$ 76,748
2023	76,748
2024	12,791
	$ 166,287

COVID-19

In early 2020, the coronavirus that causes COVID-19 was reported to have surfaced in China. The spread of this virus globally in early 2020 has caused temporary business disruption in China, Taiwan, the Philippines and domestically in the United States, the area in which the Company is headquartered. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of this uncertainty. Therefore, while the Company expects this matter to negatively impact the Company's financial condition, results of operations, or cash flows, the extent of the financial impact and duration cannot be reasonably estimated at this time.

Note 6 – Related party transaction

The Company leases office space from a separate entity owned by the stockholder of the Company (see Note 5).

Note 7 - SBA loan

In conjunction with the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") being passed by Congress in March 2020, the Company applied for a Small Business Administration ("SBA") loan as outlined in the Small Business Debt Relief Program. This program provides immediate relief to small business with non-disaster SBA loans. On April 11, 2020, the SBA approved a loan amount of $350,038. The loan has a two-year maturity and includes a fixed interest rate of 1% per year until the maturity date. On May 20, 2021, the SBA forgave the balance and accrued interest of the loan. The Company recorded the gain on forgiveness of the loan in other income for the year ended December 31, 2020.

Note 8 - Profit-sharing plan

The Company maintains a profit-sharing plan covering substantially all employees. The profit-sharing plan is open to all employees for participation in the first quarter following the date of hire or during the open enrollment periods every quarter thereafter. The Company contributes to the plan based on profits earned. Contributions made by the Company are immediately 100% vested. For the years ended December 31, 2021 and 2020, the Company made $177,960 and $142,126 in contributions to the plan, respectively.

Note 9 - Subsequent events

On August 15, 2022, Navitas Semiconductor Corporation ("Navitas") acquired the Company, in exchange for consideration consisting of $100,000,000 in cash and 24,883,161 shares of Navitas common stock. The acquisition was consummated pursuant to an Agreement and Plan of Merger (the "Merger Agreement") by and among the Navitas, Gemini Acquisition LLC, a Delaware limited liability company and a wholly owned direct subsidiary of the Company ("Merger Sub"), the Company, and the stockholders of the Company. Pursuant to the Merger Agreement and immediately after its execution and delivery, the Company merged with and into Merger Sub (the "Merger"), with Merger Sub as the surviving entity and continuing to operate the GeneSiC business after the Merger as a wholly owned subsidiary of Navitas. The Merger Agreement also includes possible earn-out payments of up to $25,000,000, conditioned on revenue targets for the GeneSiC business over the four fiscal quarters ending September 30, 2023.

Exhibit 99.2

GeneSiC Semiconductor Inc.

Condensed Financial Statements
as of and for the six months ended June 30, 2022 (unaudited)

GeneSiC Semiconductor Inc.

Index

GeneSiC Semiconductor Inc.

Condensed Balance Sheets (unaudited)
June 30, 2022 and December 31, 2021

Assets

	June 30, 2022	December 31, 2021
Current assets		
Cash	$ 936,280	$ 941,414
Accounts receivable	2,784,431	3,499,790
Inventory	1,408,000	884,594
Prepaid expenses and other	62,407	4,800
Total current assets	5,191,118	5,330,598
Property and equipment, net of accumulated depreciation and amortization	230,484	13,701
Other assets	6,000	-
Total assets	$ 5,427,602	$ 5,344,299

Liabilities and Stockholder's Equity

	June 30, 2022	December 31, 2021
Current liabilities		
Accounts payable	$ 495,779	$ 718,511
Accrued expenses	427,033	641,608
Total current liabilities	922,812	1,360,119
Commitments and contingencies		
Stockholder's equity		
Common stock, no par value, 5,000 shares authorized, issued, and outstanding	50,000	50,000
Retained earnings	4,454,790	3,934,180
Total stockholder's equity	4,504,790	3,984,180
Total liabilities and stockholder's equity	$ 5,427,602	$ 5,344,299

See Notes to Financial Statements.

Condensed Statement of Operations (unaudited)
Six Months Ended June 30, 2022

	June 30, 2022
Revenue, net	$ 9,845,359
Cost of revenue	2,396,156
Gross profit	7,449,203
Selling, general and administrative	1,194,832
Operating income	6,254,371
Other income(expense)	
Other income	23
Other expense	(56,616)
Total other income(expense)	(56,593)
Net income	$ 6,197,778

See Notes to Financial Statements.

GeneSiC Semiconductor Inc.

Condensed Statement of Stockholders' Equity (unaudited)
For the six months ended June 30, 2022

	Common Stock			
	Shares	Amount	Retained earnings	Total
Balance, December 31, 2021	5,000	$ 50,000	$ 3,934,180	$ 3,984,180
Distributions	-	-	(5,677,168)	(5,677,168)
Net income	-	-	6,197,778	6,197,778
Balance, June 30, 2022	5,000	$ 50,000	$ 4,454,790	$ 4,504,790

See Notes to Financial Statements.

GeneSiC Semiconductor Inc.

Condensed Statement of Cash Flows (unaudited)
For the Six Months Ended June 30, 2022

	June 30, 2022
Cash flows provided by operating activities	
Net income	$ 6,197,778
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	21,568
Changes in operating assets and liabilities	
Accounts receivable	715,359
Inventory	(523,406)
Prepaid expenses and other	(63,607)
Accounts payable	(222,732)
Accrued expenses	(214,575)
Net cash provided by operating activities	5,910,385
Cash flows from investing activities	
Purchases of property and equipment	(238,351)
Net cash used in investing activities	(238,351)
Cash flows from financing activities	
Distributions to stockholder	(5,677,168)
Net cash used in financing activities	(5,677,168)
Net decrease in cash	(5,134)
Cash, beginning	941,414
Cash, end	$ 936,280

See Notes to Financial Statements.

Note 1 – Business and summary of significant accounting policies

Business

GeneSiC Semiconductor Inc. (the "Company") was incorporated in the State of Maryland on May 10, 2004. In December 2004, the Company elected to be treated as an S-Corporation. In February 2022, the Company converted to a Delaware corporation. The principal business of the Company is to provide technical expertise in specialized engineering and scientific fields to the various federal government agencies and the supply of materials and equipment incidental to the technical knowhow. The Company also provides the silicon and silicon carbide products to commercial clients.

Accounts receivable

Accounts receivables are reported as the amount management expects to collect from outstanding balances. Management performs an analysis of the current status of each individual customer account to determine the appropriate level for the allowance for doubtful accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts.

Inventory

Inventory consists of raw material, work-in-progress, and finished goods and is valued at the lower of cost or net realizable value with cost determined using the first-in, first-out cost method. The Company periodically reviews inventory for potential obsolescence based upon an aging analysis of the inventory on hand, specifically known inventory-related risks, and assumptions about future demand and market conditions. Inventory items determined to be impaired based on such review are reduced to their net realizable value.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, generally ranging from three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life of the asset or the lease term. Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Long-lived assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Company compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that an impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset carrying values and the present value of estimated net cash flows or comparable market values, giving consideration to recent operating performance and pricing trends. There were no impairments of long-lived assets for the six months ended June 30, 2022.

Deferred rent

The Company records rent expense under its operating lease on a straight-line basis over the lease term. Deferred rent results from the difference between increasing monthly cash rent payments and the straight-line expense. There was no deferred rent balance as of June 30, 2022, and December 31, 2021.

Revenue recognition

Revenue from the sale of goods is recognized at a point in time when a contract exists with a customer that specifies an agreed upon sales price and when the performance obligation is satisfied by transferring the goods to the customer, which generally occurs upon shipment. Revenue is recognized at the amount that depicts the consideration the Company expects to be entitled to in exchange for those goods. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties. Revenue from the sale of goods amounted to $8,011,328 for the six months ended June 30, 2022.

Contract revenue is recognized in three types of contracts. Contract revenue amounted to $1,834,031 for the six months ended June 30, 2022. The Company provides services under fixed fee, cost plus fee and time and material type contracts:

- On fixed fee contracts, revenues are recognized on the basis of the estimated percentage of completion of services, the percentage being the ratio of direct labor hours worked to total contracted hours.
- On cost plus fee type contracts, revenues are recognized as costs are incurred such as direct labor and other direct costs, indirect costs and the applicable fees earned. Reimbursable costs are included in both revenues and expenses.
- For time and materials type contracts, revenues are recognized by the application of contract labor and material rates as services are performed.

Advertising

Advertising costs, which are included in other expenses, are expensed as incurred. Advertising costs charged to operations for the six months ended June 30, 2022, was $5,009.

Income taxes

The Company is a qualified "S" corporation. Earnings and losses for tax reporting purposes are included in the personal income tax returns of the stockholders. Accordingly, no provision for income taxes has been reflected in these financial statements. State income tax expense for the Company is based upon transactions entering into the pretax operating results, using the statutory tax rates applicable to "S" corporations. The Company expects to pay the necessary distributions to satisfy the stockholder's estimated personal income tax liabilities based upon the Company's taxable income, if any.

When necessary, the Company recognizes interest and penalties associated with tax matters as part of operating expenses and includes accrued interest and penalties with accrued expenses in the balance sheets.

The Company has no unrecognized tax benefits at June 30, 2022 and December 31, 2021. The Company's federal and state income tax returns prior to fiscal year 2018 and 2017, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events

The Company has evaluated subsequent events through October 31, 2022, which is the date the financial statements were available to be issued (see Note 9).

Note 2 - Business and credit concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company maintains its cash with high credit quality financial institutions. At times, such amounts may exceed federally insured limits. At June 30, 2022 and December 31, 2021, the Company had cash in excess of federally insured limits. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties. As of June 30, 2022 and December 31, 2021, there were no losses incurred with respect to excess amounts over the FDIC insured limits.

Note 3 - Inventory

At June 30, 2022 and December 31, 2021, inventory consisted of the following:

	June 30, 2022	December 31, 2021
Raw Material	$ 563,825	$ 187,617
Work in progress	649,868	480,547
Finished goods	194,307	216,430
	$ 1,408,000	$ 884,594

Note 4 - Property and equipment

At June 30, 2022 and December 31, 2021, property and equipment consist of the following:

	June 30, 2022	December 31, 2021
Computer and other equipment	$ 532,130	$ 293,779
Software	5,615	5,615
	537,745	299,394
Less accumulated depreciation and amortization	307,261	285,693
	$ 230,484	$ 13,701

For the six months ended June 30, 2022, depreciation and amortization expense was $21,568.

Note 5 - Commitments and contingencies

Lease commitments

The Company leases its corporate office from a related party under common control under a noncancelable operating lease expiring in February 2024. For the six months ended June 30, 2022 total rental expenses under the operating leases that have initial or remaining lease terms in excess of one year was $55,080.

The following is a schedule by years of future minimum lease payments as of June 30, 2022 required under the operating leases that have initial or remaining noncancelable terms in excess of one year:

2022 (remaining)	$ 38,374
2023	76,748
2024	12,791
	$ 127,913

Note 6 – Related party transaction

The Company leases office space from a separate entity owned by the stockholder of the Company (see Note 5).

Note 7 - Profit-sharing plan

The Company maintains a profit-sharing plan covering substantially all employees. The profit-sharing plan is open to all employees for participation in the first quarter following the date of hire or during the open enrollment periods every quarter thereafter. The Company contributes to the plan based on profits earned. Contributions made by the Company are immediately 100% vested. For the six months ended June 30, 2022, the Company made $122,058 in contributions to the plan.

Note 9 - Subsequent events

On August 15, 2022, Navitas Semiconductor Corporation ("Navitas") acquired the Company, in exchange for consideration consisting of approximately $100,000,000 in cash and 24,883,161 shares of Navitas common stock. The acquisition was consummated pursuant to an Agreement and Plan of Merger (the "Merger Agreement") by and among the Navitas, Gemini Acquisition LLC, a Delaware limited liability company and a wholly owned direct subsidiary of the Company ("Merger Sub"), the Company, and the stockholders of the Company. Pursuant to the Merger Agreement and immediately after its execution and delivery, the Company merged with and into Merger Sub (the "Merger"), with Merger Sub as the surviving entity and continuing to operate the GeneSiC business after the Merger as a wholly owned subsidiary of Navitas. The Merger Agreement also includes possible earn-out payments of up to $25,000,000, conditioned on revenue targets for the GeneSiC business over the four fiscal quarters ending September 30, 2023.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF JUNE 30, 2022
(IN THOUSANDS)

	Navitas Semiconductor Corp	GeneSiC Semiconductor	Transaction Accounting Adjustments	Notes	Pro Forma Combined
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$ 240,504	$ 936	$ (99,292)	(g)	$ 142,148
Accounts receivable, net	9,407	2,784	—		12,191
Inventory	13,995	1,408	539	(i)	15,942
Prepaid expenses and other current assets	2,342	62	—		2,404
Total current assets	266,248	5,190	(98,753)		172,685
PROPERTY AND EQUIPMENT, net	4,266	230	—		4,496
OPERATING LEASE RIGHT OF USE ASSETS	7,039	—	—		7,039
INTANGIBLE ASSETS, net	421	—	110,100	(a)	110,521
GOODWILL	1,177	—	131,061	(b)	132,238
OTHER ASSETS	7,166	7	—		7,173
Total assets	$ 286,317	$ 5,427	$ 142,408		$ 434,152
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Accounts payable and other accrued expenses	$ 6,300	$ 921	$ —		$ 7,221
Accrued compensation expenses	4,910	1	—		4,911
Current operating lease liabilities	1,165	—	—		1,165
Current portion of long-term debt	3,200	—	—		3,200
Other liabilities	4	—	—		4
Total current liabilities	15,579	922	—		16,501
LONG-TERM DEBT	2,122	—	—		2,122
OPERATING LEASE LIABILITIES NONCURRENT	5,824	—	—		5,824
EARNOUT LIABILITY	15,913	—	600	(c)	16,513
Total liabilities	39,438	922	600		40,960
STOCKHOLDERS' EQUITY:					
Navitas: Common stock, $0.0001 par value, 740,000,000 shares authorized as of June 30, 2022, and 125,473,437 and 117,750,608 shares issued and outstanding at June 30, 2022	16	—	2	(h)	18
GeneSiC: Common stock, no par value, 5,000 shares authorized, issued, and outstanding at June 30, 2022	—	50	(50)	(d)	—
Additional paid-in capital	361,963	—	146,311	(h)	508,274
Accumulated other comprehensive loss	(62)	—	—		(62)
Accumulated deficit (retained earnings)	(115,038)	4,455	(4,455)	(d)	(115,038)
Total stockholders' equity	246,879	4,505	141,808		393,192
Total liabilities and stockholders' equity	$ 286,317	$ 5,427	$ 142,408		$ 434,152

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Navitas Semiconductor Corp	GeneSiC Semiconductor	Transaction Adjustments	Notes	Pro Forma Combined
NET REVENUES	$ 15,351	$ 9,845	$ —		$ 25,196
COST OF REVENUES	8,803	2,396	—		11,199
GROSS PROFIT	6,548	7,449	—		13,997
OPERATING EXPENSES:					
Research and development	23,019	509	7,268	(f)	30,796
Selling, general and administrative	38,537	686	(3,796)	(e) (f)	35,427
Total operating expenses	61,556	1,195	3,472		66,223
LOSS FROM OPERATIONS	(55,008)	6,254	(3,472)		(52,226)
OTHER INCOME (EXPENSE), net:					
Interest income (expense), net	28	—	—		28
Gain from change in fair value of warrants	51,763	—	—		51,763
Gain from change in fair value of earnout liabilities	118,260	—	—		118,260
Other expense	(1,141)	(56)	—		(1,197)
Total other income (expense), net	168,910	(56)	—		168,854
INCOME (LOSS) BEFORE INCOME TAXES	113,902	6,198	(3,472)		116,628
PROVISION FOR INCOME TAXES	273	—			273
NET INCOME (LOSS)	$ 113,629	$ 6,198	$ (3,472)		$ 116,355
NET INCOME (LOSS) PER COMMON SHARE:					
Basic net income (loss) per share attributable to common stockholders	$ 0.93				$ 0.79
Diluted net income (loss) per share attributable to common stockholders	$ 0.87				$ 0.75
WEIGHTED AVERAGE COMMON SHARES USED IN NET INCOME (LOSS) PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS:					
Basic common shares	121,827		24,833		146,660
Diluted common shares	130,882		24,833		155,715

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Navitas Semiconductor Corp	GeneSiC Semiconductor	Transaction Adjustments	Notes	Pro Forma Combined
NET REVENUES	$ 23,736	$ 14,409	$ —		$ 38,145
COST OF REVENUES	13,050	4,826	—		17,876
GROSS PROFIT	10,686	9,583	—		20,269
OPERATING EXPENSES:					
Research and development	27,820	—	14,535	(f)	42,355
Selling, general and administrative	51,374	1,774	3,260	(f)	56,408
Total operating expenses	79,194	1,774	17,795		98,763
LOSS FROM OPERATIONS	(68,508)	7,809	(17,795)		(78,494)
OTHER INCOME (EXPENSE), net:					
Interest expense, net of interest income of $22 for Navitas	(257)	—	—		(257)
Loss from change in fair value of warrants	(45,625)	—	—		(45,625)
Loss from change in fair value of earnout liabilities	(38,105)	—	—		(38,105)
Other income (expense)	(143)	(73)	—		(216)
Total other income (expense), net	(84,130)	(73)	—		(84,203)
LOSS BEFORE INCOME TAXES	(152,638)	7,736	(17,795)		(162,697)
PROVISION FOR INCOME TAXES	47	—	—		47
NET INCOME (LOSS)	$ (152,685)	$ 7,736	$ (17,795)		$ (162,744)
NET INCOME (LOSS) PER COMMON SHARE:					
Basic net income (loss) per share attributable to common stockholders	$ (3.90)				$ (2.54)
Diluted net income (loss) per share attributable to common stockholders	$ (3.90)				$ (2.54)
WEIGHTED AVERAGE COMMON SHARES USED IN NET INCOME (LOSS) PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS:					
Basic common shares	39,167		24,833		64,000
Diluted common shares	39,167		24,833		64,000

NAVITAS SEMICONDUCTOR CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Introduction

On August 15, 2022, Navitas Semiconductor Corporation ("Navitas" or the "Company") entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among Navitas, Gemini Acquisition LLC, a Delaware limited liability company and a wholly owned direct subsidiary of Navitas ("Merger Sub"), GeneSiC Semiconductor Inc., a Delaware corporation ("GeneSiC"), and the stockholders of GeneSiC, including Ranbir Singh and The Ranbir Singh Irrevocable Trust dated February 4, 2022 (collectively, "Sellers"). Pursuant to the Merger Agreement and immediately after its execution and delivery, GeneSiC merged with and into Merger Sub (the "Merger"), with Merger Sub as the surviving entity and continuing to operate the GeneSiC business after the Merger as a wholly owned subsidiary of Navitas.

The unaudited pro forma condensed combined financial information presented has been prepared in accordance with Article 11 of Regulation S-X, Pro Forma Financial Information, as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses", and is being provided pursuant to Rule 3-05 of Regulation S-X.

Release No. 33-10786 replaces the existing pro forma adjustment criteria with simplified requirements to depict the accounting for the transaction ("Transaction Accounting Adjustments") and the option to present the reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur ("Management's Adjustments").

The unaudited pro forma condensed combined balance sheet as of June 30, 2022, combines the historical balance sheets of the Company and GeneSiC on a pro forma basis as if the Merger Agreement had been completed on June 30, 2022.

The unaudited pro forma consolidated statements of operations combine the results of the Company and GeneSiC for the six months ended June 30, 2022, as if the Merger Agreement had been completed on January 1, 2021, and for the year ended December 31, 2021, as if the Merger Agreement had been completed had occurred on January 1, 2021, the earliest period presented.

The pro forma adjustments and allocation of purchase price are preliminary, are based on management's current estimates of the fair value of the assets to be acquired and liabilities to be assumed, and are based on all available information, including preliminary work performed by independent valuation specialists.

As of the date of this statement, the Company has not completed the detailed valuation analysis necessary to arrive at final estimates of the fair market value of the assets of GeneSiC acquired and the liabilities assumed and the related allocations of purchase price, nor has it identified all adjustments necessary to conform GeneSiC's accounting policies to the Company's accounting policies.

Actual results will differ from unaudited pro forma condensed combined financial information provided herein once the Company has completed the valuation analysis necessary to finalize the required purchase price allocations and has identified any additional conforming accounting policy changes for GeneSiC. There can be no assurance that such finalization will not result in material changes.

Assumptions and estimates underlying the unaudited pro forma adjustments set forth in the unaudited pro forma condensed combined financial statements are described in the accompanying notes. The unaudited pro forma adjustments represent management's estimates based on information available as of the date of these unaudited pro forma condensed combined financial statements and are subject to change as additional information becomes available and analyses are performed.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the Company's historical consolidated financial statements contained in its annual report on Form 10-K and quarterly reports on Form 10-Q filed with the SEC and the historical financial statements of GeneSiC and accompanying notes filed as exhibits to the Current Report on Form 8-K/A filed by Navitas on October 31, 2022.

The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and are based on available information and assumptions that the Company believes are reasonable. They do not purport to represent what the actual consolidated results of operations or the consolidated financial position of the Company would have been had the Merger Agreement been consummated on the dates indicated, or on any other date, nor are they necessarily indicative of the Company's future consolidated results of operations or consolidated financial position. The Company's actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors, including access to additional information, changes in value not currently identified and changes in operating results of the Company and GeneSiC following the date of the unaudited pro forma condensed combined financial statements.

Note 1. Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial statements are derived from the historical consolidated financial statements of the Company and the historical financial statements of GeneSiC.

The unaudited pro forma condensed combined balance sheet has been prepared to reflect the transaction as if the Merger Agreement had been completed on June 30, 2022. The unaudited pro forma consolidated statements of operations combine the results of the Company and GeneSiC for the six months ended June 30, 2022, as if the Merger Agreement had been completed on January 1, 2021 and for the year ended December 31, 2021, as if the Merger Agreement had been completed on January 1, 2021, the earliest period presented.

The GeneSiC Merger Agreement will be accounted for under the purchase accounting method of accounting in accordance with FASB *ASC 805, Business Combinati*ons, using the fair value concepts defined in ASC 820, Fair Value Measurements and Disclosures. The Company has been treated as the acquirer for financial reporting purposes. Accordingly, the merger consideration allocated to the GeneSiC business's assets and liabilities for preparation of these unaudited pro forma consolidated balance sheet is based upon their estimated preliminary fair values assuming the GeneSiC Merger Agreement was consummated as of June 30, 2022. The amount of the merger consideration that was in excess of the estimated preliminary fair values of the GeneSiC business's net assets and liabilities at June 30, 2022 is recorded as goodwill in the unaudited pro forma condensed combined balance sheet.

As of October 31, 2022, the Company has not performed the detailed valuation studies necessary to arrive at the final estimates of the fair value of GeneSiC's assets acquired, the liabilities assumed and the related allocations of purchase price. As indicated in Note 4 to these unaudited pro forma condensed combined financial statements, the Company has made certain adjustments to the historical book values of the assets and liabilities of the GeneSiC financial statements to reflect preliminary estimates of fair value necessary to prepare the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed financial information includes pro forma adjustments that are (i) directly attributable to the transaction, (ii) factually supportable, and (iii) with respect to the unaudited condensed pro forma statements of operations, expected to have a continuing impact on the results of operations of the combined company.

Actual results may differ from these unaudited pro forma condensed combined financial statements once the Merger Agreement is completed and the Company has determined the final purchase price for GeneSiC and has completed the valuation studies necessary to finalize the required purchase price allocations and identified any additional conforming accounting policy changes for GeneSiC. There can be no assurance that such finalization will not result in material changes. The preliminary unaudited pro forma purchase price allocation has been made solely for preparing these unaudited pro forma condensed combined financial statements.

These unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and do not give effect to any cost savings from operating efficiencies, revenue synergies, differences in stand-alone costs of GeneSiC's business or costs for the integration of the Company and GeneSiC's business operations. These unaudited pro forma condensed combined financial statements do not purport to represent what the actual consolidated results of operations of the Company would have been had the Merger Agreement been completed on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position. Any transaction, separation or integration costs will be expensed in the appropriate accounting periods after completion of the Merger Agreement.

Note 2. Accounting Policies

The pro forma financial data may not reflect all reclassifications necessary to conform GeneSiC's presentation to that of the Company's due to limitations on the availability of information as of the date of this current report. The Company will continue to review GeneSiC's accounting policies. As a result of that review, the Company may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements.

Note 3. Preliminary Merger Consideration and Purchase Price Allocation

Under the purchase accounting method of accounting, the identifiable assets acquired, and liabilities assumed are recorded at the Merger Agreement date fair values. The purchase price allocation is preliminary and based on estimates of the fair value as of August 15, 2022.

The Company has engaged a third-party valuation company to assist us with valuation of the GeneSiC. The detailed valuation necessary to estimate the fair value of the assets acquired and liabilities assumed has not yet been completed, accordingly, the adjustments to record the assets acquired and liabilities assumed at fair value reflect the best estimate of the Company based on the information currently available and are subject to change once additional analyses are completed.

There can be no assurance that such third-party valuation work will not result in material changes from the preliminary accounting treatment included in the accompanying unaudited pro forma consolidated combined financial statements.

The purchase price for the acquisition is approximately $99.3 million in cash (subject to customary purchase price adjustments) and 24,883,161 shares of Navitas common stock at $5.88 per share.

	Amount (in thousands)
Cash transferred	$ 99,292
Equity transferred	146,313
Estimated Fair Value of Earn-out	600
Estimated fair value of consideration transferred	$ 246,205

Additional contingent consideration of up to $25.0 million, in the form of cash Earnout Payments to the Sellers and certain employees of GeneSiC, is payable, conditioned on the achievement of substantial revenue targets for the GeneSiC business over the four fiscal quarters ending September 30, 2023.

The estimated fair value of the Earnout Payments is preliminary and are based upon available information and certain assumptions, known at the time of this report, which management believes are reasonable. This preliminary fair value estimate for the Earnout Payments may change as additional information becomes available and such changes could be material. Upon final determination of the fair value of the Earnout Payments, any differences in the actual Earnout Payments will be recorded in operating income (expense) in the consolidated statements of operations.

The table below represents a preliminary allocation of the estimated total consideration to the GeneSiC business's assets and liabilities in the GeneSiC Merger Agreement based on the Company's preliminary estimate of their respective fair values:

Merger Consideration		**Fair Value (in thousands)**
Cash consideration at closing	$	99,292
Equity consideration at closing		146,313
Contingent earn-out		600
Total	$	246,205
Preliminary estimate of purchase price allocation		
Cash and cash equivalents	$	936
Accounts receivable		2,784
Inventory, net of allowance		1,947
Other current assets		62
Net fixed assets		230
Other assets		7
Intangible assets		110,100
Goodwill		131,061
Total assets acquired	$	247,127
Liabilities assumed:		
Accounts payable & accrued interest		921
Other current liabilities		1
Total liabilities acquired		922
Estimated fair value of net assets acquired	$	246,205

Goodwill represents the excess of the merger price over the amounts assigned to the fair value of the assets acquired and the liabilities assumed, the final amount of Goodwill recorded could differ materially from the amount presented.

Intangible Asset	Fair Value (in thousands)		Amortization Method	Useful Life
Trade Names and Trademarks	$	900	Straight line	2 years
Developed Technology		49,100	Straight line	4 years
Patents		33,900	Straight line	15 years
Customer Relationships		24,300	Straight line	10 years
Non-Competition Agreements		1,900	Straight line	5 years
Goodwill		131,061	Indefinite	N/A
	$	241,161		

Our unaudited pro forma purchase price allocation includes certain identifiable intangible assets with an estimated fair value of approximately $110.1 million. The fair value of the identifiable intangible assets acquired was estimated using a combination of asset-based and income-based valuation methodologies. In particular, we utilized the multi-period excess earnings method to value developed technology, the relief from royalty method to value trade names and trademarks and patents, the distributor method to value customer relationships, and the lost income method to value the non-competition agreement. The various methodology utilizes a discounted cash flow technique where the expected future economic benefits of ownership of an asset are discounted back to present value. This valuation technique requires us to make certain assumptions about, including, but not limited to, future operating performance and cash flow, and other such variables which are discounted to present value using a discount rate that reflects the risk factors associated with future cash flow, the characteristics of the assets acquired, and the experience of the acquired business. Such estimates are subject to change, possibly materially, as additional information becomes available and as additional analyses are performed.

The preliminary unaudited pro forma purchase price allocation has been made solely for the purposes of preparing these unaudited pro forma condensed combined financial statements.

The final total consideration and amounts allocated to GeneSiC's assets and liabilities could differ materially from the preliminary amounts presented in these unaudited pro forma condensed combined financial statements. A decrease in the fair value of the assets or an increase in the fair value of the liabilities from the preliminary valuations presented would result in a dollar-for-dollar corresponding increase in the amount of goodwill that will result from the Merger Agreement. In addition, if the value of the property and equipment and identifiable intangible assets is higher than the amounts included in these unaudited pro forma condensed combined financial statements, it may result in higher depreciation and amortization expense than is presented in the unaudited pro forma condensed combined statements of operations. Any such increases could be material and could result in the Company's actual future financial condition and results of operations differing materially from those presented in the unaudited pro forma condensed combined financial statements.

Note 4. Adjustments to Unaudited Pro Forma Condensed Combined Financial Statements

The unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the acquisition and has been prepared for informational purposes only. They do not purport to indicate the results of future operations or the financial position of either company.

The unaudited pro forma condensed combined financial information to give pro forma effect to events that are directly attributable to the acquisition, factually supportable, and with respect to the statements of operations, expected to have a continuing impact on the results of the Company.

The following items are presented as reclassifications in the unaudited pro forma condensed combined financial statements for purposes of conforming GeneSiC's classification of certain assets, liabilities, income, and expenses to the Company's presentation for the combined presentation:

(a) Reflects the adjustment of historical intangible assets acquired by the Company to their estimated fair values. Since all information required to perform a detailed valuation analysis of GeneSiC's intangible assets could not be obtained as of the date of this filing, for purposes of these unaudited pro forma condensed combined financial statements, the Company used certain assumptions based on The Company's best estimate as of the time of the pro forma was filed.

(b) Adjustment reflects the preliminary estimated goodwill. Goodwill represents the excess of the consideration transferred over the preliminary fair value of the assets acquired and liabilities assumed. The goodwill will not be amortized, but instead will be tested for impairment at least annually and whenever events or circumstances have occurred that may indicate a possible impairment exists. In the event management determines that the value of goodwill has been impaired, the Company will incur an impairment charge during the period in which the determination is made.

(c) The adjustment to contingent consideration reflects the preliminary estimated fair value of the Earnout Payments of $600,000. The contingent consideration is included in the preliminary estimated fair value of the consideration transferred in the Merger Agreement.

(d) Adjustment reflects the elimination of GeneSiC's historical stockholder's equity.

(e) Represents pro forma adjustment to eliminate transaction expenses related to the Merger Agreement incurred by Navitas Semiconductor, which will not be recurring after the completion of the Business Combination.

(f) Includes the cumulative impact of preliminary amortization expense for identifiable intangible assets acquired.

(g) Amount represents $99.3 million of cash consideration provided for the transaction.

(h) Amount represents the stock consideration provided for the transaction.

(i) Adjustment represents the step up of inventory per valuation.